

This Factsheet answers some general questions about the Standard Chart of Accounts (SCOA), its content, format and an overview of its usage. For more details on the SCOA please see: <https://wiki.qut.edu.au/display/CPNS/Standard+Chart+of+Accounts> or email [dyo@qut.edu.au](mailto:dyo@qut.edu.au) with your questions.

### **1.1 What is the Standard Chart of Accounts (SCOA)?**

Unlike the US, UK, and Canada, Australia does not have a special accounting standard for community organisations. The Standard Chart of Accounts provides a common approach to the capture of accounting information by community organisations. If all parties use the same standard terms and categories, e.g. Wages & Salaries, Printing & Stationery, to refer to the same activities, this Chart will simplify the work of community organisations when acquitting government grants. Government departments and community organisations will talk the same accounting language. "Apples will be apples."

### **1.2 What are the contents of the SCOA?**

The SCOA lists the accounts most likely to be required by community organisations under the headings of Assets, Liabilities, Equity/Accumulated Funds, Income, Cost of Goods Sold, and Expenses. The SCOA is a list of the most common accounts needed by nonprofit organisations, with an explanation of each account (data dictionary). The SCOA also uses a numbering system as a guide because most accounting packages require both a numbering system and a naming convention.

### **1.3 What is the Data Dictionary in the SCOA?**

The Chart includes a *data dictionary*, which explains in simple, practical language, which items and activities are to be included under each heading. It also gives details on items which are not to be included under each heading.

### **1.4 Is it mandatory to change to this SCOA?**

No, it is not mandatory for nonprofit organisations. Some large organisations which have sophisticated accounting systems may map the SCOA to their Chart of Accounts and align them but continue to use their own systems. COAG has endorsed the adoption of SCOA for use by government departments and agencies from 1 July 2010.

### **1.5 Does the SCOA comply with Australian Accounting Standards?**

The SCOA includes a column referring to current AASB Accounting Standards and update and alignment are ongoing.

### **1.6 What will our auditor think of the SCOA?**

Feedback so far indicates that auditors heartily welcome the Standard Chart of Accounts because community organisations' financial records will be easier to audit! However, it would be good to talk to your auditor before changing over. The professional bodies have had representation on all Reference Groups (in each state) and in the Nonprofit Working Groups (in each state).

**1.7 Is the SCOA only for government-funded organisations and is it State and/or Federal funding specific?**

The SCOA provides a common approach for all community organisations. It can be used by all nonprofit organisations, whether or not they are government-funded. It applies to State and Federal grants (including some state and federal specific legislation where applicable). Large and complex organisations use most of the data dictionary but often add extra items due to their circumstances.

**1.8 Is the SCOA only for organisations that use accrual accounting?**

The SCOA can be implemented by organisations that use a cash basis or an accrual basis of accounting.

**1.9 Do we need to buy new computer software or upgrade our software?**

This SCOA is a generic template which can be applied to any computerised accounting software package. Organisations usually implement a new SCOA at the beginning of a financial year.

**1.10 Will the SCOA be updated in the future?**

The Chart is a working document, and will be updated to include new regulations, accounting standards, and improvements from time to time.

The DYO/Standard Chart of Accounts website will be updated regularly, and you can keep in touch with the latest developments by accessing the website, e.g. these FAQs will have new items added as they arise. All the materials on the website (including the manuals) will remain there for the foreseeable future. The website/wiki space is: <https://wiki.qut.edu.au/display/CPNS/Standard+Chart+of+Accounts>

**1.11 Will support extend to auditors and bookkeepers who make enquiries on behalf of organisations? Will the HelpLine (and later network) extend to non-community organisations?**

Yes, support will be provided to all accounting staff involved in the financial record keeping of community organisations. It also extends to all organisations who work with community organisations. A Bookkeeper/Volunteer Treasurers blog is being developed to replace the email network set up after the early implementations.

**1.12 Where can we find out more about the SCOA?**

Ask your community peak body about the SCOA. You can also find out more from the *Standard Chart of Accounts* website at QUT:  
<https://wiki.qut.edu.au/display/CPNS/Standard+Chart+of+Accounts>