

Section 7: Chart of Accounts

7.1 Overview

Schools are required to record transactions (e.g. revenue and expenditure) as per the designated codes in the Chart of Accounts for Victorian Government Schools.

The importance of correct coding prior to CASES21 data entry is critical to the credibility, reliance and accuracy of information. The accuracy of reports for both internal and external users can only be relied upon when data has been correctly entered into the CASES21 system. It has been found that miscoding errors generally relate to a lack of understanding of the Chart of Account for Victorian Government Schools structure and its link to the reporting process.

There is provision in the Chart of Accounts for Victorian Government Schools to accurately code all funds to ensure effective monitoring and reporting for management, the finance committee and school council.

7.2 CASES21 Chart of Accounts

7.2.1 Overview

The CASES21 Chart of Accounts for Victorian Government Schools is structured into two sections for the entry and recording of financial transactions.

The two sections include:

- General ledger including assets, liabilities, equity, revenue and expenditure;
- Programs, Sub Programs and Initiatives of the Department of Education and Training (DET).

7.2.2 Mandatory policy (Must do):

Sequence Number	Information	
7.2.2.1	All schools must adopt the relevant standard Chart of Accounts for Victorian Government schools as prescribed by the Director, Schools Finance and Resources Branch.	
7.2.2.2	General Ledger and Program Chart of Account codes for Victorian Government schools have been defined by the Department and therefore cannot be deleted or modified.	
7.2.2.3	Sub Program level Chart of Account codes include the provision for schools to add school defined codes if they are required to meet specific reporting requirements.	
7.2.2.4	Schools must develop a consistent approach to the use of school defined Sub Programs in line with their specific needs regarding reporting, monitoring and reconciling activities.	

Sequence Number	Information
7.2.2.5	Schools must ensure that when they are creating a Sub Program it is coded under the correct Program area.
7.2.2.6	The use of the Department defined codes must be adopted for the identification and recording of transactions where possible. These codes cover the majority of transactions and are necessary for consistency as well as calculating aggregates for 'whole of government' reporting. The school defined codes must be used selectively and only when a Department defined code for the item does not exist.
7.2.2.7	Coding of revenue and expenditure for CASES21 data entry must align with the school's budget approved by school council.
7.2.2.8	All Schools must provide meaningful descriptions when entering data into the CASES21 finance system. Do not use the CASES21 account code as a description in the transaction detail field.

7.2.3 Prohibited policy (Must not do):

Sequence Number	Information
7.2.3.1	School defined Sub Program codes must not be created prior to a check being done to ascertain whether a predefined code already exists.
7.2.3.2	Schools must not create a Sub Program code where that code exists at General Ledger level, for example, cash grant, commission, photocopying and electricity etc. unless used as a clearing account.

Case Study

Correct Chart of Account code to be used by Schools for the receipting of the Student Resource Package (SRP) cash funding paid by the Department of Education and Training

A schools receives the following funding from the Department which includes the Student Resource Package (SRP) Student-based funding, School-based funding, Establishment grants, Targeted Initiatives, SRP credit to cash transfers, short term leave reimbursement (STLR), and reconciliation funding, all this type of funding must be recorded in account code 70001 – Cash Grant.

7.3 Goods and Services Tax (GST) and the Chart of Accounts

7.3.1 Overview

Primary, Secondary and Special Schools have multiple GST tax codes to choose from when receipting revenue or to apply when paying creditor invoices on CASES21.

7.3.2 Mandatory policy (Must do):

Sequence Number	Information	
7.3.2.1	The GST revenue code to use is determined by the type or source of revenue being receipted. For invoices, the GST code is determined on whether the creditor holds an ABN and/or GST registration.	
7.3.2.2	It should be noted also that Special Schools have the ability to treat certain revenue (donations etc.) as out of scope (i.e. NS6) due to their status as a Deductible Gift Recipient (DGR).	
7.3.2.3	The liability of accounting for GST correctly falls on 'the receiver' of revenue. Therefore, when schools receive revenue, they must be diligent in ensuring that the correct GST treatment is applied. Schools must also ensure that they claim back all GST to which they are entitled when they make purchases.	
7.3.2.4	The GST codes for revenue and expenditure that are utilised by schools are listed in the 'GST codes for schools' table. Refer to page 8 and 9 in the Chart of Accounts.	

7.3.3 Additional resources and support

For further information, see the Tax website at [Tax Website](#)

If you have any questions or enquiries concerning GST, please contact the Department's Schools Financial Management Support Unit on Phone: 70222228 or e-mail - Greg Hart at: hart.greg.j@edumail.vic.gov.au

Legislative requirements

Legislation

The advice in this section was based on requirements outlined in the following legislation:

- *Education and Training Reform Act 2006* – Division 4 Accounts and records
- *Education and Training Regulations 2017* – Part 4 – Government School Councils and Parents Clubs

- Standing Directions of the Minister of Finance 2018 under the *Financial Management Act 1994* – Section 2.4.2 Chief Finance Officer – General responsibilities

Definitions

Term	Definition
CASES21	CASES21 (Computerised Administrative System Environment in Schools) is the software package provided to Victorian Government Schools to support school administration, finance and central reporting.
Chart of Accounts	A listing of accounts available in an accounting system in which to record entries. The Chart of Accounts consists of balance sheet accounts (assets, liabilities, equity) and operating statement accounts (revenue and expenditure).
Declaration of private interest (DPI)	Declaration made via Edupay of potential conflicts of interest including, but not limited to, other sources of income, any positions of office held in public or private companies, shareholdings and other business interests, relationships with trusts, holdings of real estate, agreements and contracts, other financial interests and any probity issues.
GST	Goods and Services Tax – Value added tax which taxes final consumption of all goods and services consumed within Australia. Victorian government schools are subject to GST and must ensure that they comply with the GST law on revenue and payments.
Assets	Items of value owned or controlled by the school e.g. bank accounts, debtors, plant and equipment (over \$5,000). Chart of Account code range (10001 – 29102)
Liabilities	Liabilities - Amounts owing by the school to external parties e.g. Accounts Payable, Co-operative Loan and Revenue received in advance. Chart of Account code range (33000 – 40001)
Accumulated Funds	The net assets of the school which is represented by the equation: Accumulated Funds = Assets (what is owned) – [minus] Liabilities (what is owed). Chart of Account code range (50001 -50003)
Revenue	An inflow of resources/funds resulting from the provision of services, trading and investing operations, e.g. grants, locally raised funds or other funds such as bank interest. Chart of Account code range (70001 – 74580)
Expenditure	Expenditure - An outflow of resources/funds in exchange for services or products e.g. Class materials, utilities and telephone expenditure. Operating expenditure produces benefits not extending beyond the accounting period. Capital expenditure provides value extending into

Term	Definition
	future accounting periods (asset purchase such as equipment with a value over \$5000). Chart of Account code range (80052 – 89593).
Initiatives	Classification layer allowing transactions to be linked across a number of sub programs, e.g. used for multi campus schools.
Programs	Group of Sub Programs Program code range (100 – 970)
Sub Programs	All Sub Programs are linked to Programs in the Chart of Accounts. Included are hard coded Sub Programs along with a provision for schools generate additional Sub Programs at each Program level. Cost centres, project, e.g. Subject areas, administration. Sub Program code range (1001 – 9799).

Additional resources and support

For further information see the Chart of Accounts for Victorian Government Schools available on the Finance website: [Chart of accounts for Victorian Government Schools](#)

For more information, contact the CASES21 Support staff via the Service Gateway or Service Desk. [Access the Service Gateway here](#) or 1800 641 943.

Version and revision control record

Date	Version	Approver	Next Review
01/2019	1.2	Chief Finance Officer - Financial Services Division	01/2020