



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

CLASSIFICATION CIRCULAR 19

ADJUSTMENTS TO THE STANDARD CHART OF ACCOUNTS (SCOA) VERSION 5

PURPOSE

1. The purpose of this circular is to inform all government financial practitioners of the changes made to the Standard Chart of Accounts (SCOA).
2. Amendments to the SCOA are provided along with an illustration of the impact thereof on the respective segment. Definitions have been added to the Excel version of the Chart of Accounts (herein referred to as SCOA version 5 17.18.03).

DISCUSSION

3. Changes to the chart will be discussed according to each segment of the chart. Please note that where applicable in each segment of the chart, all terminologies have been aligned to the changes introduced in the chart.
4. Departments are requested to ensure that all the necessary PERSAL and BAS links are updated to mirror the structure of the changes in the segments of the chart; i.e. amended Fund segment for Earmarked and Specific funds, Programmes and Sub-programmes in the Objective segment.
5. Reasons for the amendments of the chart are provided along with illustrations of the impact on the respective segments. Whereas items shown in **red** indicate that they have been **removed/deleted**, **blue** indicates that they have been **changed/re-named**, and **green** implies that a new item has been **created/added** in the chart.

FUND SEGMENT

6. Changes to the Fund Segment have been aligned to the published Adjusted Appropriation Bill for 2017 and distributed to the relevant departments. Please refer to chart version 5 17.18.03 in this regard.

Standard Chart Of Accounts (SCOA) Version 5 17.18.03 – Classification Circular 19

OBJECTIVE SEGMENT

- 7. Programme structures of national and provincial departments were updated and aligned to the adjusted budget statements (AENE and AEPRE) of departments as tabled in Parliament and the Legislature. Please refer to chart version 5 17.18.03 in this regard.
- 8. Adjusted approved structure changes not captured on the system should be communicated to the SCOA Technical Committee as soon as possible for implementation.

RESPONSIBILITY SEGMENT

- 9. This segment is non-standardised; therefore departments need to amend the structure according to their needs in terms of the requirements of their organisational structure.

ITEM SEGMENT

PAYMENTS

COMPENSATION OF EMPLOYEES

- 10. No changes were made to this category of payments.

GOODS AND SERVICES

OPERATING PAYMENTS: COMPETENCY CERTIFICATE / LICENSES

- 11. The item **Operating Payments: Competency Certificate / Licenses** has been amended to include payments for acquisition of Permits.

Table 19.1 Current chart illustration

1	2	3	4	5	SEGMENT DETAIL NO	POSTLEV
PAYMENTS					7	N
PAYMENTS					35	N
GOODS AND SERVICES					600	N
OPERATING PAYMENTS					619	N
O/P:COMPETENCY CERT/ LICENSES					959	Y

Standard Chart Of Accounts (SCOA) Version 5 17.18.03 – Classification Circular 19

Table 19.2 New chart changes illustration

1	2	3	4	5	SEGMENT DETAIL NO	POSTLEV
	PAYMENTS				7	N
		PAYMENTS			35	N
			GOODS AND SERVICES		600	N
				OPERATING PAYMENTS	619	N
				O/P:COMPETENCY CERT/LICEN/PERMIT	959	Y

INVENTORY FARM SUPPLIES: INSECTICIDES

12. The item **Inventory Farm Supplies: Insecticides** has been amended to include payment of purchases of Herbicides.

Table 19.3 Current chart illustration

1	2	3	4	5	SEGMENT DETAIL NO	POSTLEV
	PAYMENTS				7	N
		PAYMENTS			35	N
			GOODS AND SERVICES		600	N
				INV:FARMING SUPPLIES	643	N
				INV FARM SUP:INSECTCIDS	1184	Y

Table 19.4 New chart changes illustration

1	2	3	4	5	SEGMENT DETAIL NO	POSTLEV
	PAYMENTS				7	N
		PAYMENTS			35	N
			GOODS AND SERVICES		600	N
				INV:FARMING SUPPLIES	643	N
				INV FARM SUP:INSECTCIDS/HERBICDS	1184	Y

Standard Chart Of Accounts (SCOA) Version 5 17.18.03 – Classification Circular 19

CONTRACTORS: DISPOSAL SERVICES

13. A New item **Contractors: Disposal Services** has been added for rendering disposal services.

Table 19.5 Chart additions illustration

1	2	3	4	5	SEGMENT DETAIL NO	POSTLEV
	PAYMENTS				7	N
		PAYMENTS			35	N
			GOODS AND SERVICES		600	N
				CONTRACTORS	637	N
				CONTRCTRS:DISPOSAL SERVICES	4204	Y

CONTRACTORS: FORENSIC SERVICES

14. A New item **Contractors: Forensic Investigators** has been added for payments of forensic investigation services rendered to the departments.

Table 19.5 Chart additions illustration

1	2	3	4	5	SEGMENT DETAIL NO	POSTLEV
	PAYMENTS				7	N
		PAYMENTS			35	N
			GOODS AND SERVICES		600	N
				CONTRACTORS	637	N
				CONTRCTRS:FORENSIC INVESTIGATORS	4084	Y

AGENCY AND OUTSOURCED SERVICES: LECTURES

15. The item **Agency and Outsourced Services: Lectures** has been amended to include payment of outsourced teaching services.

Table 19.7 Current chart illustration

1	2	3	4	5	SEGMENT DETAIL NO	POSTLEV
	PAYMENTS				7	N
		PAYMENTS			35	N
			GOODS AND SERVICES		600	N
				AGENCY&SUPRT/OUTSOURCED SERVICES	638	N
				A&S/O/S:LECTURES	3215	Y

Standard Chart Of Accounts (SCOA) Version 5 17.18.03 – Classification Circular 19

Table 19.8 New chart changes illustration

1	2	3	4	5	SEGMENT DETAIL NO	POSTLEV
	PAYMENTS				7	N
		PAYMENTS			35	N
			GOODS AND SERVICES		600	N
				AGENCY&SUPRT/OUTSOURCED SERVICES	638	N
				A&S/O/S:LECTURES/TEACHERS	3215	Y

CONSUMABLE SUPPLIES: SADDLERY AND OTHER TACKLE

16. A new item **Consumable Supplies: Saddlery and Other Tackle** has been added for purchases of consumables: saddlery and other tackle.

Table 19.9 Chart additions illustration

1	2	3	4	5	SEGMENT DETAIL NO	POSTLEV
	PAYMENTS				7	N
		PAYMENTS			35	N
			GOODS AND SERVICES		600	N
				CONS SUPPLIES	612	N
				CONS:SADDLERY & OTHER TACKLE	4030	Y

TRADING ENTITY: DEPRECIATION

17. **Trading Entity: Depreciation** has been added to the chart. This will allow departments to meet the Annual Financial Statements (AFS) reporting requirements.

Table 19.10 Chart additions illustration

1	2	3	4	5	6	SEGMENT DETAIL NO	POSTLEV
	PAYMENTS					7	N
		PAYMENTS				35	N
			TRADING ENTITY:DEPRECIATION			4282	N
			T/ENT:DEPREC MACHINERY & EQUIP			4283	N
			TRAD ENT:DEPREC TRANSPORT EQUIP			4290	N
			TRAD ENT:DEPREC TRANSPORT EQUIP			4291	Y
			TRAD ENT:DEPREC OTH MACH & EQUIP			4285	N
			TRAD ENT:DEPREC OTH MACH & EQUIP			4287	Y
			TRAD ENT:DEPREC FURN & OFF EQUIP			4288	Y
			TRAD ENT:DEPREC COMPUTER EQUIP			4289	Y

Standard Chart Of Accounts (SCOA) Version 5 17.18.03 – Classification Circular 19

18. **New other fixed structures: Compensation of employees** has been added with expansions, which will allow departments to capitalise the cost of compensation of employees used directly as an input to a new construction of other fixed structure project.

Table 19.11 Chart additions illustration

1	2	3	4	5	6	7	8	SEGMENT DETAIL NO	POSTLEV
PAYMENTS								1	N
PUR/CONST CAPITAL ASSETS								7	N
BUILDINGS & OTHER FIX STRUCT								35	N
OTHER FIXED STRUCTURES								600	N
NEW OTHER FIXED STRUCTURES								676	N
CONSTRUCTN:NEW OTHER FIX STRUCT								735	N
NEW OTH FIX STR:COMP OF EMPLOYES								4328	N
NEW OFST:S&W:BASIC SALARY (RES)								4329	Y
NEW OFST:S&W:SERV BASED OTH(RES)								4330	Y
NEW OFST:S&W:HOUSING ALLOW(RES)								4331	Y
NEW OFST:S&W:SERV BONUS (RES)								4332	Y
NEW OFST:EMPL CONTR:BARG COU(RES)								4333	Y
NEW OFST:EMPL CONTR:MEDICAL(RES)								4334	Y
NEW OFST:EMPL CONTR:PENSION(RES)								4335	Y

19. **Upgrades and additions: Other fixed structures: Compensation of employees** was added to the chart with expanded items, which will allow departments to capitalise the cost of compensation of employees used directly as an input to an upgrades and additions of other fixed structure project.

Standard Chart Of Accounts (SCOA) Version 5 17.18.03 – Classification Circular 19

Table 19.12 Chart additions illustration

1	2	3	4	5	6	7	8	SEGMENT DETAIL NO	POSTLEV
PAYMENTS								1	N
PUR/CONST CAPITAL ASSETS								7	N
BUILDINGS & OTHER FIX STRUCT								35	N
OTHER FIXED STRUCTURES								600	N
EXISTNG OTHER FIXED STRUCTURES								677	N
REF&REHAB:OTHER FIXED STRUCTURES								736	N
UP&ADD:OTH FIX STR:COMP OF EMPL								4319	N
U&A OFST:S&W:BASIC SALARY (RES)								4320	Y
U&A OFST:S&W:PERFORM BONUS(RES)								4321	Y
U&A OFST:S&W:SERV BASED OTH(RES)								4322	Y
U&A OFST:S&W:HOUSING ALLOW(RES)								4323	Y
U&A OFST:S&W:SERV BONUS (RES)								4324	Y
U&A OFST:EMPL CONTR:BARG COU(RES)								4325	Y
U&A OFST:EMPL CONTR:MEDICAL(RES)								4326	Y
U&A OFST:EMPL CONTR:PENSION(RES)								4327	Y

RECEIPTS

20. No changes were made to this category of the item segment.

ASSETS, LIABILITIES AND EQUITY

21. No changes were made to this category of the item segment.

INTEREST AND RENT ON LAND

22. No changes were made to this category of the item segment.

PAYMENTS FOR FINANCIAL ASSETS

23. No changes were made to this category of the item segment.

TRANSFERS AND SUBSIDIES

24. Items classified under Transfers and Subsidies: Departmental Agencies have been aligned with infrastructure projects listed by each department in the Estimates of National Expenditure (ENE).

Standard Chart Of Accounts (SCOA) Version 5 17.18.03 – Classification Circular 19

PROVINCIAL AND LOCAL GOVERNMENTS

25. Transfer payments' descriptions have been aligned to the latest list of public entities listed in PFMA schedule 1, 2, 3A, 3B, 3C and 3D. Please refer to chart version 5 17.18.03 for detailed changes implemented.

DEPARTMENTAL AGENCIES AND ACCOUNTS

26. Transfer payments' descriptions have been aligned to the latest list of public entities listed in PFMA schedule 1, 2, 3A, 3B, 3C and 3D. Please refer to chart version 5 17.18.03 for detailed changes implemented.

HIGHER EDUCATION INSTITUTIONS

27. Transfer payments' descriptions have been aligned to details as approved in the ENE on transfers and subsidies to higher education organisations. Please refer to chart version 5 17.18.03 for detailed changes implemented.

FOREIGN GOVERNMENT AND INTERNATIONAL ORGANISATIONS

28. Transfer payments' descriptions have been aligned to details as approved in the ENE on transfers and subsidies to international organisations. Please refer to chart version 5 17.18.03 for detailed changes implemented.

PUBLIC CORPORATIONS AND PRIVATE ENTERPRISE

29. Transfer payments' descriptions have been aligned to details as approved in the ENE on transfers and subsidies to public and private organisations. Detailed posting levels have been added as requested by individual departments. Break-down allowed has since been discontinued (please refer to classification circular 17 published), however it was decided that details will be added on behalf of the departments.

30. Please refer to chart version 5 17.18.03 for detailed changes implemented.

NON PROFIT INSTITUTIONS (NPI)

31. Transfer payments' descriptions have been aligned to details as approved in the ENE on transfers and subsidies to non-profit institutions. Detailed posting levels have been added as requested by individual departments. Break-down allowed has since been discontinued (please refer to classification circular 17 published), however it was decided that details will be added on behalf of the departments.

32. Please refer to chart version 5 17.18.03 for detailed changes implemented.

Standard Chart Of Accounts (SCOA) Version 5 17.18.03 – Classification Circular 19

HOUSEHOLDS (HH)

33. Transfer payments' descriptions have been aligned to details as approved in the ENE on transfers and subsidies to households. Please refer to chart version 5 17.18.03 for detailed changes implemented.

ASSETS SEGMENT

34. No changes were made to this segment of the chart.

PROJECT SEGMENT

35. No changes were made to this segment of the chart.

INFRASTRUCTURE SEGMENT

36. No changes were made to this segment of the chart.

REGIONAL IDENTIFIER

37. No changes were made to this segment of the chart.

Contact information

38. Definitions have been added to the Excel version of the Chart of Accounts (herein referred to as SCOA version 5 17.18.03). However, the Committee will appreciate it if any issues relating to the definition can be raised by sending a concise email to the attention of the SCOA Technical Committee.

39. Please contact the SCOA project team via the **SCOA call center at (012) 315 5311**, or by sending a concise mail to scoa@treasury.gov.za if further clarity or discussion is required regarding the changes highlighted above.

40. For updated versions of the SCOA COR database and classification circulars please visit <https://scoa.treasury.gov.za/>

Regards,

SCOA Technical Committee

Date: 9 May 2018