

6.1 General Ledger New Account Request

Policy Statement

Government Accounting centrally controls and maintains the SAP chart of accounts for all users of the province's SAP system.

Definitions

STATISTICAL ORDERS

Statistical orders identify costs for information purposes only to track such things as costs for a project. These orders provide shadow reporting for costs posted to cost centres. Costs of individual projects may be reported separately for information purposes by order number while the total expenses for all projects are still reported by cost centre for budgetary purposes. These orders are not settled and cannot have overhead applied.

INTERNAL ORDERS

Internal orders are used to collect the costs of a job or project that will be settled to another cost centre, a general ledger account, or an asset. They are allocated regularly, or when the work is finished.

Policy Objective

The objective of this policy is to detail the controls established to minimize duplication and excessive volumes of accounts being created and to maintain consistency in general ledger (GL) structure, cost collection, and financial reporting.

Application

This policy applies to all users of the province's SAP system.

Policy Directives

To prevent excessive volumes of accounts and duplication of work effort, this policy requires that requests for new general ledger accounts are supported with valid reasons for account creation.

Users should consider the following in advance of requesting a new account:

- Check for an account that already exists and could be used to code the transaction.
- Check for a blocked account with no previous postings. It may be suitable to be unblocked, renamed and used for the new purpose.
- Consider the frequency of transactions to be posted to the requested account , i.e., is this significant enough to justify cost collection at the general ledger account level.
- Consider if the costs can be collected by creating a statistical or internal order as opposed to a general ledger account.

General Ledger (GL) Account Structure

Assets	101000-199999 + Business Area
Liabilities and Net Debt	210000-299999 + Business Area
Revenues	300000-399999 + Business Area (Cost Centre)
Recoveries	500000-599999 + Business Area (Cost Centre)
Expenses (Salaries)	610000-629999 + Business Area (Cost Centre)
Expenses (Travel etc)	630000-859999 + Business Area (Cost Centre + Supplement Code)
Expenses (Grants & Assistance)	860000-879999 + Business Area (Cost Centre + Supplement Code)
Expenses (Debt Charge)	880000-889999 + Business Area (Cost Centre + Supplement Code)
Expenses (L/C Division)	890100-899999 + Business Area (Cost Centre + Supplement Code)
Expenses (Fees and Other)	900000-909999 + Business Area (Cost Centre)
Expenses (L/C Departments)	950000-999999 + Business Area (Cost Centre)

Policy Guidelines

Requests for new GL Accounts or changes (description changes, blocking, or unblocking) to existing accounts should be forwarded by GL Request Form (Appendix 6-A) to the Executive Director of Government Accounting. Once approved, the request is sent to Operational Accounting for second approval and update to GL Chart of Accounts Master files.

The requesting department will be notified when the request has been completed or will be contacted to discuss an alternative account to use.

Accountability

Government Accounting is responsible for the timely review and approval of GL Request Forms and for advising the users of alternative means of reporting where available.

Operational Accounting is responsible for timely review and processing of GL Request forms.

Users of SAP for financial transactions are required to initiate and forward the requests as required.

Monitoring

Government Accounting will monitor the policy for implementation, performance, and effectiveness.

Enquiries

Executive Director, Government Accounting
Department of Finance and Treasury Board
(902) 424-7021

Appendices

Appendix 6-A Request for General Ledger Account

Approval date:	July 31, 2008	Effective date:	August 21, 2008
Approved by:	Executive Council	Administrative update:	May 30, 2016

Appendix 6-A**Request for General Ledger Account**

Account Number:		*Reference Account Number:		
Short Text:				17 Characters
Long Text:				40 Characters
Purpose of New Account:				
P&L Statement Account:	Yes	or	No	Balance Sheet Account:
				Yes
				No
For Office Use Only				
Control Data:				
Account Currency:		Only Balances in Local Currency:	Yes	No
Exchange Rate Difference Key:		Valuation Group:		Tax Category:
Posting without Tax Allowed:	Yes	No	Recon. Account for type:	
Open Item Managed:	Yes	No	Line Item Display:	Yes
				No
Sort Key:				
Create/Bank/Interest:				
Field Status Group:		Post Automatically Only:		
Relevant Cash Flow:		Commitment Item:		
House Bank (CIT):		Account ID (CIT):		
Cost Element:				
Cost Element Created:	Yes	No		
Requester Finance CSU:		Date:		
Approval Operational Accounting:		Date:		
Approval Government Accounting:		Date:		

*Reference Account Number refers to a previous account that has been set up with the same details for example same blank information, account currency, open item managed, or the same "for office use only details." By not providing a reference number those details will have to be provided by the requester.