

Policy Code # A-FN-105-001/AG-001

Chapter 13: Chart of Accounts

Date of Issue:

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INTRODUCTION

1. In keeping with the principle of a uniformed accounting system throughout the Non-Public Property (NPP) Accountability Framework within the Canadian Armed Forces, and in line with Oracle E-Business Suite (PROPHET) best practices an 8 segment Chart of Accounts (COA) has been established for use by all NPP entities.
2. The COA segment values will be separated with a “-” (dash). The following table demonstrates how the COA string (or code combination) will be presented to users..

NEW CHART OF ACCOUNTS				
Segment #	Segment Name	Segment Length	Segment Qualifier	Comments
1	Entity	4 values - Numeric	Entity Segment	Represent former UIEOS
2	Outlet	4 values - Numeric	Cost Centre Segment	Represents former Outlet/Sub Outlet
3	Natural Account	4 values - Numeric	Natural Account Segment	Represents former General Ledger Account
4	Sub Account	3 values - Numeric		
5	Profit Centre (Dept/Trust/Function)	5 values - Numeric		Represents former Sales Dept, Trust Fund and Special Functions
6	Intercompany	4 values - Numeric	Intercompany Segment	Same values as Entity segment
7	Spare	4 values - Numeric		Default to 0000
8	Spare	4 values - Numeric		Default to 0000

Spares: Two additional spare segments are provided for future expansion.

COA Example(s)

3. The following example shows how all segments are displayed within PROPHET when recording various transactions using the new COA:

Example # 1: To record Halifax Golf Operations Rentals Expense for Equipment:

- 1067-0036-7925-377-00000-0000-0000-0000

Representing:

-
- 1067 – Halifax Golf (Entity)
 - 0036 – Operations (Outlet)
 - 7925 – Rentals Exp (Natural Account)
 - 377 – Equipment (Sub Account)
 - 00000 – Default (Profit Center)
 - 0000 – Default (Intercompany)
 - 0000 – Default (Spare)
 - 0000 – Default (Spare)
4. Segment Annexes are as follows:
- a. [Annex A: Entity](#)
 - b. [Annex B: Outlet](#)
 - c. [Annex C: Natural Account](#)
 - d. [Annex D: Sub Account](#)
 - e. [Annex E: Profit Centre](#)
 - f. [Annex F: Intercompany](#)

GENERAL

5. For units that utilize the NPP accounting system PROPHET, the local NPP Accounting Offices are to liaise with the National Accounting Office (NAO) regarding local Entity/Outlet and Natural Account issues/requirements. Units currently not using PROPHET (such as Reserve and Ships) should liaise with their local NPP accounting office regarding their issues and requirements.
6. All books of account either within PROPHET or with authorized (SAGE Accounting) software shall use this chart of accounts provided the software's structure does not prohibit. For accounts within the PROPHET system they are composed of a minimum of twelve digits comprised of: Entity, Outlet, and the "Natural" account i.e. the specific account for assets, liabilities, equity, revenue and expense. Dependent upon reporting requirements, further classification by sub account and/or profit centre may be required and Intercompany accounts are used when applicable.
7. For operations using other CFO authorized software, they should be composed of a minimum four digits as per the "Natural" account i.e. the specific account for assets, liabilities, equity, revenue and expense as per Annex C.
8. If a specific entity has a requirement for a natural account that is not found within the current COA, the local NPP accounting office may submit a request to create a new natural account to NAO for evaluation. If approved, NAO will forward any required changes to the PROPHET support cell to initiate an official change to the COA and update the segment annexes accordingly.

CFMWS OUTLETS

9. Outlets within the CFMWS entity (0101) are also used to control the public reimbursement percentages for centrally managed funding. Accordingly, their creation, deletion or modification within the PROPHET chart of accounts may only be approved by the CFO, the Director Finance, or their named designates.
10. Director Finance maintains the control framework to assign the approved public reimbursement percentages to CFMWS outlets. No other percentages may be used for public reimbursements. Public reimbursement percentages are established:
 - a. directly from the APS 110; or
 - b. based on a calculated and documented sharing of Public/Non-public responsibility; or
 - c. as per other agreement with DND.

CORPORATE ENTITIES' OUTLETS

11. Outlets for other Corporate Entities (i.e. Entities between 0100 and 0999, excluding 0101) may only be created, deleted or modified within the PROPHET chart of accounts upon approval of the CFO, the Director of Finance, the Senior Business Partner, or their named designates.

LOCAL ENTITIES' OUTLETS

12. Outlets for Local Entities (i.e. Entities from 1000 and above) may only be created, deleted or modified within the PROPHET chart of accounts upon approval of the CFO, the Director Accounting, the Associate Director of Accounting Services, the National Accounting Manager, or their named designates.
13. The form to request creation, modification or deletion of outlets is found at [Annex G](#)

[Annex A: Entity](#)

[Annex B: Outlet](#)

[Annex C: Natural Account](#)

[Annex D: Sub Account](#)

[Annex E: Profit Centre](#)

[Annex F: Intercompany](#)

[Annex G: Outlet Creation/Modification/Deletion Form](#)