Unified Accounts Code Structure (UACS) Manual

Government of the Philippines

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INTRODUCTION

Purpose

The objective of the government-wide Unified Accounts Code Structure (UACS) is to establish the accounts and codes needed in reporting the financial transactions of the National Government of the Republic of the Philippines. The UACS provides a framework for identifying, aggregating and reporting financial transactions in budget preparation, execution, accounting and auditing.

The key purpose of the UACS is to enable the timely and accurate reporting of actual revenue collections and expenditures against budgeted programmed revenues and expenditures.

Reporting requirements that will be best served by the UACS include:

1. Financial reports as required by the Department of Budget and Management (DBM) and the Commission on Audit (COA),
2. Financial Statements as required by the Public Sector Accounting Standards Board of the Philippines,
3. Management reports as required by the executive officials/heads of departments and agencies, and
4. Economic statistics consistent with the Government Finance Statistics (GFS) Manual 2001.

Application

The UACS will be used by all departments and agencies of the National Government and Government-Owned and/or Controlled Corporations with Budgetary Support from National Government including those maintaining Special Accounts in the General Fund.

The source of account descriptions and codes in the UACS object coding elements includes the following:

1. The codes from the COA Revised Chart of Accounts prepared for accrual basis financial reporting,
2. The addition of some sub-object codes, and
3. Additional expenditure accounts designed for cash basis budgeting, such as those for capital outlays.

When this object coding is combined with budget classification coding for funding source, organization, location and program, this framework collectively provides the harmonized budgetary and accounting classification codes known as the UACS.

Responsibilities

The DBM, Department of Finance-Bureau of the Treasury (DOF-BTr) and COA are collectively responsible for the UACS.

Validation and assignment of new codes for funding source, organization, sub-object codes for expenditure items shall be the responsibility of DBM.

Validation and assignment of new Program, Activity, Project Codes shall be decided jointly by the proponent agency and DBM.

Consistency of account classification and coding structure with the Revised Chart of Accounts shall be the responsibility of COA.

Consistency of account classification and coding standards with the Government Finance Statistics shall be the responsibility of DOF – BTr.

Elements

The key elements of the coding framework are:

1. Funding Source codes
2. Organization codes
3. Location codes
4. MFO/Program, Activity and Project (PAP) codes, and
5. Object Codes for Assets, Liabilities, Equity, Income and Expenses.

Budgetary Accounts

The Revised Chart of Accounts does not include classification and codes for budgetary accounts. Thus, the information system will need to provide—in response to the required input of any expenditure account code—an amount with respect to Appropriations, Adjustment to Appropriations, Adjusted Appropriations, Allotments, Transfers, Adjusted Allotments, Unreleased Appropriations, Obligations, Unobligated Allotments, Disbursements and Unpaid Obligations.

GFS Coding

GFS coding will generally not be shown to be part of the UACS. Instead, GFS data will be obtained from reference tables inside the system that will map GFS Function coding from MFO/PAP codes, as well as GFS Economic Classification coding from Object Codes for Non-Financial Assets, Financial Assets, Liabilities, Revenues and Expenses.

Business Rules Applicable to All the Codes in the UACS

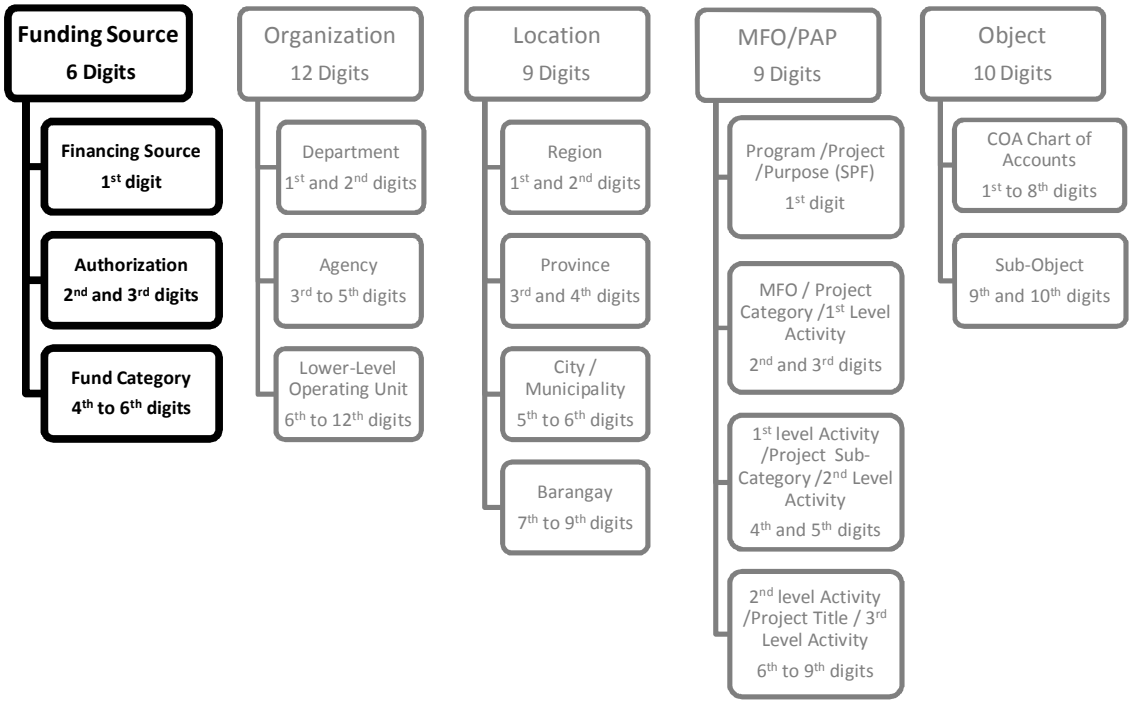
Codes are classified under “Others” to describe the components of UACS key elements for items pending identification, subject to the submission of a request for specific code assignments to the UACS Administrator.

UNIFIED ACCOUNTS CODE STRUCTURE (UACS)

FUNDING SOURCE 6 Digits			**ORGANIZATION** 12 digits			**LOCATION** 9 digits				**MFO/PROGRAM, ACTIVITY and PROJECT (PAP)** 9 digits	**OBJECT CODE** 10 digits	
Financing Source 1 digit	**Authorization** 2 digits	**Fund Category** 3 digits	**Department** 2 digits	**Agency** 3 digits	**Lower Level Operating Unit** 7 digits	**Region** 2 digits	**Province** 2 digits	**City, Municipality** 2 digits	**Barangay** 3 digits	**MFO/PAP Code** 9 digits	**COA CoA* Object** 8 digits	**Sub-Object** 2 digits
Required			Required	Required	Required	Required	Optional	Optional		Unique for each Department/Agency	Uniform across Government	

* Revised Chart of Accounts

CHAPTER 1 - Funding Source Code



Six digits are available for the Funding Source code. The Funding Source code is composed of the Financing Source, Authorization and Fund Category codes.

Funding Source 6 Digits		
Financing Source 1st digit	Authorization 2nd and 3rd digits	Fund Category 4th to 6th digits

The first digit of the Funding Source indicates whether the expenditure is sourced inside or outside the general fund, which is the case for all budgeted spending and continuing or automatic appropriations. The next two digits are for the Authorization code, while the last three digits are for the Fund Category code.

See Appendix A.1 for a matrix showing the complete matrix of UACS Funding Source codes.

1.1 Financing Source Code

PARTICULARS	UACS
General Fund	1
Off-Budgetary Funds	2
Custodial Funds	3

1.1.1 General Fund

General Funds are funds available for any purpose that Congress may choose to apply, and is composed of all receipts or revenues that do not otherwise accrue to other funds.

1.1.2 Off-Budgetary Funds

Off-Budgetary Funds refer to receipts for expenditure items that are not part of the National Expenditure Program, and which are authorized for depositing in government financial institutions. These are categorized into:

- Retained Income/Receipts, and
- Revolving Funds

1.1.3 Custodial Funds

Custodial Funds refer to receipts or cash received by any government agency—whether from a private source or another government agency—to fulfill a specific purpose. Custodial receipts include receipts collected as an agent for another entity. These include trust receipts—both from an individual or corporation—that are required to be held by government until the outcome of a court's case or procurement activity is determined, as well as cases where a department or agency holds receipts as a trustee for the fulfillment of some obligations.

1.2 Authorization Code

PARTICULARS	UACS
New General Appropriations	01
Continuing Appropriations	02
Supplemental Appropriations	03
Automatic Appropriations	04
Unprogrammed Funds	05
Retained Income/Funds	06
Revolving Funds	07
Trust Receipts	08

1.2.1 New General Appropriations

New General Appropriations are annual authorizations for incurring obligations during a specified budget year, as listed in the General Appropriations Act (GAA). The GAA is the legislative authorization that identifies new appropriations in terms of specific amounts for salaries, wages and other personnel benefits; Maintenance and Other Operating Expenses (MOOE), Financial Expenses (FEx) and Capital Outlays (CO) for the implementation of programs, projects and activities of all departments, bureaus and offices of government for a given year.

1.2.2 Continuing Appropriations

Continuing Appropriations are authorizations to support obligations for a specified purpose or project, even when these obligations are incurred beyond the budget year. Because MOOE and CO appropriations in the GAA are valid for two years, unobligated and unreleased appropriations for these budget items are valid until the end of their second year and are classified as Continuing Appropriations.

Continuing Appropriations for MOOE may be approved for projects whose effective implementation calls for multi-year expenditure commitments.

Starting CY 2013 until further amended, however, all appropriations for Personnel Services (PS), MOOE and CO shall be valid only for one (1) fiscal year.

Both New General Appropriations and Continuing Appropriations will contain a mix of the Department/Agency Specific Budget and realignments from Special Purpose Funds to the relevant department/agency during budget execution once specific conditions and authorizations are met.

1.2.3 Supplemental Appropriations

Supplemental Appropriations are additional appropriations enacted by Congress to augment original appropriations that have proven insufficient for their intended purpose because of economic, political or social conditions. Supplemental Appropriations must also be supported by a certification of availability of funds by the BTr.

1.2.4 Automatic Appropriations

Automatic Appropriations are authorizations made annually or for some other period prescribed by law, by virtue of standing legislation, which do not require periodic action by the Congress. These are automatically and annually included in the National Expenditure Program of the National Government.

All expenditures for the (i) National Government share for the Retirement and Life Insurance Premiums of government personnel and other similar fixed expenditures; (ii) amortization of principal and interest on public debt; and (iii) National Government guarantees of obligations which are drawn upon are automatically appropriated as per Section 26, Chapter 4, Book VI of Executive Order (E.O.) No. 292, the Administrative Code of 1987.

Examples of Automatic Appropriations

PARTICULARS	UACS
Retirement and Life Insurance Premiums	104102
Pension under R.A. No. 2087, as amended by P.D. No. 1625 and R.A. No. 5059	104103
Domestic Grant Proceeds	104104
Customs duties and taxes, including tax expenditures	104105

PARTICULARS	UACS
Proceeds from sales of non-serviceable, obsolete and unnecessary equipment	104106
Military Camps Sales Proceeds	104107
Tax refunds	104108
Debt Principal Amortization	104109
Debt Interest Payments	104110
Internal Revenue Allotment*	104251
Net Lending (GOCC Debt)**	104280

* *Appendix A.6 shows UACS code 251 for IRA*

** *Appendix A.7 shows UACS code 280 for Net Lending*

1.2.5 Unprogrammed Funds

Unprogrammed Funds are standby appropriations for priority programs or projects of the government. The utilization of Unprogrammed Funds may be approved if any of the following conditions are met:

- Revenue collections for the year exceed targets
- New revenues not included in the original revenue targets are successfully generated, or
- Foreign loan proceeds are generated for newly approved projects covered by perfected loan agreements.

See Appendix A.2 for a list of Unprogrammed Funds and their respective codes.

1.2.6 Retained Income/Funds

Retained Income/Funds are collections that are authorized by law to be used directly by agencies for their operation or specific purposes. These include but are not limited to receipts from:

- State Universities and Colleges (SUCS) - tuition and matriculation fees and other internally generated receipts
- Department of Health (DOH) - hospital income such as hospital fees; medical, dental and laboratory fees; rent income derived from the use of hospital equipment and facilities; proceeds from sale of hospital therapeutic products, prosthetic appliances and other medical devices; diagnostic examination fees; donations in cash from individuals or non-government organizations satisfied with hospital services.

See Appendix A.3.1 for Retained Income account descriptions and their respective account codes.

1.2.7 Revolving Funds

Revolving Funds are receipts derived from business-type activities of departments/agencies as authorized by law, and which are deposited in an authorized government depository bank. These funds shall be self-liquidating. All obligations and expenditures incurred because of these business-type activities shall be charged against the Revolving Fund.

See *Appendix A.3.2 for Revolving Funds account descriptions and their respective account codes.*

1.2.8 Trust Receipts

Trust Receipts are receipts that are officially in the possession of government agencies or a public officer as trustee, agent, or administrator, or which have been received for the fulfillment of a particular obligation.

These receipts may be classified as:

- **Inter-Agency Transferred Funds (IATF),** which are receipts or fund transfers from any government-agency or Government Owned and/or Controlled Corporations (GOCC) to another agency, and which are deposited in the National Treasury to facilitate project implementation;
- **Receipts deposited with the National Treasury other than IATF,** which are receipts from other sources—including private persons or foreign institutions—which are deposited with the National Treasury, pursuant to E.O. No. 338, for the fulfillment of some obligations; and,
- **Receipts deposited with Authorized Government Depository Bank (AGDB)**, which are receipts from other sources that should be deposited in the AGDB for the fulfillment of some obligations.

See Appendix A.4 for Trust Receipts account codes.
See Appendix A.4.1 for Receipts Deposited with the National Treasury other than IATF.
See Appendix A.4.2 for Receipts Deposited with AGDB.

1.3 Fund Category Code

The **Fund Category Code** identifies specific funds maintained by the agency for accounting purposes, as well as for recording and reporting financial transactions.

1.3.1 Specific Budgets of National Government Agencies

This refers to the budgets appropriated for a specific department or agency of the National Government.

1.3.2 Multilateral/Bilateral Assistance

The fund category code for counterpart funds, loan proceeds and grant proceeds will be selected according to the name of the institution providing funds from the list in *Appendix A.5*.

The authorization code—which precedes the fund category code—will vary depending on whether funds were loans or grants, as well as if they were unprogrammed or included in the regular budget. Appropriated loan proceeds will use authorization code 01, grant proceeds will use authorization code 04 and unprogrammed loan proceeds will use authorization code 05.

1.3.3 Allocation to Local Government Units (ALGU)

Allocation to Local Government Units (ALGU) refers to the share of Local Government Units (LGUs) from the revenue collections of the National Government. The total ALGU is based on a sharing scheme computed for each LGU, as provided for under the Local Government Code and other special laws.

See Appendix A.6 for ALGU and their codes.

1.3.4 Budgetary Support to Government Corporations

Budgetary Support to Government Corporations (BSGC) refers to either subsidies for operations or projects, equity contributions, and net lending and/or advances to Government-Owned or Controlled Corporations (GOCC) for loan repayments.

See Appendix A.7 for BSGC and their codes.

1.3.5 Financial Assistance to Metropolitan Manila Development Authority

Financial Assistance to Metropolitan Manila Development Authority refers to national government subsidy in the form of regular appropriations as provided in the GAA which shall only be used to augment any deficiency in the consolidated funds of the MMDA to cover valid and authorized expenditures.

See Appendix A.8 for Financial Assistance to Metropolitan Manila Development Authority.

1.3.6 Special Account in the General Fund (SAGF)

A **Special Account in the General Fund (SAGF)** is a fund where proceeds from specific revenue measures and grants earmarked by law for priority projects are recorded. These sources are automatically appropriated.

For SAGFs used by more than one agency, only one funding source code shall be used. For example, the funding source code 104328 assigned to Malampaya Gas Fund under the DOE-OSEC shall be used by all agencies availing funds from that SAGF (i.e. DBM [for LGUs], DOE, DND, DPWH).

See Appendix A.9 for Special Accounts in the General Fund and their codes.

1.3.7 Special Purpose Funds

Special Purpose Funds (SPF) are lump-sum funds included in the GAA which are not within the approved appropriations of Departments/Agencies/Lower Level Operating Units, and which are available for allocation to any Department/Agency/Lower Level Operating Unit or Local Government Unit for a specific purpose, as may be duly approved in accordance with special provisions on the use of these funds.

See Appendix A.10 for a list of SPF and their codes.

FUND CATEGORY CODE TABLE

PARTICULARS	CODES	
	OLD	UACS
Specific Budgets of National Government Agencies	101	101 to 150
GoP Counterpart Funds and Loans/Grants from Development Partners	102/171	151 to 250
Allocations to Local Government Units	103	251 to 275
Budgetary Support to Government Corporations	104	276 to 300
Financial Assistance to Metro Manila Development Authority		301 to 320
Special Accounts in the General Fund	105,183,401, 151 to 159	321 to 400
Special Purpose Funds		401 to 420
Unprogrammed Funds		421 to 440
Retained Income/Funds		441 to 500
Revolving Funds	161 to 164	501 to 600
Trust Receipts	101-184, 187	601 to 610
Others (Specify)		611 to 999

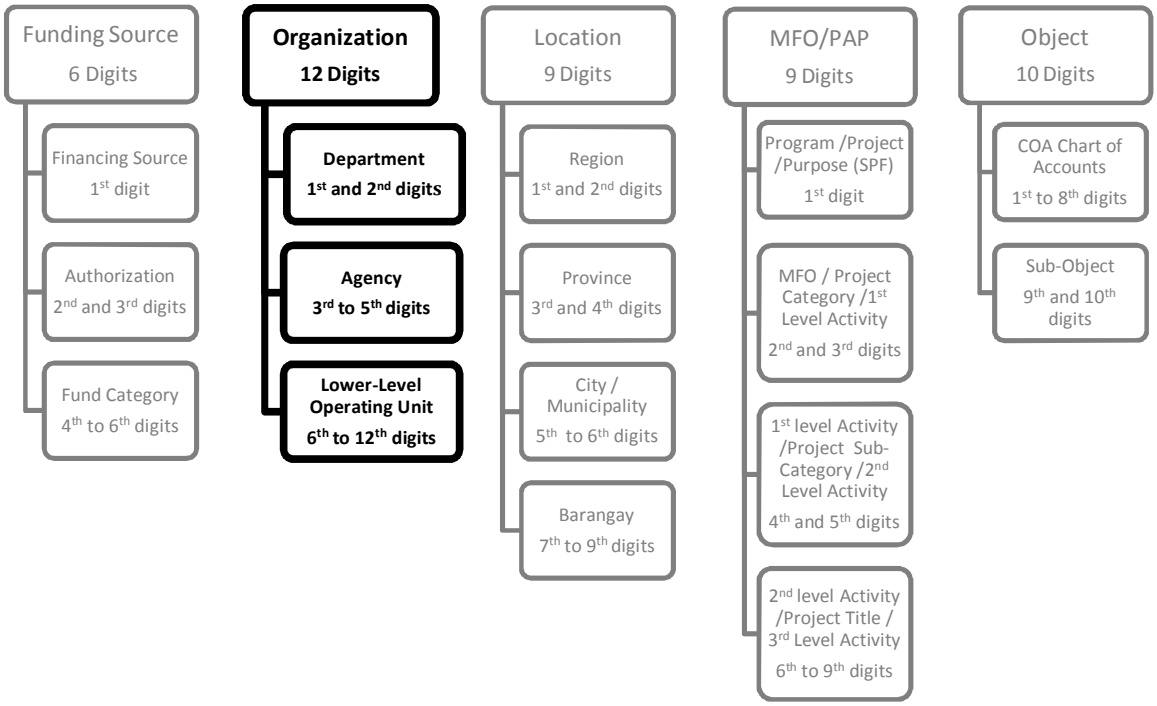
Examples of Funding Source Codes:

New General Appropriations

Financing	Authorization	Fund Category
General Fund **1**	New General Appropriation **01**	Specific Budgets of National Government Agencies **101**
General Fund **1**	New General Appropriation **01**	Pension and Gratuity Fund **407**

Note: The assignment of fund codes under this Manual is based on representations by Agencies concerned that the creation of funds, i.e., Special Accounts in the General Fund, Trust Receipts, Revolving Funds, among others, as well as the use/s thereof are authorized by law. Accordingly, the same shall be without prejudice to the eventual determination by the DBM that the creation of said funds is without legal basis, or not in full compliance with law/s, rules and regulations. The DBM is further authorized to deactivate the fund code previously assigned and delete the same in the UACS Manual and its Appendices and such other actions necessary in the proper administration of the funding source codes.

CHAPTER 2 - Organization Code



The **Organization Code** is structured into three segments: 1.) Department, 2.) Agency and 3.) Lower Level Operating Unit/Revenue Collecting Unit.

Organization Code 12 Digits		
Department 1st and 2nd digits	Agency 3rd to 5th digits	Lower Level Operating Unit 6th to 12th digits

2.1 Department Code

Department – the primary subdivision of the Executive Branch responsible for the overall management of a sector or a permanent national concern with nationwide or international impact[1]. A department is headed by a Secretary or an official with an equivalent position level.

For purposes of the UACS, Constitutional Offices, the Judiciary and the Legislature are categorized as department-level entities.

[1] DBM, Rationalization Program's Organization and Staffing Standards and Guidelines

There are also department-level entities that are likewise considered as operating units, as in the case of the Commission on Audit, Commission on Human Rights and other similarly situated entities.

Moreover, a Department includes the summation of all the budgets of all its attached agencies and sub-agencies, including the Office of the Secretary (Proper) and lower-level operating units listed under it.

DEPARTMENT	UACS
Congress of the Philippines	01
Office of the President (OP)	02
Office of the Vice-President (OVP)	03
Department of Agrarian Reform (DAR)	04
Department of Agriculture (DA)	05
Department of Budget and Management (DBM)	06
Department of Education (DepEd)	07
State Universities and Colleges (SUCs)	08
Department of Energy (DOE)	09
Department of Environment and Natural Resources (DENR)	10
Department of Finance (DOF)	11
Department of Foreign Affairs (DFA)	12
Department of Health (DOH)	13
Department of the Interior and Local Government (DILG)	14
Department of Justice (DOJ)	15
Department of Labor and Employment (DOLE)	16
Department of National Defense (DND)	17
Department of Public Works and Highways (DPWH)	18
Department of Science and Technology (DOST)	19
Department of Social Welfare and Development (DSWD)	20
Department of Tourism (DOT)	21
Department of Trade and Industry (DTI)	22
Department of Transportation and Communications (DOTC)	23
National Economic and Development Authority (NEDA)	24
Presidential Communications Operations Office (PCOO)	25
Other Executive Offices	26
Autonomous Region In Muslim Mindanao (ARMM)	27
Joint Legislative-Executive Councils	28
The Judiciary	29
Civil Service Commission (CSC)	30
Commission on Audit (COA)	31
Commission on Elections (COMELEC)	32
Office of the Ombudsman	33
Commission on Human Rights (CHR)	34
Budgetary Support to Government Corporations	35
Financial Assistance to Metropolitan Manila Development Authority	36

In addition to the regular departments (01-34), the Budgetary Support to Government Corporations and Financial Assistance to Metropolitan Manila Development Authority are assigned department codes 35 and 36, respectively. The grouping of GOCCs by department shall be mapped in the system.

2.2 Agency Code

Agency – refers to any of the various units of the government, including an office, instrumentality or Government-Owned and/or Controlled Corporation (GOCC)[2] that may not approximate the size of a Department, but which nevertheless performs tasks that are equally important and whose area of concern is nationwide in scope (e.g., Other Executive Offices [OEOs]).

For purposes of the UACS, an agency is an entity under a department whose budget is directly released to the latter, and may include the summation of all budgets of sub-agencies listed under it, if any.

There are also agency-level entities which are operating units themselves, as is the case of agencies under Other Executive Offices, e.g., Film Development Council of the Philippines, Presidential Management Staff and the like.

See Appendix B.1 for the Agency Codes

2.3 Operating Unit Classification Code

Operating Units – organizational entities charged with carrying out specific substantive functions or with directly implementing programs/projects of a department or agency, such as line bureaus and field units.

For the purposes of the UACS, these are organizational units under a Department or an Agency which may be:

1. directly receiving budgets from DBM, including SUCs
2. recipients of fund transfers from higher level OUs, and/or
3. authorized to collect revenues

The first two digits of operating unit codes will be used to indicate the classification of an operating unit, as follows:

LOWER-LEVEL OPERATING UNITS	UACS
Central Office	01
Staff Bureaus	02
Department/Agency Regional Offices/Centers for Health Development/Regional Field Units – DA	03
State Universities and Colleges – Campuses	04

[2] Executive Order No. 292

LOWER-LEVEL OPERATING UNITS	UACS
Provincial Offices – DAR and DENR	05
National Irrigation Administration Regional Offices – DA	06
Extension or Field Offices - CDA-DOF/Penal Colonies – BUCOR	07
Schools Division/District Offices – DEPED	08
Secondary Schools - DEPED/Campuses – PSHS	09
Collection Districts** – BOC	10
Revenue Regional Offices* – BIR	11
Revenue District Offices** – BIR	12
Embassies/Consulates General/Manila and Regional Consular Offices – DFA	13
Special/Retained Hospitals – DOH	14
Treatment and Rehabilitation Centers – DOH	15
Technical/Vocational Schools – TESDA	16
Key Budgetary Units – DND	17
District Engineering Offices and Sub District Engineering Offices – DPWH	18
Land Transportation Offices – DOTC	19
Land Transportation Franchising and Regulatory Board – DOTC	20
Regional Development Councils – NEDA	21
Autonomous Region in Muslim Mindanao	22

** An operating unit as well as a revenue collecting unit*
***A revenue collecting unit, not an operating unit*

The next five digits refer to the assigned code for the individual lower-level operating units.

See Appendix B for the list of departments, agencies, lower-level operating units and GOCCs and their respective codes.

Staff Bureau - a principal subdivision of a department which primarily performs policy, program development, and advisory functions.

Regional Office (RO) - an organizational subdivision, headed by a Regional Director, that is responsible for the performance of an entity's functions within a region. In effect, an RO is a miniature department or agency and is responsible for all activities in the area under its jurisdiction.

CDA Extension Office - units established in each of the country's regions or as may be necessary, as well as financially viable for implementing integrated and comprehensive plans and programs on cooperative development.

Schools Division (DepEd) - a unit established in each province or city with at least 750 public elementary and secondary school teachers, including Head Teachers and Principals. A Schools Division is headed by a School Superintendent.

DepEd Secondary School - a learning institution that offers a six-year secondary course and is supervised by either a Teacher-in-Charge, a Head Teacher or a Principal.

Technical Education and Skills Development Authority (TESDA) Technical/Vocational School - units that offer non-degree programs at the post-secondary education level leading to skills proficiency-oriented courses. These are usually one-, two-, or three-year certificate courses on technical-vocational education. Each TESDA Technical/Vocational School is headed by a Vocational School Administrator.

DFA Consular Offices - units established locally and abroad, and which are responsible for delivering front-line foreign affairs services, including those related to passports, visas and the legalization of documents.

Customs Collection Districts (BOC) - units headed by a District Collector of Customs and are composed of one Principal Port of Entry. A Customs Collection District shall have as many sub-ports as necessary to maximize revenue collections and prevent smuggling and other forms of customs fraud.

Revenue Regional Offices (RROs) [BIR] - units headed by a Regional Director. RROs administer and enforce internal revenue laws in a region, including the assessment and collection of all internal revenue taxes, charges and fees from taxpayers within the region's jurisdiction.

Revenue District Offices (RDOs) [BIR] - RRO implementing units that directly serve taxpayers within its prescribed area of jurisdiction.

Hospital - a health facility for the diagnosis, treatment and care of individuals suffering from deformity, disease, illness or injury, or those in need of surgical, obstetric, medical or nursing care. A hospital is an institution installed with bassinets or beds for 24-hour use or longer by patients in the management of deformities, diseases, injuries, abnormal physical and mental conditions and maternity cases.

Treatment and Rehabilitation Centers (TRCs) - centers which undertake the treatment, after-care and follow-up treatment of drug dependents. These centers include institutions, agencies and the like with similar or related functions[3].

District Engineering Offices (DEOs) [DPWH] - established in each of the provinces and cities throughout the country, a DEO may be divided into two (2) or more engineering districts upon the determination and issuance of an Administrative Order by the Secretary. It is responsible for all highways, flood-control and water resource development systems and other public works within the district and is headed by a District Engineer.

Key Budgetary Units - organizational units under the Armed Forces of the Philippines with distinct and separate budgetary allocations in the GAA. These are the AFP Medical Center, Presidential Security Group and Philippine Military Academy.

[3] Republic Act No. 9165 (*Instituting the Comprehensive Dangerous Drugs Act of 2002, Repealing Republic Act No. 6425, Otherwise Known as the Dangerous Drugs Act of 1972, As Amended, Providing Funds Therefor, and For Other Purposes*) dated 7 June 2002 and its Implementing Rules and Regulations

2.4 Business Rules for Organization Code

1. As a general rule, code 01 is assigned to a Lower-Level operating unit classified as Central Office. As an exception, the DOTC-Office of the Secretary (OSEC), which has three central offices, shall be assigned the following codes: DOTC-OSEC Central Office – 01, Land Transportation Office - Central Office – 19 and Land Transportation Franchising and Regulatory Board - Central Office – 20.

2. As a general rule, the last five digits of the Lower-Level Operating Unit Code refer to the assigned code for the individual operating units without reference to the Region Code. An exception to the rule, however, is made for the Department of Education (DepEd) Secondary Schools and Division Offices, for which the first two digits refer to the regional code and the last three digits refer to the assigned code for the individual secondary school and division office.

3. If an agency has been moved from one department to another or if an operating unit has been moved from one agency to another, all new coding numbers that apply shall be used. The old codes shall never be assigned to any new agency/operating unit so as to preserve the transaction history of each agency.

Example: In the event that the National Book Development Board (NBDB) is to be moved from the DepEd to the DTI, the NBDB will assume department code 220070000000, which is the next available code under DTI. However, the code 070020000000—originally set for the NBDB under DepEd—will no longer be assigned to any new agency under the department. All information systems should be able to track all transactions of the old and new NBDB.

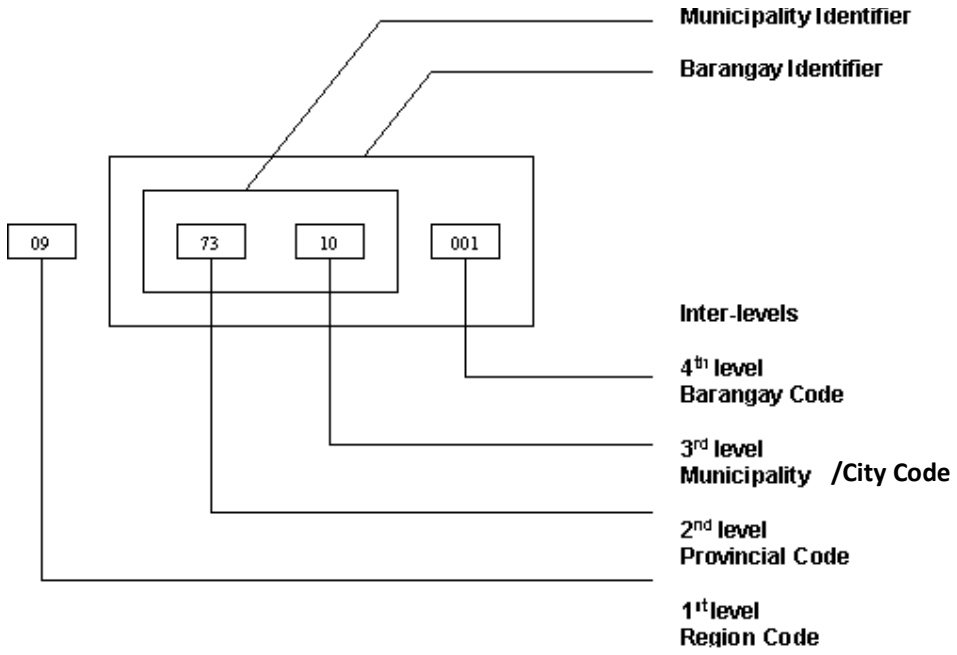
DEPARTMENT	AGENCY	LOWER LEVEL OPERATING UNIT
FROM: Department of Education 07	National Book Development Board 002	0000000
TO: Department Trade & Industry 22	National Book Development Board 007	0000000

Note: With the implementation of the Rationalization Program, some Agencies may have to be assigned new codes. Thus, they have to submit a request to the DBM for the assignment of new codes.

CHAPTER 3 - Location Code

To facilitate central agency analysis across the National Government, location coding should first enable the analysis of data by region, and then by province, municipality/city and barangay.
The coding structure here relies upon the codes used by the National Statistical Coordination Board (NSCB) only.

The structure utilized by the NSCB is illustrated below.



Example:

1. Province	:	**Zamboanga del Sur (Region 9)**
2. Municipality Identifier (7310)	:	**Kabasalan, Zamboanga del Sur**
3. Barangay Identifier (7310-001)	:	**Barangay Balongis, Kabasalan, Zamboanga del Sur**

Source: National Statistical Coordination Board

3.1 Technical Notes From National Statistical Coordination Board

Structure of the Philippine Standard Geographic Code (PSGC):

Inter-Level Codes

- **Region Code**. This is a two-digit code that identifies a specific region. It ranges from 01 to 99. Generally, the Region Code corresponds to the region number (e.g., Region Code 01 refers to Region 1, 02 refers to Region 2, etc.)

- **Province Code**. This is a two-digit code that identifies the province. It ranges from 01 to 99, generally defining the relative alphabetic sequence of all provinces in the country, except those created after 1977, which were added to the list following the updating procedures.

  A Province Code is independent of the Region Code. This means that even if a province is transferred to another region, its Province Code remains the same.

- **Municipality Code**. This is a two-digit code that generally defines the relative alphabetical sequence of municipalities within the province. It ranges from 01 to 99. Therefore, Municipality Code 01 is assigned to the first municipality in the alphabetical sequence within that province.

  The Municipality Code is used to identify the municipalities, cities or municipal districts in a particular province, and is dependent upon the Province Code to fully establish the identity of municipality. In the case of the first regional district (City of Manila) of Metropolitan Manila Area (National Capital Region), the fourteen city districts of the City of Manila are treated as municipalities.

- **Barangay Code**. This is a three-digit code which generally defines the relative alphabetical sequence of the barangays within the municipality. The code ranges from 001 to 999. Barangay Code 010 means it is the 10th barangay in alphabetical sequence within that municipality. The Barangay Code is dependent upon the Municipality Identifier to fully establish the identity of a given barangay.

- **Municipality Identifier**. The Municipality Identifier is the core of the national standard geographic classification system. This is composed of the Province Code, followed by the Municipality Code. The Municipality Identifier is a four-digit number that defines the identity of the municipality.

  - **Example:**

    Municipality Identifier 7310**.** The first two-digits (73) is the Province Code for the province of Zamboanga del Sur. The last two-digits (10) is the Municipality Code. This means that it is the 10th municipality within the province of Zamboanga del Sur, which in this instance is Kabasalan. The Municipality Identifier 7310 would therefore define Kabasalan, Zamboanga del Sur.

The continuous addition of newly created barangays as a result of periodic updating resulted in the discontinuous alphabetical arrangement of barangays in the latter portion of the list.

- ***Municipality Code Dependent on Province Code*.** It will be noted from the above illustration that the Municipality Code only provides for the relative alphabetical sequence of the municipality within the province (i.e., 1st, 2nd, 3rd). By itself, it is not sufficient to define the municipality. However, when the same is attached to the Province Code, it acquires a unique meaning.

  For the Municipality Identifier 7310, there is only one municipality within Zamboanga del Sur whose code is 10, and this is the municipality of Kabasalan. Hence, the Municipality Identifier (Province Code and Municipality Code) defines the unique identity of the Municipality/City. City Identifier of a Highly Urbanized City (HUC) or Independent Component City (ICC) does not mean that the HUC or ICC is administratively under the province. It merely means that the HUC or the ICC is geographically located within the boundary of the province.

- ***Municipality Identifier Independent of Region Code.*** As has been pointed out, the Municipality Identifier not only identifies the municipality but also the province to which it belongs. An added feature of the Municipality Identifier is its independence from the Region Code. Regardless of the region, the Municipality Identifier for Kabasalan will remain 7310 as long as it is part of Zamboanga del Sur.

- **Barangay Identifier:**

  - **Example**:

    Barangay Identifier 7310001**.** The first four digits (7310) is the Municipality Identifier. The last three digits (001) is the Barangay Code, which refers to the first barangay within the municipality with Municipality Identifier 7310. Barangay Code 001, in this case, refers to Barangay Balongis. Thus, Barangay Identifier 7310001 means Barangay Balongis in Kabasalan, Zamboanga del Sur.

  - ***Barangay Code Dependent on Municipality Identifier*.** The Barangay Code only provides for the relative alphabetical sequence of the barangays in the municipality. Barangay Code 001 means it is the first barangay in the alphabetical sequence. By itself, the Barangay Code is not sufficient to define the identity of the barangay.

    However, when the Barangay Code is attached to a Municipality Identifier, the result is a unique code which fully establishes the identity of the barangay. In Barangay Identifier 7310001, there is only one barangay in the entire Philippines with such a code number: Barangay Balongis in Kabasalan, Zamboanga del Sur.

- **Agency Unique Requirement**. The Philippine Standard Geographic Code establishes standardization for the following: region, province, municipality and barangay. This however, does not preclude an agency from devising more sub-categories, particularly for geographic area units designed to carry out specific operational functions to meet the agency's unique requirements.

A good example is the unique requirement of the National Statistics Office (NSO) in fulfilling its statistical surveying functions. In addition to the Region, Province, Municipality and Barangay codes, the NSO needs additional coding for the Enumeration District (ED) as well as for its rural and urban classification. This is a unique requirement by the NSO in monitoring and enhancing its survey operations. Other agencies may have similar unique requirements.

To effect standardization and, at the same time, be responsive to the unique operational requirements of an agency, the following guidance was established:

- The whole string of digits representing the Region Code, the Province Code, the Municipality Code, and the Barangay Code shall remain standardized for all agencies in the government. The sequence in the code structure must be maintained as prescribed.

- Any other unique code that may be devised by an agency could be added to the basic standard geographic code, provided the structure of the standard geographic code is not altered.

- The concerned agency should inform the Code Administrator of the PSGC of any unique code application.

3.2 Concepts and Definitions from the National Statistical Coordination Board and Excerpt Definitions from Republic Act No. 7160 (The Local Government Code of 1991)

3.2.1 Local Government Units

Region - a sub-national administrative unit composed of several provinces having more or less homogenous characteristics, such as ethnic origin of inhabitants, dialect spoken, agricultural produce, etc.

Province - a political corporate unit of government which consists of a cluster of municipalities, or municipalities and component cities. A province serves as a dynamic mechanism for developmental processes and effective governance of local government units within its territorial jurisdiction.

City - a political corporate unit of government which consists of a more urbanized and developed group of barangays. It serves primarily as a general-purpose government for the coordination and delivery of basic, regular and direct services and effective governance of the inhabitants within its territorial jurisdiction.

3.2.2 City Classification

A city may either be component or highly urbanized.

Highly Urbanized Cities. Cities with a minimum population of two hundred thousand (200,000) inhabitants, as certified by the National Statistics Office, and with the latest annual income of at least Fifty Million Pesos (P50,000,000) based on 1991 constant prices, as certified by the city treasurer.

Qualified voters of highly urbanized cities shall be excluded from voting for elective provincial officials.

Component Cities. Cities that do not meet the above requirements shall be considered component cities of the province in which they are geographically located. If a component city is located within the boundaries of two (2) or more provinces, it shall be considered a component of the province of which it used to be a municipality.

Independent Component Cities are component cities whose charters prohibit their voters from voting for provincial elective officials. Independent component cities shall be independent of the province.

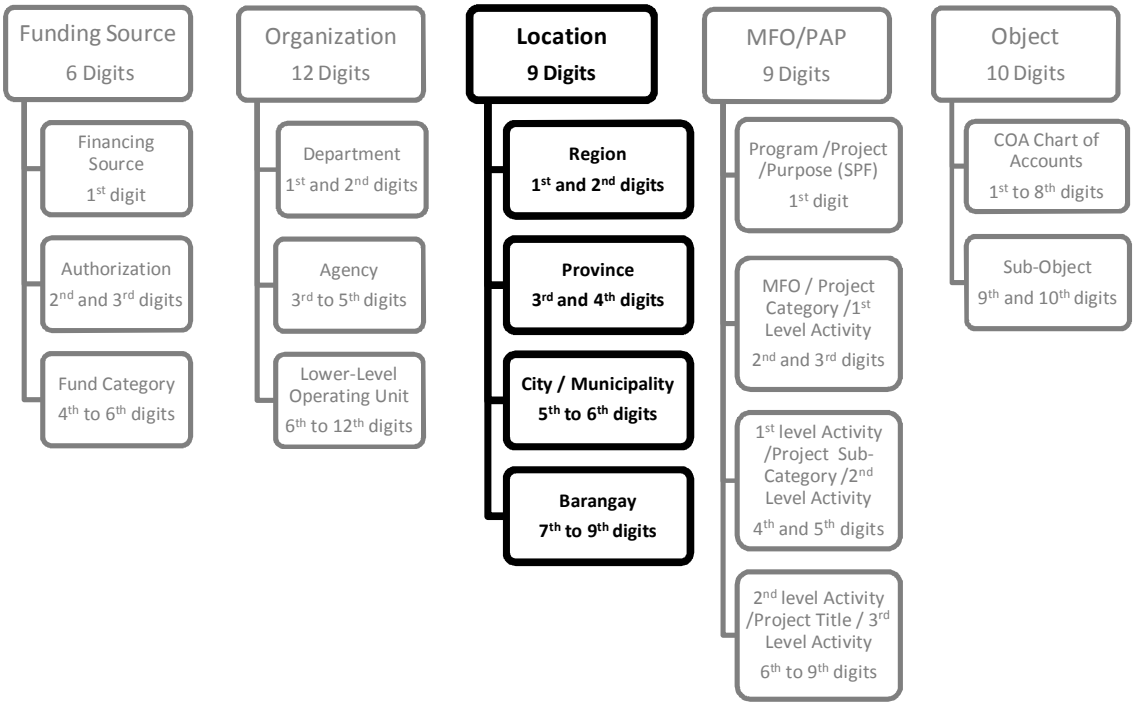
Unless otherwise provided in the Constitution, qualified voters of independent component cities shall be governed by their respective charters, on the participation of its voters in provincial elections.

Municipality - a political corporate unit of government which consists of a group of barangays. It serves primarily as a general-purpose government for the coordination and delivery of basic, regular and direct services and effective governance of the inhabitants within its territorial jurisdiction.

Barangay - the basic political unit of government. It serves as the primary planning and implementing unit of government policies, plans, programs, projects and activities in the community, and also as a forum where the collective views of its constituents may be expressed, crystallized and considered, and where disputes may be amicably settled.

The complete list of LGU descriptors and codes stretches to over 400 pages and has consequently not been included in this manual. To obtain the code for any locality, please access the NSCB website at http://www.nscb.gov.ph/activestats/psgc/listmun.asp

3.3 Location Coding



Location 9 Digits			
Region 1st and 2nd digits	Province 3rd and 4th digits	City/Municipality 5th and 6th digits	Barangay 7th to 9th digits

3.3.1 Business Rules - Location coding

1. For all transactions, the region code at the very least will be recorded.

2. For secondary schools, the region and province code, at the very least, will be recorded. A separate reference table will be included in the information system to show the region and division for each secondary school, which must be updated whenever a new secondary school is recorded in the system.

3.3.2 Region Code

REGION	UACS
Region I – Ilocos	01
Region II – Cagayan Valley	02
Region III – Central Luzon	03
Region IV-A – CALABARZON	04
Region IV-B – MIMAROPA	17
Region V – Bicol	05
Region VI – Western Visayas	06
Region VII – Central Visayas	07
Region VIII – Eastern Visayas	08
Region IX – Zamboanga Peninsula	09
Region X – Northern Mindanao	10
Region XI – Davao	11
Region XII – SOCCSKSARGEN	12
Region XIII – CARAGA	16
National Capital Region (NCR)	13
Cordillera Administrative Region (CAR)	14
Autonomous Region in Muslim Mindanao (ARMM)	15

3.3.3 Province Code

PROVINCE	UACS
CAR - Cordillera Administrative Region	
Abra	01
Apayao	81
Benguet	11
Ifugao	27
Kalinga	32
Mountain Province	44
Region I - Ilocos Region	
Ilocos Norte	28
Ilocos Sur	29
La Union	33
Pangasinan	55
Region II - Cagayan Valley	
Batanes	09
Cagayan	15
Isabela	31

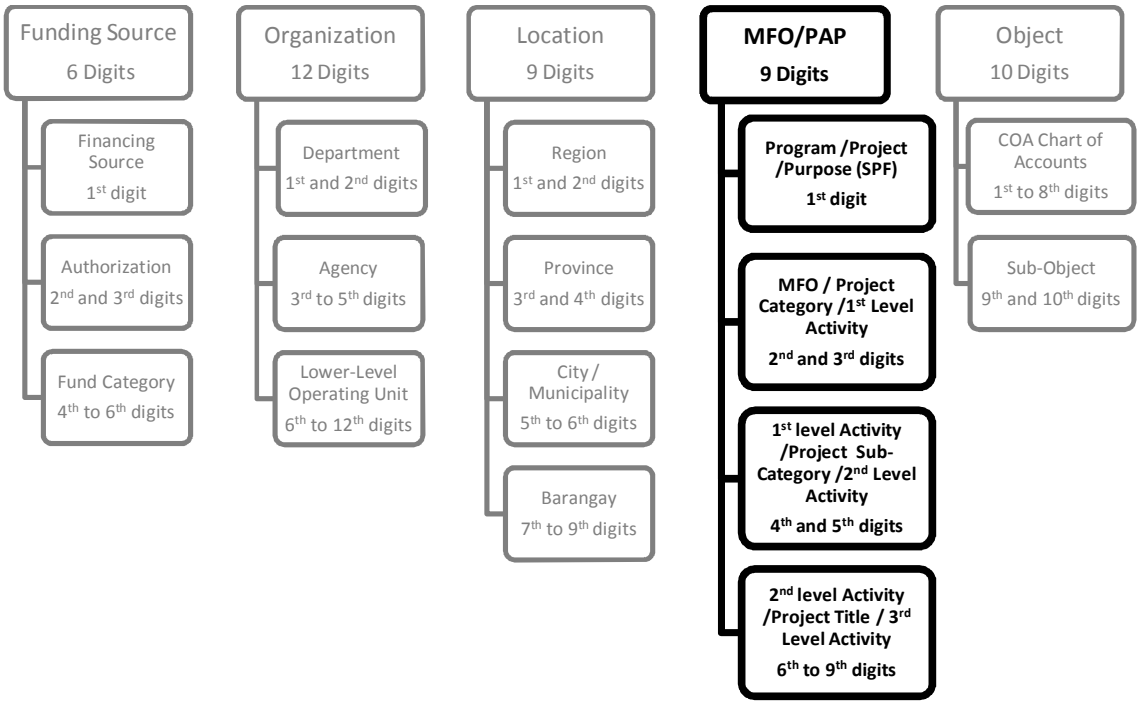
PROVINCE	UACS
Quirino	57
Nueva Vizcaya	50
Region III - Central Luzon	
Aurora	77
Bataan	08
Bulacan	14
Nueva Ecija	49
Pampanga	54
Tarlac	69
Zambales	71
Region IV-A - CALABARZON	
Batangas	10
Cavite	21
Laguna	34
Quezon	56
Rizal	58
Region IV-B - MIMAROPA	
Marinduque	40
Occidental Mindoro	51
Oriental Mindoro	52
Palawan	53
Romblon	59
Region V - Bicol Region	
Albay	05
Camarines Norte	16
Camarines Sur	17
Catanduanes	20
Masbate	41
Sorsogon	62
Region VI - Western Visayas	
Aklan	04
Antique	06
Capiz	19
Guimaras	79
Iloilo	30
Negros Occidental	45

PROVINCE	UACS
Region VII - Central Visayas	
Bohol	12
Cebu	22
Negros Oriental	46
Siquijor	61
Region VIII - Eastern Visayas	
Biliran	78
Eastern Samar	26
Leyte	37
Northern Samar	48
Southern Leyte	64
Samar (Western Samar)	60
Region IX - Zamboanga Peninsula	
Zamboanga del Norte	72
Zamboanga del Sur	73
Zamboanga Sibugay	83
Region X - Northern Mindanao	
Bukidnon	13
Camiguin	18
Lanao del Norte	35
Misamis Occidental	42
Misamis Oriental	43
Region XI - Davao Region	
Davao del Norte	23
Davao Oriental	25
Davao del Sur	24
Compostela Valley	82
Region XII – SOCCSKSARGEN	
North Cotabato	47
Sarangani	80
South Cotabato	63
Sultan Kudarat	65
Region XIII – CARAGA	
Agusan del Norte	02
Agusan del Sur	03
Surigao del Sur	67
Surigao del Norte	68
Dinagat Islands	85

PROVINCE	UACS
ARMM - Autonomous Region in Muslim Mindanao	
Basilan	07
Lanao del Sur	36
Maguindanao	38
Sulu	66
Tawi-Tawi	70

Source: National Statistical Coordination Board

CHAPTER 4 – Major Final Output (MFO)/Program, Activity, Project (PAP) Code



MFO/PAP Code 9 digits			
Program	**MFO**	**Activity Code**	
		1st Level	**2nd Level**
1st digit	2nd and 3rd digits	4th and 5th digits	6th to 9th Digits
Project	**Project Category**	**Sub-Category**	**Project Title**
1st digit	2nd and 3rd digits	4th and 5th digits	6th and 9th digits
Purpose (SPF)	**Activity Code**		
1st digit	2nd and 3rd digits	4th and 5th digits	6th to 9th digits

4.1 Code Segments

The first Code Segment shall indicate Program (General Administration and Support [GAS], Support to Operations [STO], and Operations [O]), Project Type (Locally Funded or Foreign Assisted) and Purpose in the case of Special Purpose Funds.

For Programs, the second segment of two digits shall be used for the first level of activities under GAS and STO and Major Final Outputs (MFOs) under Operations. The third segment is composed of six digits, the first two digits of which shall refer to the second level of activities for GAS and STO. Meanwhile, under Operations, the next level of two digits shall refer to the first level of activities under an MFO. The last four digits shall refer to the last level of activities (third level of activities under GAS and STO, and second level for those under Operations/MFOs).

For Projects, the second segment of two digits shall be used for Project Category, the next two digits for the Projects Sub-Category and the remaining four digits shall indicate the name of the project or the project title.

In the case of Special Purpose Funds, the next segment refers to three levels of activities:

1. Main activity – 2 digits
2. Sub-activity – 2 digits
3. Last level of activities – 4 digits

4.2 Program, Project or Purpose

The codes for Program, Project or Purpose are outlined in the following table. Code 4 will be assigned to locally funded projects and code 5 will be used for foreign-assisted projects. The Purpose code 6 will be used only in the case of Special Purpose Funds.

Programs, Projects or Purpose	UACS
General Administration and Support (GAS)	1
Support to Operations (STO)	2
Operations (O)	3
Locally Funded Projects	4
Foreign-Assisted Projects	5
Purpose	6

4.3 Major Final Output (MFO) Program, Activity and Projects

The following definitions and rules attaching to Major Final Output (MFO) descriptions and PAPs have been drawn from the Organizational Performance Indicator Framework (OPIF) Reference Guide and National Budget Circular 532 on the review of all Major Final Outputs and Program Activity and Project (P/A/P) codes.

4.3.1 Major Final Output

An MFO is defined as a good or service that a department or agency is mandated to deliver to external clients through the implementation of programs, activities and projects.

MFOs should be within the department or agency's control and be measurable, manageable and auditable. Examples of MFOs include regulatory services, health services, education services and agricultural support services.

4.3.2 Program, Activity and Project

A program is an integrated group of activities that contributes to an agency or department's continuing objective. Examples include General Administration and Support, Support to Operations, and Operations.

An activity is defined as a work process that contributes to the fulfillment of a program or project. Each activity shall be attributed to only one MFO. Activities are to be assigned to General Administration and Support, or Support to Operations if they benefit internal clients. On the other hand, an activity that benefits external clients shall be attributed to an MFO.

Projects are special department/agency undertakings carried out within a definite timeframe, and which are designed to produce a pre-determined measure of goods or services (MFOs). A project is considered an investment toward expanding the capacity of a department/agency to deliver MFOs.

4.3.3 Business Rules - Major Final Output (MFO), Program and Activity

1. The first program is General Administration and Support (GAS), which consists of activities involving the provision of overall administrative management support to the entire agency operation. This includes general management and supervision, legislative liaison services, human resource development and financial and administrative services, among other related services. Funds provided for GAS are management overhead expenses and are therefore indirect costs of delivering MFOs.

2. The second program is Support to Operations (STO), which consists of activities that provide technical and substantive support to the operations and projects of the department/agency. These include planning and policy formulation, program monitoring and evaluation, public information programs, research and development, statistical services and information systems development, among other related functions. The types of services included under STO are common across agencies, and are considered indirect costs of delivering MFOs. Some agencies, however, do not have a program for STO.

3. The third program is Operations, which consists of activities directed at fulfilling the department and agency mandate.

4. There should be no activity stated similarly as the programs (GAS, STO) and MFOs under Operations.

5. Any reference to location (such as Region or Division) or implementing unit (such as schools) must not appear in the descriptions for PAP codes, as they do not comply with the definitions in the OPIF Reference Guide for MFOs, programs, activities and projects. Coding for Regional Offices or Department of Education's Division Offices and Secondary Schools is managed under the operating unit segment of organization coding.

6. For presentation purposes in the NEP/GAA, projects and SPFs shall not be attributed to a particular MFO.

4.4 Project Category and Sub-Category Codes

4.4.1 Project Category

Projects have been categorized and assigned codes as follows:

PARTICULARS	UACS
Physical Infrastructure	
Buildings and Other Structures	01
Flood Control and Drainage	02
Non-Road Transport Infrastructure	03
Power and Communication Infrastructure	04
Roads and Bridges	05
Water Management	06
Non Physical Infrastructure Projects	
Economic Development	07
Education	08
Environmental Protection	09
Governance	10
Health	11
Recreation, Sports and Culture	12
Research and Development	13
Social Protection	14

4.4.2 Project Sub-Category

Project Categories are broken down further into Project Sub-Categories and are assigned specific codes, as follows:

PARTICULARS	UACS
Buildings and Other Structures	**0100**
School Buildings	0101
Health Facilities	0102

PARTICULARS	UACS
Multi-Purpose Facilities	0103
Agriculture Facilities	0104
Government Buildings	0105
Housing [4]	0106
Flood Control and Drainage	**0200**
Flood Control Structures/Facilities	0201
Drainage/Protection Works	0202
Non-Road Transport Infrastructure	**0300**
Aviation	0301
Railways	0302
Ports, Lighthouses and Harbors	0303
Accessibility Facilities	0304
Multi-Purpose Pavement	0305
Power and Communication Infrastructure	**0400**
Electrification	0401
Energy Resource Development	0402
Energy Efficiency and Conservation	0403
Energy Investment/Promotion/Innovation	0404
Communication	0405
Roads and Bridges	**0500**
National Roads	0501
National Bridges	0502
Local Roads	0503
Local Bridges	0504
Traffic Decongestion[5]	0505
Farm-to-Market Roads	0506
Water Management	**0600**
Water Supply	0601
Septage and Sewerage	0602
Water Treatment System	0603
Irrigation Systems	0604

[4] The Housing sub-category does appear under both Buildings and Other Structures and Social Protection. Housing projects for Government employees should be categorized as Buildings and Other Structures while housing projects for displaced persons should be categorized as Social Protection.

[5] Traffic Decongestion projects include skyways, overpasses, underpasses and traffic signal system.

PARTICULARS	UACS
Economic Development	**0700**
Economic Affairs	0701
Agriculture and Fisheries	0702
Asset Reform	0703
Mining and Manufacturing	0704
Trade and Industry	0705
Enterprise Development	0706
Micro-Enterprise Development [6]	0707
Credit Facility Development	0708
Tourism Development	0709
Industry Manpower Development	0710
Education	**0800**
Basic Education	0801
Technical and Vocational Education	0802
Tertiary Education	0803
Education not Definable by Level	0804
Environmental Protection	**0900**
Waste Management	0901
Pollution Abatement	0902
Protection of Biodiversity and Landscape	0903
Reforestation	0904
Governance	**1000**
General Public Services	1001
Defense	1002
Public Order and Safety	1003
Systems Development	1004
Capacity Development	1005
Governance and Accountability Improvement	1006
Health	**1100**
Public Health Services	1101
Improved Parenting	1102
Improved Women's Health	1103

[6] The micro-enterprise shall have just one owner and fewer than 10 employees.

PARTICULARS	UACS
Recreation Sports and Culture	**1200**
Recreation and Sports	1201
Culture	1202
Broadcasting and Publishing Services	1203
Research and Development	**1300**
Agriculture and Food	1301
Environment and Natural Resources	1302
Disaster Mitigation and Management	1303
Energy	1304
Health	1305
Information and Communication Technology	1306
Biotechnology	1307
Nanotechnology	1308
Genomics	1309
Technology Transfer	1310
Science and Technology	1311
Defense	1312
Social Protection	**1400**
Sickness and Disability	1401
Senior Citizens	1402
Survivors	1403
Family and Children	1404
Unemployment	1405
Food Programs	1406
Social Security Welfare and Employment	1407
Poverty Reduction	1408
Housing[7]	1409
Livelihood	1410
Peace and Development	1411
Trafficked Persons	1412
Youth Development	1413

4.4.3 Project Title

The list of projects by title is shown in the NEP/GAA. Although the project category and sub-category may not be shown in the NEP/GAA, they can be aggregated in the system for purposes of reporting.

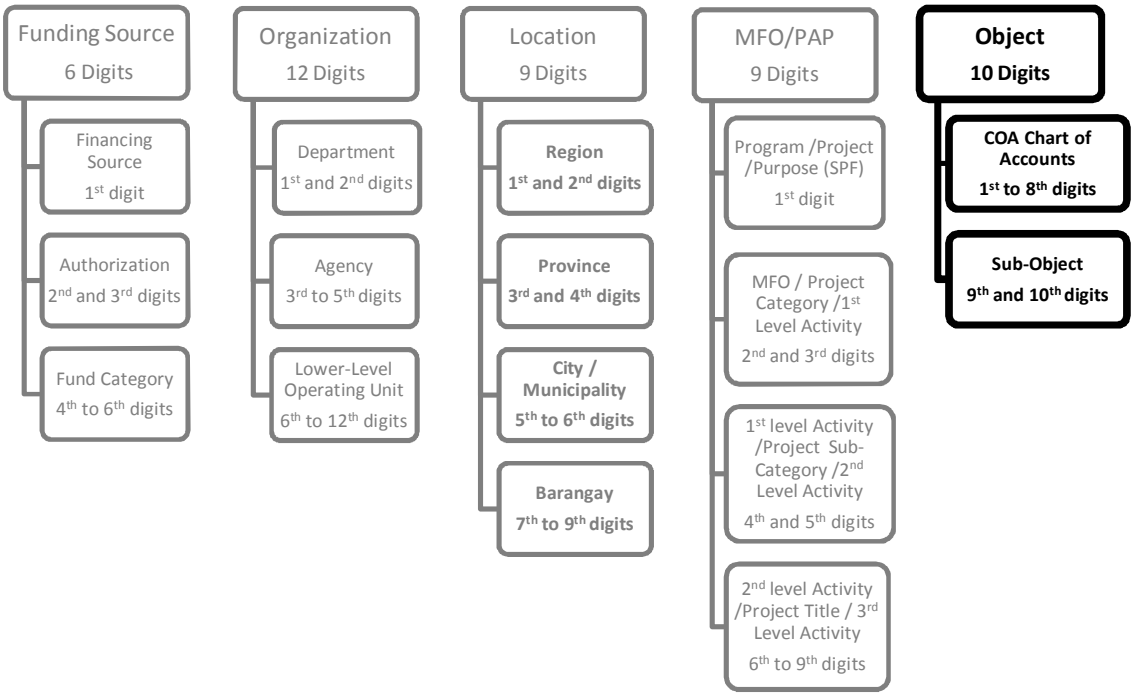
[7] The Housing sub category does appear under both Buildings and Other Structures and Social Protection. Housing projects for Government employees should be categorized as Buildings and Other Structures, while housing projects for displaced persons should be categorized as Social Protection.

4.5 MFO/PAP Coding Example

DEPARTMENT OF BUDGET AND MANAGEMENT: Office of the Secretary

PARTICULARS	UACS
General Administration and Support	1 00 00 0000
General Administration and Support Services	1 00 01 0000
General Management and Supervision	1 00 01 0001
Support to Operations	2 00 00 0000
Budget and Management Support Services	2 00 01 0000
Legal Services	2 00 01 0001
Information and Communications Technology Systems Services	2 00 01 0002
Training and Information Services	2 00 01 0003
Operations	3 00 00 0000
MFO 1: Budget Policy Advisory Services	3 01 00 0000
Fiscal policy research, budget planning and programming, including provision of technical secretariat services to the Development Budget Coordination Committee (DBCC)	3 01 01 0000
MFO 2: Budget Management Services	3 02 00 0000
Planning, management and monitoring of the annual budget program	3 02 01 0000
Evaluation, release and monitoring of funding requirements and organization, staffing and compensation proposals of National Government Agencies, including State Universities and Colleges, GOCCs and LGUs	3 02 02 0000
MFO 3: Organizational Productivity Enhancement Services	3 03 00 0000
Policy formulation and standards-setting, and evaluation of agency proposals	3 03 01 0000
Internal control systems and procedures towards productivity improvement	3 03 01 0001
Major organization and staffing modification, compensation and position classification	3 03 01 0002
MFO 4: Performance Review and Evaluation Services	3 04 00 0000
Financial and physical performance review and evaluation	3 04 01 0000
Locally Funded Projects	4 00 00 0000
Governance	4 10 00 0000
Governance and Accountability Improvement	4 10 06 0000
Budget Improvement Project	4 10 06 0001
Philippine Government Electronic Procurement Systems - PhilGEPS	4 10 06 0002

CHAPTER 5 - Object Code



Object Code 10 Digits	
COA Chart of Accounts Object 1st to 8th digits	Sub-Object 9th and 10th digits

This chapter provides information on the object code classification for Assets, Liabilities, Equity, Income and Expense accounts. The object classification covers all financial transactions of the government such as, but not limited to, goods or services acquired, transfer payments made, the source of revenue or the cause of increases or decreases in assets and liabilities.

The object information provides a method for classifying and coding transactions to enable the reporting of information (including the impact of government revenues and expenditures on the economy) as well as the nature and standard classification of transactions for internal departmental analysis, as well as for decision-making purposes of oversight agencies.

In addition, the object coding in the information system provides a repository of government-wide information, which can be used by oversight agencies without requiring departments and agencies to respond to individual requests.

The basis for coding the object classification in the COA Revised Chart of Accounts is accrual accounting, which requires transactions to be recorded in the period when they occur (and not only when cash or its equivalent is received or paid). Therefore, the transactions and events are recorded in the accounting records and recognized in the financial statements of the periods to which they relate. The elements recognized under accrual accounting are assets, liabilities, equity, income and expenses.

The classification coding framework is as follows for Object Coding, as provided for by COA in the Revised Chart of Accounts.

PARTICULARS	UACS
Assets	1
Liabilities	2
Equity	3
Income	4
Expenses	5

5.1 Assets

Assets refer to the economic resources of an agency that are recognized and measured in conformity with generally accepted accounting principles. An asset is any owned physical object (tangible) or right (intangibles) with economic value that is expressed, for accounting purposes, in terms of its cost or some other value. These other values include revalued amounts, current cost, net realizable value, fair value and recoverable amounts.

5.2 Liabilities

Liabilities refer to the economic obligations of an agency that are recognized and measured in conformity with accounting principles. Liabilities include certain deferred credits that are not obligations, but which are nonetheless recognized and measured according to accounting principles as outlined in Philippines Public Sector Accounting Standards.

5.3 Equity

Equity refers to the residual interest of the government in an agency, which is the excess of the agency assets over its liabilities.

5.4 Income

Income refers to the gross inflow of economic benefits or service potential during the reporting period, when those inflows result in an increase in net assets/equity, other than increases relating to contributions from owners. The term “income” is broader than revenue and includes gains in addition to revenue.

5.5 Expenses

Expenditures shall be further categorized by allotment classes, as follows:

PARTICULARS	UACS
Personnel Services	1
Maintenance and Other Operating Expenses	2
Financial Expenses	3
Direct Costs (manufacturing and trading)	4
Non-Cash Expenses	5
Capital Outlays	6

The categorization of expense descriptions and codes in the UACS involves an amalgamation of all of the expenditure codes from the COA Revised Chart of Accounts prepared for accrual basis financial reporting, the addition of some sub-object codes and the addition of expenditure accounts designed for cash basis budgeting, such as all of the accounts for capital outlays. Collectively, these provide the harmonized budgetary and accounting expenditure classification codes.

5.6 Object and Sub-object codes

For object coding, descriptions and codes are drawn from the COA Revised Chart of Accounts (8 digits). If disaggregation is necessary, sub-object codes of two (2) digits shall be used to show the breakdown of selected assets, income and expenses. Otherwise, two zeros will be used. The responsibility for disaggregation and sub-coding of the following accounts are as shown below.

Accounts	Agency Responsible for Disaggregation
Cash in Bank	BTr
Taxes	BIR
Import Duties	BOC
Non-Tax Revenues	DOF/BTr

Accounts	Agency Responsible for Disaggregation
Personnel Services	DBM
MOOE	DBM/COA
Financial Expenses	DBM/COA
Capital Outlays	DBM

Some examples of the application of object codes for Personnel Expenses follow in the table below.

PARTICULARS	COA	UACS
Salaries and Wages - Regular	**50101010**	**50101010 00**
Basic Salary - Civilian		50101010 01
Base Pay - Military/Uniformed Personnel		50101010 02
Salaries and Wages - Casual/Contractual	50101020	50101020 00

Some examples for Maintenance and Operating Expenses follow in the table below.

PARTICULARS	COA	UACS
Rent/Lease Expenses	**50299050**	**50299050** 00
Rents - Buildings and Structures		50299050 01
Rents - Land		50299050 02
Rents - Motor Vehicles		50299050 03
Rents - Equipment		50299050 04
Rents - Living Quarters		50299050 05
Operating Lease		50299050 06
Financial Lease		50299050 07

See Appendix C for a detailed list of Object codes (Revised Chart of Accounts) and Sub-object codes.

5.7 Harmonization of Coding for Capital Outlays

From the time of budget appropriation until funds are disbursed, the relevant amounts of allotment, cash release and obligations should be processed in capital outlay accounts, such as one of the accounts for infrastructure capital outlays. The full list appears at the end of the expenditure code listing in Appendix C.5.6.

In accordance with accrual accounting principles, the expenditure should be recognized as an asset in the form of infrastructure construction in progress *at the point of disbursement*. This process would most likely be automated in GIFMIS so that the spending is shown as capital outlays in DBM management reports, and as capital outlays in the cash flow statement, *but* as an asset in the Statement of Financial Position/Balance Sheet and not disclosed in the Operating Statement/Profit and Loss Statement/Income and Expense Statement.

Once the project is completed, the infrastructure construction in progress account would be cleared (i.e., credited) and a Public Infrastructure Asset recognized, such that, as an example, an asset account like Road Networks is debited.