

### **Purchase of Capital ICT items from ICT Grant Monies Received** (Document last updated June 2023)

#### **1. Introduction**

The ICT grant expenditure should be aligned to the identified aims and objectives of the school's Digital Learning Plan and School Self-Evaluation processes.

The ICT grant can be invested in a range of technology which from an accounting perspective will need to be classified as either capital or non-capital items. See below for examples of capital items and non-capital items.

#### Non-Capital Items

- Cloud based tools and software applications to support learning.
- Learning platforms – these are generally cloud based applications used to support the teaching and learning process.

Some of the most popular learning platforms and tools being used by schools are Google G Suite for Education (including Google Classroom), Microsoft Office 365/Teams, Apple, Schoology, Edmodo, Schoolwise, KhanAcademy, Zoom, ClassDojo and Seesaw.

See *Accounting Treatment No.10 for Purchase of Non-Capital ICT items from ICT Grant Monies Received*.

#### Capital Items

- Desktop PCs, laptops, tablets or hybrid devices
- Projectors, whiteboards, interactive screens
- Enhanced broadband and internet connectivity

#### **2. Accounting Treatment for Capital ICT**

The nominal codes to be used to account for the grant received, the expenditure of the grant and any unspent balance are set out below.

## 2.1 When the grant income is received

Action	DR/CR	Nominal Code	Description
Grant Monies Received	DR	1800	Current Account 1 Current Asset
	CR	2165	ICT Grant Unspent Current Liability

## 2.2 When the item is purchased

Action	DR/CR	Nominal Code	Description
Item Purchased	DR	1461	Capital: ICT Additions Fixed Asset
	CR	1800	Current Account 1 Current Asset
Action	DR/CR	Nominal Code	Description
Transfer of Grant spent to Capital Reserves	DR	2165	ICT Grant Unspent Current Liability
	CR	3921	DE ICT Grant Capital Income Capital & Reserves

## 2.3 Amortisation of the ICT Grant

Amortisation is an accounting technique used to periodically lower the book value of a grant over a set period of time.

The ICT grant recognised as a capital grant above shall be recognised in the Income and Expenditure Report on a systematic basis. It is recommended that the grant spent should be amortised over 3 years.

The amortisation of the grants would be done at the year-end by the schools external accountant/auditor.

Action	DR/CR	Nominal Code	Description
Amortisation of ICT Grant	DR	3926	Accumulated Amortisation of ICT Grant Capital Income  Capital & Reserves
	CR	3226	Amortisation of DE ICT Grants  Income

**Note 1:** Amorisation Policy - Grant amortised over 3 years

## 2.4 Depreciation of ICT Capital Expenditure

Depreciation is an accounting technique used to periodically lower the book value of a capital expense over a set period of time.

The capital expenditure of the ICT grant shall be recognised in the Income and Expenditure Report on a systematic basis. It is recommended that the grant spent should be depreciated over 3 years.

The depreciation of the ICT capital expenditure would be done at the year-end by the schools external accountant/auditor.

Action	DR/CR	Nominal Code	Description
Depreciation of ICT	DR	8060	Annual Depreciation: ICT  Expenditure
	CR	1471	Depreciation: ICT Current Year  Fixed Asset

**Note 2:** ICT Depreciation Policy - Items depreciated over 3 years

## 2.5 Account for the unspent grant balance

The ICT grant is a ring-fenced grant and the balance unspent at the year-end must be reconciled and accounted for in nominal code 2165 ICT Grant Unspent.