

CAPITAL DEFINITION

DEFINITION;

- The acquisition of productive assets that will have a life longer than the financial year they were purchased in.
- Includes buildings, water and sewerage installations, lifts, heating, ventilating and similar equipment forming an integral part of buildings and structures, land development and construction site development. Machinery, vehicles, electrical apparatus, office equipment, computers, furniture, fixtures and fittings not forming an integral part of buildings, durable containers, special tooling, etc.

de minimis level

DEFINITION;

- de-minimis level is a figure set by the individual LEA which distinguishes a revenue expenditure item from a *capital* expenditure item. e.g. Say the de minimis level set is £500. Generally, if the cost is <£500, then this would be classified as a revenue expenditure item. If >£500, this would be captured as a *capital* expenditure item.

Examples

- If a school purchases some ICT equipment, regardless of whether it is above or below its de minimis level from its **capital budget** then it should record this as **capital expenditure** in CE04 & not E20.
- If the school purchases the same ICT equipment that is **below de minimis level** from its **revenue budget** then it should record this in its **revenue expenditure** codes, E20 – ICT learning resources.
- If the same ICT equipment is purchased and is **above the schools de minimis level** from its **revenue budget** then it should **capitalise this expenditure** by coding it to E30 – Direct revenue financing. E-30 will capitalise the revenue

contribution shown in C104. The ICT expenditure will then be recorded in **the capital expenditure** code CE04.

NB: The same rules above would apply to the purchase of office furniture or any other capital item that a school may purchase.