

# Parents Association Fundraising for a Land/Building Project

(Document last updated August 2025)

## 1. Introduction

Schools may be in receipt of monies from parents' association fundraising for a land/building project. This money should be transferred to the school bank account as soon as is practicable.

## 2. Accounting Treatment

Funds received/used for such projects 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."

**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.

The nominal codes to be used to account for the income received, the expenditure and transfer of the income and expenditure to the building fund are set out below.

### 2.1. Income received

Action	DR/CR	Nominal Code	Description
Income from Parents Association for capital projects	DR	1800	Current Account 1 Current Asset
	CR	2173	Other Capital Ringfenced Grants/Income Unspent Current Liability

## 2.2. Expenditure

Action	DR/CR	Nominal Code	Description
Spend of Parents Association contributions to capital land/building expense	DR	3970	Parents Contribution to Capital Land/Building Expense <a href="#">Capital &amp; Reserves</a>
	CR	1800	Current Account 1 <a href="#">Current Asset</a>
Action	DR/CR	Nominal Code	Description
Transfer of Parents Association Contributions spent to Capital Reserves	DR	2173	Other Capital Ringfenced Grants/Income Unspent <a href="#">Current Liability</a>
	CR	3902	Parents Contribution to Capital Projects Income <a href="#">Capital &amp; Reserves</a>

## 2.3. Balances transfer to the Land/Building Fund Account

The year after the capital land/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	3902	Parents Contribution to Capital Projects Income <a href="#">Capital &amp; Reserves</a>
	CR	3995	Land/Building Fund Account <a href="#">Capital &amp; Reserves</a>

Action	DR/CR	Nominal Code	Description
Transfer the cost of the capital land/building project to the Land/Building Fund	DR	3995	Land/Building Fund Account Capital & Reserves
	CR	3970	Parents Contribution to Capital Land/Building 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 parents' contribution to capital projects income

Parents' association contributions for capital projects are ring-fenced income and the balance unspent at the year-end must be reconciled and accounted for in nominal code 2173 Other Capital Ringfenced Grants/Income Unspent.