Grants to Purchase Capital Items E.G. Loose Furniture & Equipment

(Updated August 2025)

1. Introduction

The Department of Education provides funding for furniture, fittings and equipment for schools in various ways, as part of bigger building/additional accommodation projects or in existing schools where no building project is required.

2. Accounting treatment

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
Furniture/ Equipment Grant Monies Received	DR	1800	Current Account 1 Current Asset
	CR	2173	Other Capital Ringfenced Grants/Income Unspent Current Liability

2.2 When furniture/equipment grant is used to purchase capital items:

Action	DR/CR	Nominal Code	Description
Recording Capital Furniture/ Equipment Expenditure	DR	1421	Capital: Fixtures, Fittings and Equipment Additions Fixed Asset
	CR	1800	Current Account 1 Current Asset

Action	DR/CR	Nominal Code	Description
Transfer Furniture/ Equipment Grant to Capital & Reserves	DR	2173	Other Capital Ringfenced Grants/Income Unspent Current Liability
	CR	3920	DE Fixtures, Fittings & Equipment Grant Income Capital & Reserves

2.3 Amortisation of grants

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

The furniture/equipment grant classified as a capital grant above, should be recognised in the Income and Expenditure Report on a systematic basis. It is recommended that the grant spent should be amortised over 5 years.

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

Action	DR/CR	Nominal Code	Description
Amortisation of Covid Minor Works Grant	DR	3925	Accumulated Amortisation of Capital Equipment Income Capital & Reserves
	CR	3225	Amortisation of DE Equipment Grants Income

Note 1: Amorisation Policy - Grant amortised over 5 years

2.4 Depreciation of furniture/equipment 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 furniture/equipment 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 5 years.

The depreciation of the furniture/equipment grant expenditure would be done at the year-end by the school's external accountant/auditor.

Action	DR/CR	Nominal Code	Description
Depreciation of Fixtures, Fittings and Equipment Current Year	DR	8020	Annual Depreciation: Fixtures, Fittings and Equipment Expenditure
	CR	1431	Depreciation: Fixtures, Fittings and Equipment Current Year Fixed Asset

Note 2: Furniture/Equipment Depreciation Policy - Items depreciated over 5 years

2.5 Account for the unspent grant balance

Furniture/equipment 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.