Excess Funds being used for Capital Projects

(Document last updated August 2025)

1. Introduction

The board of management may decide that excess funds within their reserves can be allocated for a specific purpose, e.g. capital work.
As with any capital building project, patron or trustee approval would be required prior to commencement of works.

2. Accounting Treatment

The expenditure can be recorded in the normal way and there is no requirement to adjust reserves balances.

2.1 Example – Using excess funds for a building project.

Action	DR/CR	Nominal Code	Description
Excess funds being used for Capital Projects	DR	3960	Capital Land/Building Fundraising Expense Capital & Reserves
	CR	1800	Current Account 1 Current Asset

2.2 Transfer to Land/Building Fund Account

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

Action	DR/CR	Nominal Code	Description
Transfer the cost of the capital building project to the Land/Building Fund Account	DR	3995	Land/Building Fund Account Capital & Reserves
	CR	3960	Capital Land/Building Fundraising Expense Capital & Reserves