



Public Works and
Government Services
Canada

Travaux publics et
Services gouvernementaux
Canada

Canada



Receiver General for Canada

Government-wide Chart of Accounts – 2016–2017

Chapter 2 – Introduction and description of the coding classification structure

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2. Introduction and description of the coding classification structure for 2016–2017

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2.1 Introduction

2.1.1 Purpose

The objective of the government-wide Chart of Accounts (COA) is to establish the accounts and codes that are required to report the financial transactions of the Government of Canada. The various classifications provide the framework for identifying, aggregating, and reporting the financial transactions prescribed by the central agencies. The government-wide COA describes the standard classifications, as well as the accounts and codes, used for accounting and reporting.

2.1.2 Application

The government-wide COA is to be used by all departments and agencies of the federal government included in the Government of Canada Reporting Entity. The departments and agencies to which the COA apply are those organizations listed in Schedules I, I.1 and II of the *Financial Administration Act*. In addition, the COA is also to be used by the Crown corporations that are required to use the Consolidated Revenue Fund.

2.1.3 Responsibilities

The Treasury Board Secretariat's responsibility includes the policy on the classification of financial transactions and extends to cover the structure for the accounts and codes established in the government-wide COA.

The **Receiver General—Central Accounting and Reporting Sector** is responsible for maintaining the accounts of Canada under Section 63 of the *Financial Administration Act* which includes the day to day management of the government-wide COA which specifically involves the creation, deletion or modification of accounts or codes, and the publishing of updates on the Receiver General government-wide COA website. In addition, the Receiver General provides functional direction, supporting operational instructions and other guidance to departments and agencies pertaining to the government-wide COA and government-wide coding. The Receiver General also performs a monitoring role for the overall quality of the information contained in the departmental monthly trial balances submitted to the Central Financial Management Reporting System (CFMRS) for inclusion in the accounts of Canada.

Departments are responsible for ensuring that their departmental coding is linked to the appropriate accounts and codes contained in the government-wide COA and that their financial transactions are complete and accurate. At the end of each month, departments summarize their financial transactions (based on the government-wide coding) and send their trial balances to the CFMRS for inclusion in the accounts of Canada.

2.1.4 Requirements for classification and coding

The Treasury Board policy on the classification requires transactions to be identified according to responsibility, financial reporting, authority, program, object and transaction type (internal/external). The coding used, in the Government of Canada, is designed to provide a uniform structure that meets the following requirements:

- to provide the government-wide information required for the maintenance of the accounts of Canada, which is used to prepare the government's Monthly Statements of Financial Operations and the *Public Accounts of Canada*; and
- to meet central agencies' and other requirements for uniform classification of data on a government-wide basis.

2.1.5 Users of government-wide financial information

The Receiver General maintains the accounts of Canada, which provide a central repository of government-wide financial information. This information provides a standard classification for financial transactions and promotes consistency in the information available to the Department of Finance, the Treasury Board Secretariat, the Privy Council Office, the Receiver General for Canada, and Statistics Canada.

2.1.6 Distribution and amendments to the government-wide Chart of Accounts

The government-wide COA for the next fiscal year will be available to departments before the end of December and amendments will occur during a fiscal year on an as-required basis to meet policy changes, new requirements and changing circumstances. The Receiver General will ensure that the required changes are established and published to the Receiver General website [government-wide Chart of Accounts](#).

2.2 Description of the coding classification structure

2.2.1 Government-wide coding block and classifications

Departments must develop a process to map their detailed departmental coding to the government-wide coding for monthly transmission of their summary certified trial balances to the CFMRS.

Government-wide coding block

Department / Agency	Financial Reporting Account (FRA)	Authority	Program	Object	Transaction Type
3 characters	5 characters	4 characters	5 characters	4 characters	1 character
XXX	XXXXX	XXXX	XXXXX	XXXX	X

2.2.2 Department/Agency

This responsibility classification identifies a department/agency that is authorized to use the Consolidated Revenue Fund and to interface with the central systems operated by Public Works and Government Services Canada (PWGSC). These organizations are accountable for the legitimacy, accuracy and completeness of the transactions being processed through the central systems.

Additional information, including the list of department numbers, is available in [Chapter 3](#).

2.2.3 Financial reporting account

This financial reporting classification identifies the general ledger account for asset, liability, equity/deficit, revenue and expense for the Government of Canada. This classification is needed to maintain the accounts of Canada (i.e., the government-wide general ledger) and is used to prepare the government's financial statements.

This field is also used to identify the treasury control accounts. To identify these accounts, the number 6 appears as the first character for control accounts and the second of the 5 characters identifies the control account type as it relates to the Receiver General treasury systems. The last 3 characters of the account identify the originating department.

Additional information, including the list of financial reporting accounts, is available in [Chapter 4](#).

2.2.4 Authority code

This authority classification ensures that the financial transactions of the Government of Canada are accounted for by authorities (i.e., appropriations and/or votes) that are established for each department and agency by the Parliament of Canada. This authority classification is structured to address the multiple authority requirements.

Additional information, including the list of authority codes, is available in [Chapter 5](#).

2.2.5 Program code

This program classification is used to account for the use of resources to promote overall government program objectives. It is results-oriented and deals with the policy sectors and programs of the Government of Canada. This field must be completed with a valid code for revenues and expenses (Financial Reporting Account (FRA) 4XXXX and FRA 5XXXX) and all transactions coded with authorities AXXX and BXXX; the field may be 'zero' filled for any other type of transaction.

Additional information, including the list of program codes, is available in [Chapter 6](#).

2.2.6 Object code

This object classification identifies the types of resources acquired or disbursed through transactions with a third party or other government departments (OGD). Examples are: the types of goods and services acquired, the transfer payments made, the source of revenue, and the increases or decreases in assets and liabilities accounts.

In the case of interdepartmental transactions, the object with the interdepartmental settlement (IS) control account is used to identify the partnering of OGD. The first character is a "9" followed by the 3 character code of the partnering department/agency.

Additional information, including the list of object codes, is available in [Chapter 7](#).

2.2.7 Transaction type code (internal (I) or external (E))

The transaction type I or E is used to identify transactions which are either internal to the government or transactions that are external (i.e., related to parties outside the Government of Canada Accounting Entity). When entries are processed by departments, there is a requirement to use the I/E code (E for transactions related to parties external to the Government and I for transactions related to parties internal to the Government). All transactions (except for IS) that are to be processed through the Standard Payment System (SPS), the Payroll Systems (PS) and the Government Banking System (GBS) are identified with E. Transactions that are to be processed as interdepartmental settlements through the SPS are to be coded with the I indicator.

When a journal entry is processed by departments for correction of coding, reallocation of costs, etc., there is a requirement to use the I/E code used on the original accounting entry. This process is to ensure that there is no negative impact on the treatment of internal transactions for the consolidated financial statements for the government. Should there be circumstances where a department is unable to identify the indicator used with the original transaction, the E indicator should be used.

The *Public Accounts of Canada* indicates that organizations within the government's accounting entity transact with each other and thus contribute to gross amounts of revenues and expenditures. When the Receiver General is preparing the consolidated financial statements of the Government of Canada, any "internal transactions" need to be eliminated so as to report on the basis of transactions with outside parties only. In order to remove any overstating or understating effects of interdepartmental transactions, transactions identified with an I indicator are analyzed, in conjunction with the other government-wide coding, to determine if they are required to be eliminated.

2.3 Inquiries

General inquiries concerning the government-wide Chart of Accounts are to be directed to:

Central and Public Accounts Reporting Directorate
Central Accounting and Reporting Sector
Accounting, Banking and Compensation Branch
Public Works and Government Services Canada
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