



MINISTRY OF FINANCE
of the Republic of Lithuania

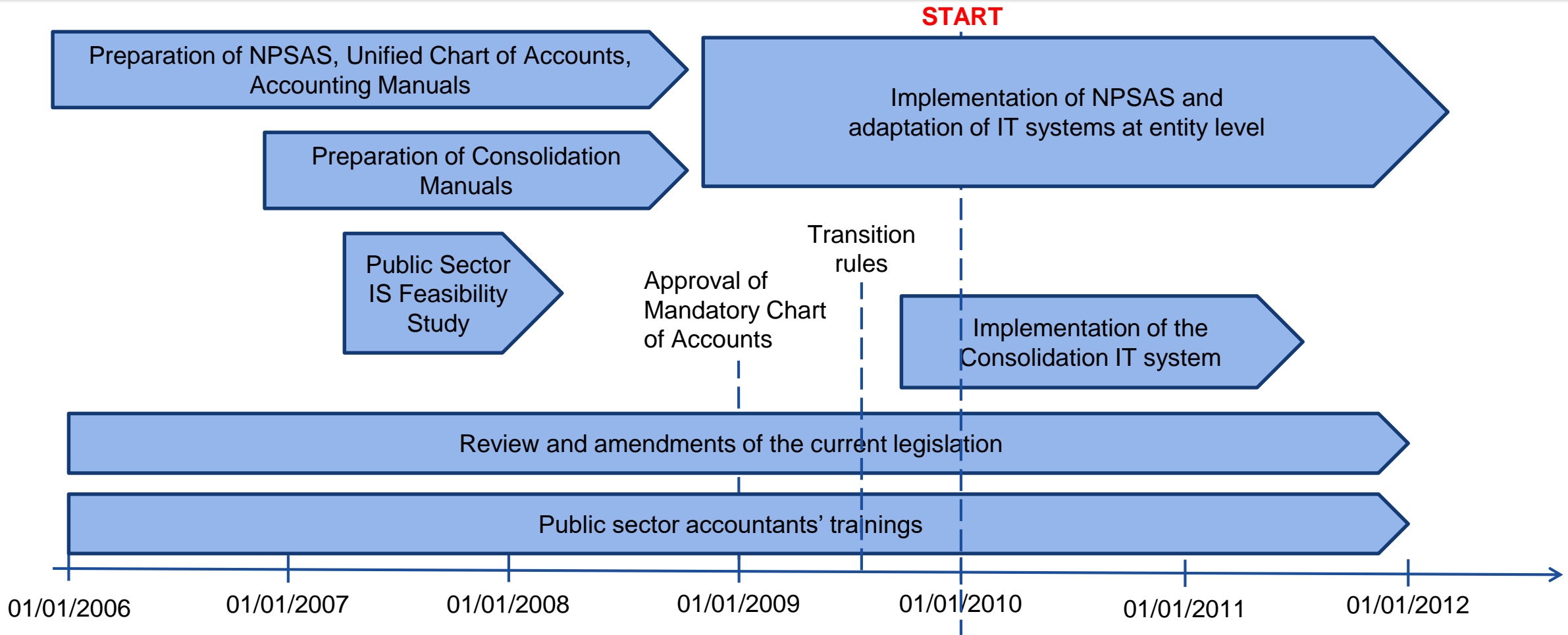
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CHART OF ACCOUNTS IN THE PUBLIC SECTOR OF LITHUANIA

Accounting System Reform - Transition from modified cash basis to full accrual accounting based on IPSAS



Transitional Rules: 2009



1. Bridge the old chart of accounts with the new one

2. Register the amounts of assets, liabilities and funds in the New chart of accounts

3. Valuation and adjustments in accordance to NPSAS and register to the New Chart of accounts

4. Opening balances (supported by detail accounting ledgers and inventory count documents)

Mandatory Chart of Accounts



Objective

Financial Reporting

Preparation of Whole-of-Government FS (consolidation)

Requirements

Mandatory general chart of accounts approved by Order of 22 December 2008 of the Minister of Finance

Mandatory structure and sequence to all public sector entities

Every public sector entity has to approve its own chart of accounts

Recommendations

Ministry of Finance published very detail chart of accounts

Recommended dimensions are included in the Illustrative accounting manuals

Structure of Chart of accounts

Off balance sheet accounts

- 0

Statement of Financial Position

- 1 Non-current assets
- 2 Current assets
- 3 Net assets
- 4 Appropriations and other transfers
- 5 Long-term liabilities
- 6 Short-term liabilities

Financial Performance Statement

- 7 Revenue
- 8 Costs

Special Accounts

- 91 Equity method
- 92 Change of Accounting Policy, Material Errors
- 93 Profit tax

Structure of a Single Account (1)

Mandatory general chart of accounts

- 1 Non-current assets
 - 12 Property, plant and equipment
 - 1202 Buildings
 - **12021 Residential buildings**
- accumulative accounts

Recommended general chart of accounts

- 1202101 Residential buildings cost of an acquisition
 - 1202103 Residential buildings impairment (-)
 - 1202104 Residential buildings depreciation (-)
- registration accounts

Structure of a Single Account (2)

Mandatory general chart of accounts

- 4 Appropriations and other transfers (A&T)
- 41 A&T (receivable)
- 414 A&T from state budget
- 4141 A&T from state budget for non-monetary assets
- 4142 A&T from the state budget for other expenses

Recommended general chart of accounts

- 4142001 A&T from the state budget for other expenses (receivable)

Mandatory general chart of accounts

- 4 Appropriations and other transfers (A&T)
- 42 A&T (received)
- 424 A&T from the state budget
- 4241 A&T from the state budget for non-monetary assets
- 4242 A&T from the state budget for other expenses

Recommended general chart of accounts

- 4242001 A&T from the state budget for other expenses (received)
- 4242002 A&T from the state budget for other expenses (used according to set conditions)
- 4242003 A&T from the state budget for other expenses (transferred to other public sector entity)
- 4242004 A&T from the state budget for other expenses (returned back to the provider)

Dimensions of the registration account

Government code of function (COFOG)

- 01 General Public services
- 02 Defence
- 03 Public order and safety
- 04 Economic affairs
- 05 Environmental protection
- 06 Housing and community amenities
- 07 Health
- 08 Recreation, culture and religion
- 09 Education
- 10 Social protection

Program (budgetary expenses program)*

- 01.02 Financial Policy formation and implementation
- 01.04 Government debt management
- 01.05 State tax inspectorate activity
- 01.06 Customs department activity

Classification of budgetary income and expenses**

- 2. Expenses
- 2.1. Wages, salaries and employers' social contributions (ESA code D.1)
- 2.1.1. Wages and salaries
- 2.1.2. Employers' social contributions

Source of funds

- 1.1. State budget appropriations
- 1.2. Co-financing of the European Union and other international financial assistance
- 1.3. European Union and other international financial support
- 1.4. Revenue of entities
- 1.5. Government reserve
- 1.6. Targeted financing from State budget
- 1.7. Grants to municipalities

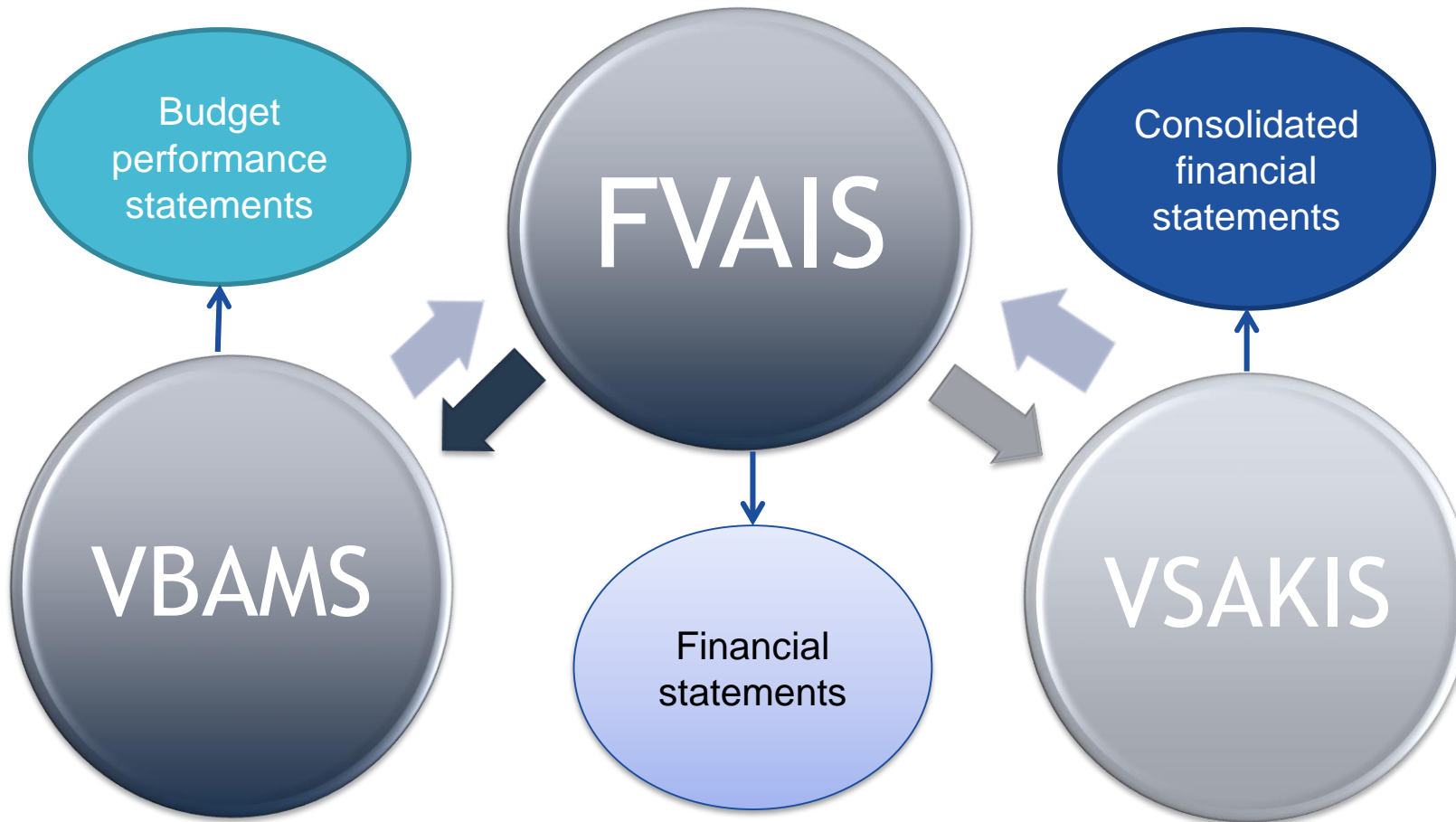
Other dimension based on needs

- Projects
- Contracts
- Responsible persons
- Cash flow codes
- Consolidation codes
- Other

*Example of the programs performed by the Ministry of Finance

** prepared according ESA 2010

IT systems



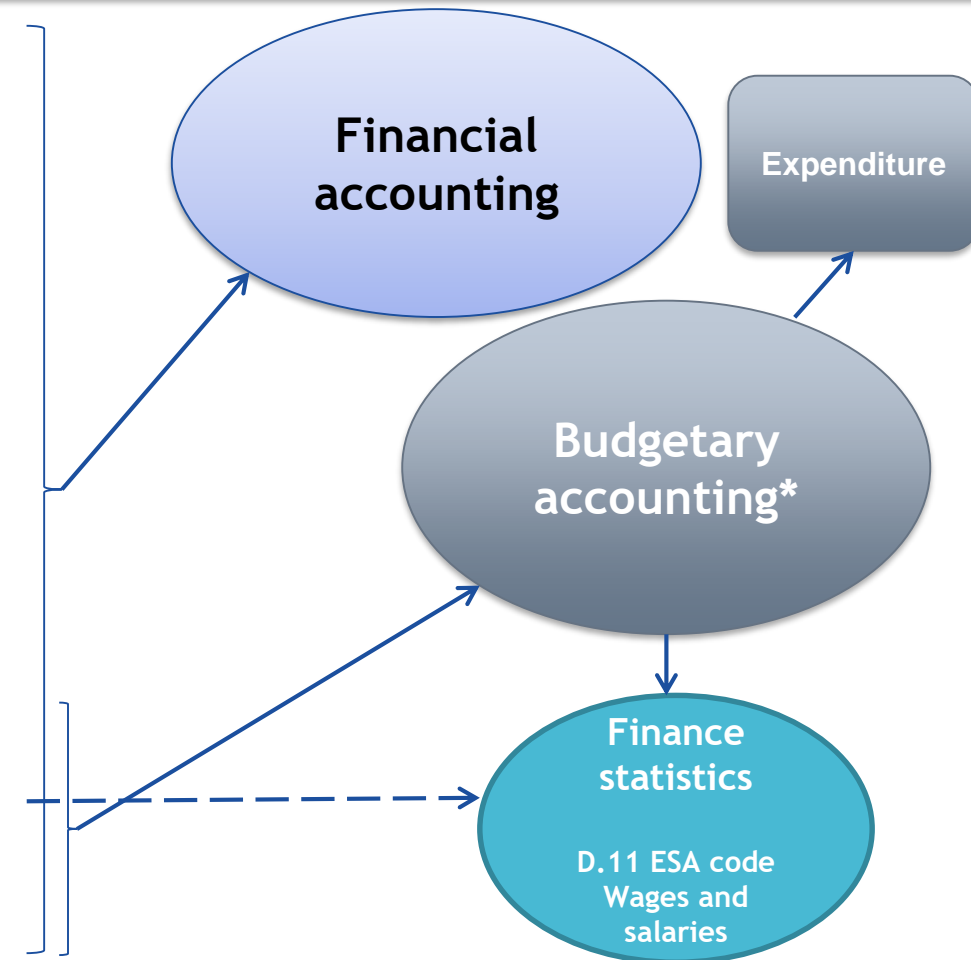
FVAIS - Financial Management and Accounting Information system (Navision)

VBAMS - Government Budgeting, Accounting and Payment system (Navision)

VSAKIS - Public Sector Accounting and Consolidation information system (SAP)

Example (Public sector entity calculates personal income tax and pays to State tax inspectorate directly)

<i>Wages and salaries costs</i> D 8701001	01.02.01.01.01 Ministry of Finance
	2.1.1.1.1.1 Wages and salaries in cash
	01.01.02.09 Institution management expenses
	150 1.1.1.1.1. State budget funds
<i>Personal income tax payable</i> K 6923001	01.02.01.01.01 Ministry of Finance
	2.1.1.1.1.1 Wages and salaries in cash
	01.01.02.09 Institution management expenses
	150 1.1.1.1.1. State budget funds
<i>Personal income tax payable</i> D 6923001	01.02.01.01.01 Ministry of Finance
	2.1.1.1.1.1 Wages and salaries in cash
	01.01.02.09 Institution management expenses
	150 1.1.1.1.1. State budget funds
<i>Bank account</i> K 2411101	01.02.01.01.01 Ministry of Finance
	2.1.1.1.1.1 Wages and salaries in cash
	01.01.02.09 Institution management expenses
	150 1.1.1.1.1. State budget funds



Example (Public sector entity pays personal income tax to State tax inspectorate using VBAMS)

Receivable A&T according to centralized payments

D 2221007

150

*A&T from the state budget for other expenses
(receivable)*

K 4142001

150

*A&T from the state budget for other expenses
(receivable)*

D 4142001

150

A&T from the state budget for other expenses (received)

K 4242001

150

A&T from the state budget for other expenses (used)

D 4242002

150

*Used A&T from the state budget for other expenses
income*

K 7024001

150

Personal income tax payable

D 6923001

150

Receivable A&T according to centralized payments

K 2221007

150

Benefits

- Facilitates preparation of consolidated public sector financial reports.
- Easier to communicate, as all public sector entities speak the same language.
- Use of the dimensions does not overcrowd the chart of accounts.
- Serve financial, budgetary and financial statistics needs.



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