



Republic of the Philippines
COMMISSION ON AUDIT
Commonwealth Avenue, Quezon City, Philippines

CIRCULAR

No : 2015-009

Date: DEC 01 2015

TO : Provincial Governors, City/Municipal Mayors; Accountants, Cashiers, Local Treasurers, and Budget Officers; COA Assistant Commissioners, Directors and Auditors; and All Others Concerned

SUBJECT: Prescribing the Revised Chart of Accounts for Local Government Units

1.0 Rationale

One of the mandates of the Commission in the 1987 Philippine Constitution is to promulgate accounting and auditing rules and regulations. Section 113 of Presidential Decree No. 1445 also provides that "The Chart of Accounts for government agencies shall be prescribed by the Commission and shall be so designed as to permit agency heads to review their activities according to selected areas of responsibility; allow for a clearer definition of obligation accounting leading to more precise budgetary control xxx".

In line with the foregoing, this Commission hereby promulgates and prescribes the use of the Revised Chart of Accounts for Local Government Units (RCALGU) in recording and reporting the financial transactions of local government units (LGUs).

2.0 Coverage

2.1 This chart of accounts consist of the general ledger accounts for assets, liabilities and equity, and the revenues and expenditures accounts of the LGUs.

2.2 The main features of the revised local government chart of accounts are:

2.2.1 Inclusion of the accounts to comply with the requirements of Philippine Public Sector Accounting Standards.

2.2.2 Retention of the accounts under the accrual accounting provided in the New Government Accounting System.

2.2.3 Expansion of the accounting system to cover all types of possible transaction and sub-accounts, as necessary.

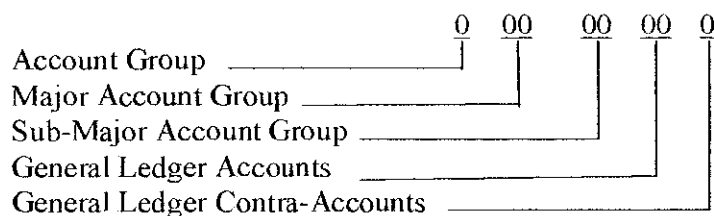
3.0 The Coding System

3.1 Codes are assigned to account groups, major account, sub-major account group, general ledger and general ledger contra account.

3.1.1 Codes for the account groups

Account Code	Accounts
1	Assets
2	Liabilities
3	Equity
4	Income
5	Expenses

3.1.2 The account code structure consist of eight digits as follows:



4.0 Implementing Guidelines

- 4.1 The LGUs shall record their financial transactions in accordance with the Chart of Accounts prescribed herein, effective January 1, 2015.
- 4.2 All agencies shall convert the balances of their accounts as of December 31, 2014 as beginning balances for CY 2015.
- 4.3 Accounts other than those provided in this Circular shall be used only upon prior approval of this Commission.

5.0 Account Titles and Description

- 5.1 Annex A presents the List of Account Titles and their corresponding account codes.
- 5.2 Annex B contains the description of accounts and the instructions.


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6.0 Repealing Clause

All circulars, memoranda and other issuances or parts thereof which are inconsistent with the provisions of this Circular are hereby repealed/modified accordingly.

7.0 Effectivity

This Circular shall take effect on January 1, 2015.



MICHAEL AGUINALDO
Chairman



HEIDI L. MENDOZA
Commissioner



JOSE A. FABIA
Commissioner

Note: Annexes A and B of the Circular may be accessed in the COA Website @ www.coa.gov.ph