

Capital Building Grants for Building Project

(Document last updated August 2025)

1. Introduction

Funds received/used regardless of source, for land and buildings are not reflected as fixed assets in the balance sheet of a school as set out in Section 15(3) Education Act – “For the avoidance of doubt, nothing in this Act shall confer or be deemed to confer on the board any right over or interest in the land and buildings of the school for which that board is responsible.”

Capital funding can be applied for under the following categories:

- Major Projects – large scale projects being delivered under the school building programme
- Emergency Works – urgent works to schools that need resources as a result of an emergency situation or for alterations for inclusion of special needs pupil
- Summer Works – small-scale building works, improvements to school buildings i.e. windows replacement, roof repairs etc.
- Remediation Programmes – asbestos remediation programme and the mould management remediation programme

Note: In the case of fee charging schools, it is advised to obtain advice from your trustees and auditor before removing land and buildings from the balance sheet. The accounting treatment advised by the boards and trustees’ auditor(s) will prevail.

Capital projects may last for a few months, for example, works carried out under the summer works scheme or for a number of years, for example a new school building.

2. Accounting Treatments

2.1 When the grant income is received

Action	DR/CR	Nominal Code	Description
Capital Building grant received from DE	DR	1800	Current Bank Account Current Asset
	CR	2173	Other Capital Ringfenced Grants/Income Unspent Current Liability

2.2 When Grant used to carry out Capital Buildings Works

Action	DR/CR	Nominal Code	Description
Capital Building DE grant spent	DR	3940	DE Capital Building GrantExpense Capital & Reserves
	CR	1800	Current Bank Account Current Asset
Action	DR/CR	Nominal Code	Description
Transfer of Grant income spent to Capital Reserves	DR	2173	Other Capital Ringfenced Grants/Income Unspent Current Liability
	CR	3900	DE Capital Building Grant Income Capital & Reserves

2.3 Transfer to Land/Building Fund Account

The year after the capital building project is complete the income and expenditure should be transferred to the land/building fund account.

Action	DR/CR	Nominal Code	Description
Transfer the contributions to the cost of the capital project to Land/Building Fund	DR	3900	DE Capital Building Grant Income Capital & Reserves
	CR	3995	Land/Building Fund Account Capital & Reserves

Action	DR/CR	Nominal Code	Description
Transfer the cost of the capital building project to the Land/Building Fund	DR	3995	Land/Building Fund Account Capital & Reserves
	CR	3940	DE Capital Building Grant Expense Capital & Reserves

Negative Building fund: Where a school has expended more funds on land and building than those received this will result in a negative or debit balance on the building fund. This is in line with the FSSU recommended accounting treatment.

2.4 Account for the unspent capital building grant balance

Capital building grants are ring-fenced grants and the balance unspent at the year-end must be reconciled and accounted for in nominal code 2173 Other Capital Ringfenced Grants/Income Unspent.