

## **FMM 03.6 Chart of Accounts**

### **6.1 Authority and Prescribed Requirements**

- Public Finances (Management) Act (PFMA) 1995

### **6.2 Standards and Supporting Documentation**

- IFMS User Manual – “IFMS Concepts”

### **6.3 Minimum Responsibilities**

Department of Finance (DoF) maintains and updates the standard Chart of Accounts and monitors the use of CoA classifications and consolidation of public accounts.

Agencies are required to use the standard Chart of Accounts for all financial transactions including aligning non IFMS system to the standard CoA and ensure proper classification of revenue, expenditure, assets, and liabilities.

### **6.4 Mandated Policy**

- 1. All government transactions must be recorded in IFMS using the prescribed Chart of Accounts (CoA).**
- 2. The Finance department head is the person authorised to maintain the CoA including amend, create and archive accounts.**
- 3. Revenue, expenditure, assets, liabilities, and fund balances must be classified correctly according to CoA.**
- 4. The prescribed CoA must map with the presentation of the budget to enable presentation of a comparison of budget and actual amounts.**
- 5. No modifications to the CoA structure may be made without approval from the Finance departmental head.**
- 6. Where a finance system is approved for use other than the IFMS, the CoA used for this approved finance system needs to be capable of mapping into the Government of PNG CoA for consolidation purposes.**

## 6.5 Non-Mandatory Guidance

A copy of the Government of PNG CoA can be obtained from the Financial Reporting and Compliance Division of the Department of Finance or directly from the IFMS.

There are three main CoA variants in use:

- **National Departments**
- **Statutory Authorities**
- **Sub-National Governments (Provincial, District, and LLG)**

While all three variants share core components (such as Fund Source and Economic Item), there are slight differences in structure and naming conventions.

Entity Type	Appropriation Component	Structure
National Departments	Sub-Appropriation Level	xxxxx-xxx-xx-xxxxxx
Statutory Authorities	Agency + Appropriation Level	xxx-xxxxx-xx-xxxxxx
Sub-National Governments	District/LLG-based Appropriations	xxx-xxxxx-xx-xxxxxx

In all cases, the Full String Account is composed of four main components:

1. Appropriation Level (and Sub-Appropriation, where applicable)
2. Fund Source
3. Economic Item
4. *(Optional: Agency or Location identifiers as Selection Codes)*

Each full account string is a 16-character numeric code.

The components of the CoA and the coding structure:

CoA Component	Departments	
Appropriation Level	xxxxx-@@@-@@- @@@@@@	Links the transaction to a specific budget vote. Codes are issued by the IFMS team via 1APPROLVL.
Sub-Appropriation Level	xxxxx-xxx-@@-@@@@@	Required for all budget votes. Enables more

CoA Component	Departments	
		granular control over budget execution.
Fund Source	XXXXX-XXX-XX-@@@@@	Identifies the source of funds: e.g. 00 for GoPNG Recurrent, 02 for Provincial Internal Recurrent. Full list under 3FUNDSCR in IFMS.
DoW Location	XXXXX-@X@-@@-@@@@@	
Economic Type	@@@@@-@@@- @@-x@@@@@	Six-digit classification for revenue, expenditure, assets, liabilities, and fund balances.
Economic Category	@@@@@-@@@- @@-xx@@@@	
Economic Level 1	@@@@@-@@@- @@-xxx@@@	
Economic Level 2	@@@@@-@@@- @@-xxxx@@	
Economic Item	@@@@@-@@@- @@-xxxxxx	

TABLE 1: ACCOUNT CODE STRUCTURE FOR NATIONAL DEPARTMENTS

### 6.5.1 Similar elements to the CoA for all entities in IFMS

Feature	Description
<b>Core CoA Components</b>	All use: Appropriation Level (or equivalent), Fund Source, and Economic Item
<b>16-digit Full String Format</b>	Common format: Appropriation – Fund Source – Economic Item
<b>Fund Source Codes</b>	Same list applies across all entities (e.g. 00 = GoPNG Recurrent, 02 = Prov Gov Recurrent)
<b>Economic Item Codes</b>	Same 6-digit classification for revenue, expenditure, assets, liabilities, etc.
<b>Validation Rules</b>	Chart validation logic is consistent across all entities—only valid combinations can be transacted
<b>Selection Types and Codes</b>	Used for enhanced classification and reporting across all sectors

**6.5.2 Elements that differ in the CoA for National, Statutory Authority and Sub-National CoA**

Element	National Departments	Statutory Authorities	Sub-National Governments
<b>Component Naming</b>	Uses <b>Sub-Appropriation</b>	Uses <b>Agency + Appropriation</b>	Uses <b>District/LLG Appropriation</b>
<b>Appropriation Series Codes</b>	Commonly uses 1 (Recurrent), 2 (Development), 9 (Agency Control)	Reserved for 5 (Statutory Agencies), not yet fully active	Uses same codes, but naming is location-specific
<b>Agency Code Inclusion</b>	Agency is captured via <b>selection type</b> , not as a component	Agency forms part of the CoA string	Agency is sometimes embedded in the Appropriation or Fund Source naming
<b>Geographic/LLG Location Codes</b>	Not usually included	Not usually included	Location-based coding more prominent—LLGs, Districts coded into Appropriation names or Sub-Appropriation
<b>Budget Authority Origin</b>	National Budget appropriations via Parliament	Appropriations made via enabling legislation or budget	Derived from NEFC transfers and appropriation via Provincial Appropriation Acts

The components of the CoA and the coding structure for Statutory Authorities are:

CoA Component	Statutory Authorities and Sub-National Governments
Agency	xxx-@@@@@-@@-@@@@@
Appropriation Level	xxx-xxxxx-@@-@@@@@

CoA Component	Statutory Authorities and Sub-National Governments
Appropriation Type	@@@-x@@@@-@@-@@@@@
Fund Source	@@@-@@@@@-xx-@@@@@
Economic Type	@@@@@-@@@@-@@-xxxx@@
Economic Category	@@@@@-@@@@-@@-xx@@@@
Economic Level 1	@@@@@-@@@@-@@-xxx@@@
Economic Level 2	@@@@@-@@@@-@@-xxxx@@
Economic Item	@@@@@-@@@@-@@-xxxxxx

Components for the Appropriation and Sub-Appropriation levels link the accounting transactions to a vote in the budget appropriation. These components are the means where reports can demonstrate that funds were used (expended) for their intended purpose (budget).

Code	Appropriation Level and Sub-Appropriation Level
<b>1</b> @@@-@@@	Recurrent appropriation
<b>2</b> @@@-@@@	Development appropriation
<b>3</b> @@@-@@@	Trust Account
<b>4</b> @@@-@@@	National Agency (not currently used)
<b>5</b> @@@-@@@	Statutory Agency (not currently used)
<b>9</b> @@@-@@@	Agency control accounts. There is one for each agency to allow for balance sheet economic items. A prefix 90 is inserted in from the agency code to create the agency appropriation level.

TABLE 2: CODES FOR APPROPRIATION AND SUB-APPROPRIATION LEVELS

Codes for the Appropriation and Sub-Appropriation components can be obtained by requesting chart names **1APPROLVL** and **2SUBAPPRO** from the IFMS.

### 6.5.3 Fund Source

This segment identifies whether the source of funding for the expenditure is from the Recurrent Budget, Development Budget, or Donor Funding. The fund source can be considered as a ‘bucket’ for budgetary resources. There can be different accounting and reporting requirements depending upon the source of funds. This component ensures that provincial and local-level funds are separate from those of national departments. The complete listing of Fund Source Codes can be found under chart name **3FUNDSCR** in IFMS, which can be obtained from the IFMS team.

Code	Fund Source
00	GoPNG Recurrent Budget
01	GoPNG Development Budget
02	Provincial Government Internal Funds - Recurrent Budget
04	Provincial Government Internal Funds – Development Budget
05	Unspent Former Years Funds
06-99	Donor or Other Funding

TABLE 3: FUND SOURCE CODES

### 6.5.4 Economic Item (NNNNNN)

The Economic Item (EI) is a six digit numerical string representing a revenue or expenditure category, where the first digit represents the Economic Type; the second digit, Economic Category (or Structure); the Economic Level 1 is the third digit; Economic Level 2 is the fourth digit. Economic Level 3 is coded as the last two digits in the string. This code is used to record what type of revenue has been collected or what goods and services have been purchased.

<b>Further Information</b>	frcd@finance.gov.pg
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