

Diocese of Hallam

**Ledger for accounting for DFC and LCVAP grant income and expenditure -
Instructions (v3)**

Worked example

NB: All entries can include some suitable helpful comments in column M (you may need to scroll sideways to view this column).

First entry

The first entry is the balance of the DFC carry forward into the new year = £12,500. This value is 100% DFC and therefore the same value is entered into the DFC column J.

NB: For simplicity, the carry forward is shown as 100% DFC. Sometimes, there may be some unspent LCVAP grant in the AIB account contributing to the total balance in the AIB account. This might occur when a LCVAP grant payment is received towards the end of one financial year, and the corresponding payment to a contractor is made in the following financial year. If this is the case, you will need to show the separate values of DFC and LCVAP carried into the new financial year in columns J and K.

Second entry

1st May - receipt of the first tranche of DFC grant for the year. The value is entered in the credit column I and apportioned 100% into the DFC column J.

Also enter the same value in cell F38 at the foot of the spreadsheet.

Third entry

5th May – payment to an ICT supplier. Enter the full value of the invoice (including VAT) in the debit column F. The spreadsheet calculates the 90%/10% split. The 90% value of the invoice is shown in column G. This value represents the payment made from the AIB account.

The payment needs to be apportioned according to which type of grant is used to meet the cost of this invoice. In this case it is all DFC and the value of the 90% is automatically entered in column J.

The spreadsheet has a default of zero in column K, which is applicable where there is no LCVAP grant component involved in the funding of the invoice payment..

Fourth entry

10th May – a receipt of LCVAP grant from DCSF with a reference, which is recorded in column C. The value is entered in column I. You should receive a ‘Notification of Payment’ in the post (snail mail) from the DCSF 5-6 days prior to the grant being paid into the AIB account. This Notification has the DCSF reference number and states both the value of this grant payment but also the value of grant still to be paid.

The receipt is LCVAP grant to meet some of the building works costs of a re-roofing project. (Look at the Appendix 1 for a breakdown of the costs and funding for this project). The value of this receipt should be apportioned fully to LCVAP in column K. (If you fail to enter the value in the LCVAP column K, the value is automatically apportioned to DFC).

Fifth entry

20th May – payment to Any Architect Assoc. This will be a stage payment of professional fees. The full value of the invoice including VAT is entered in the debit column F.

The spreadsheet calculates the 90%/10% split. The 90% value of the invoice is shown in column G. This 90% value represents the payment made from the AIB account.

The payment needs to be apportioned according to which type of grant is used to meet the cost of the invoice. If LCVAP grant is involved in funding this payment you should receive a copy of each DCSF claim form from your architect for each claim. This shows the value of the LCVAP grant being claimed and whether it is for 'building works' or 'professional fees'. This should give you the information you need.

In this case the 90% payment all funded by LCVAP grant so the value of the payment should be apportioned fully to LCVAP in column K as a negative value. (If you fail to enter the value in the LCVAP column K, the value is automatically apportioned to DFC).

Sixth entry

30th June - a receipt of LCVAP grant from DCSF with a reference, which is recorded in column C. The value is entered in column I.

The receipt is LCVAP grant to meet some of the building works costs of a re-roofing project. (Look at the Appendix 1 for a breakdown of the costs and funding for this project). The value of this receipt should be apportioned fully to LCVAP in column K.

Seventh entry

2nd July - receipt of the second tranche of DFC grant for the year. The value is entered in the credit column I and apportioned 100% into the DFC column J.

Also enter the same value in cell F39 at the foot of the spreadsheet.

Eighth entry

15th July – payment to Good Roofing Ltd. This will be the first stage payment for the re-roofing works. The full value of the invoice including VAT is entered in the debit column F.

The spreadsheet calculates the 90%/10% split. The 90% value of the invoice is shown in column G. This 90% value represents the payment made from the AIB account.

The payment needs to be apportioned according to which type of grant is used to meet the 90% cost of the invoice. If LCVAP grant is involved in funding this payment you should receive a copy of each DCSF claim form from your architect for each claim. This shows the value of the LCVAP grant being claimed and whether it is for 'building works' or 'professional fees'. This should give you the information you need.

In this case the 90% payment is entirely funded by LCVAP grant, so the value of the payment should be apportioned fully to LCVAP in column K as a negative value. (If you fail to enter the value in the LCVAP column K, the value is automatically apportioned to DFC).

Ninth entry

30th July – receipt of LCVAP grant from DCSF with a reference, which is recorded in column C. The value is entered in column I.

The receipt is LCVAP grant to meet some of the building works and fee costs of a re-roofing project. (Look at the Appendix 1 for a breakdown of the costs and funding for this project). The value of this receipt should be apportioned fully to LCVAP in column K.

Tenth entry

15th August – payment to Good Roofing Ltd. This will be the second stage payment for the re-roofing works. The full value of the invoice including VAT is entered in the debit column F.

The spreadsheet calculates the 90%/10% split. The 90% value of the invoice is shown in column G. This 90% value represents the payment made from the AIB account.

The payment needs to be apportioned according to which type of grant is used to meet the 90% cost of the invoice. If LCVAP grant is involved in funding this payment you should receive a copy of each DCSF claim form from your architect for each claim. This shows the value of the LCVAP grant being claimed and whether it is for ‘building works’ or ‘professional fees’ or both. This should give you the information you need to work out what value of the 90% value of this invoice is funded by LCVAP and what proportion is funded by DFC.

In this case the 90% payment funded by a **mixture of LCVAP grant and DFC**. From the claim form (and/or the DCSF Notification of Payment), you will need to calculate the value of the LCVAP grant paid on 30th July (9th entry) that is attributable to the ‘building works inc VAT’ component of the grant payment (as the payment is for building works (and the accompanying VAT)). In this case the value is £1,717.50. This figure is entered into column K as a negative value. The spreadsheet automatically recalculates the value of the DFC grant used to part-fund this payment.

Eleventh entry

16th August - payment to Any Architect Assoc. This will be the second stage payment for professional fees relating to the re-roofing works. The full value of the invoice including VAT is entered in the debit column F.

The spreadsheet calculates the 90%/10% split. The 90% value of the invoice is shown in column G. This 90% value represents the payment made from the AIB account.

The payment needs to be apportioned according to which type of grant is used to meet the 90% cost of the invoice. If LCVAP grant is involved in funding this payment you should receive a copy of each DCSF claim form from your architect for each claim. This shows the value of the LCVAP grant being claimed and whether it is for ‘building works’ or ‘professional fees’ or both. This should give you the information you need to work out what value of the 90% value of this invoice is funded by LCVAP and what value is therefore funded by DFC.

In this case the 90% payment funded by a **mixture of LCVAP grant and DFC**. From the claim form (and/or the DCSF Notification of Payment), you will need to calculate the value of the LCVAP grant paid on 30th July (9th entry) that is attributable to the ‘professional fees inc VAT’ component of the grant payment (as the payment is for professional fees (and the accompanying VAT)). In this case the value is £487.50. This

figure is entered into column K as a negative value. The spreadsheet automatically recalculates the value of the DFC grant used to part-fund this payment.

Twelfth entry

30th September - payment to Good Roofing Ltd. This will be the third and final stage payment for the re-roofing works. The full value of the invoice including VAT is entered in the debit column F.

The spreadsheet calculates the 90%/10% split. The 90% value of the invoice is shown in column G. This 90% value represents the payment made from the AIB account.

The payment needs to be apportioned according to which type of grant is used to meet the 90% cost of the invoice. If LCVAP grant is involved in funding this payment you should receive a copy of each DCSF claim form from your architect for each claim.

In this case the payment is funded only by DFC, so there is no claim form to the DCSF and no notification of payment. With the default 'zero' value already in the LCVAP column K, the spreadsheet automatically enters the value of the DFC grant to fund this payment in column J.

Thirteenth entry

1st October - payment to Any Architect Assoc. This will be the third stage payment for the professional fees relating to the re-roofing works. The full value of the invoice including VAT is entered in the debit column F.

The spreadsheet calculates the 90%/10% split. The 90% value of the invoice is shown in column G. This 90% value represents the payment made from the AIB account.

The payment needs to be apportioned according to which type of grant is used to meet the 90% cost of the invoice. If LCVAP grant is involved in funding this payment you should receive a copy of each DCSF claim form from your architect for each claim.

In this case the payment is funded only by DFC, so there is no claim form to the DCSF and no notification of payment. With the default 'zero' value already in the LCVAP column K, the spreadsheet automatically enters the value of the DFC grant to fund this payment in column J.

Completion of the DCSF Annual Assurance form

By using this spreadsheet, the completion of the DCSF Annual Assurance form should be straight forward.

By starting the year by entering the value of DFC carried forward as the first entry on the ledger, and by entering the values of the two tranches of DFC grant paid in the year in cells F38 and F39, the value of the DFC spent in the financial year is automatically generated. It also shows the value of the DFC to be carried forward into the next financial year.

In this worked example:

Opening DFC balance	£12,500.00	
1st DFC payment	£13,941.86	<i>Input manually</i>
2nd DFC payment	£20,912.79	<i>Input manually</i>
Total DFC available in year	£47,354.65	
Closing balance	£8,249.65	<i>Carry forward to next year</i>
DFC expenditure in year	£39,105.00	

NB: All the sums in this part of the form show the 90% values of the DFC payments, the DFC expenditure and carry forward.

The Annual Assurance form also asks for the breakdown of the DFC expenditure into categories. The spreadsheet should assist with this task, although there will be some manual calculation required.

TRG

14 January 2009

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Worked example

Appendix 1

This relates to the example of a capital project with mixed funding i.e. both DFC and LCVAP.

Re-roofing project

	Cost totals	LCVAP	DFC
	Funding split		
Building costs	£30,434.00	6,159.26	24,274.74
VAT on building costs	£4,566.00	924.07	3,641.93
Professional fees	£6,087.00	1,231.89	4,855.11
VAT on prof fees	£913.00	184.77	728.23
	£ 42,000	£ 8,500	£ 33,500

NB: All costs and funding values shown at 100%. Actual receipts from the DCSF of LCVAP grant and payments out of the AIB account will be at 90% values.

Invoices for this project:

For the purposes of supporting this example, the following invoices would be received:

Any Architect Assocs:

Date of inv.	Invoice no.	Cost (net)	VAT @15%	Cost inc VAT
20/5/08	AAA1001	£760.87	£114.13	£875.00
16/8/08	AAA1002	£4,565.22	£684.78	£5,250.00
1/10/08	AAA1003	£760.87	£114.13	£875.00
		£6,086.96	£913.04	£7,000.00

Good Roofing Limited:

Date of inv.	Invoice no.	Cost (net)	VAT @15%	Cost inc VAT
15/7/08	GFL2001	£4,500.00	£675.00	£5,175.00
15/8/08	GFL2002	£20,434.78	£3,065.22	£23,500.00
30/9/08	GFL2003	5,499.22	825.78	6,325.00
		£30,434.00	£4,566.00	£35,000.00