



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

CLASSIFICATION CIRCULAR 20

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) with effect from 1 April 2018 of the 2018/2019 financial year.
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 5.18.19.01).

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 Appropriation and Division of Revenue Bills for 2018 and distributed to the relevant departments. Please refer to chart version 5 8.19.01 in this regard.

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OBJECTIVE SEGMENT

7. Programme structures of national and provincial departments were updated and aligned to the 2018 budget statements of departments as tabled in Parliament and the Legislature. Please refer to chart version 5 8.19.01 in this regard.

RESPONSIBILITY SEGMENT

8. 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

9. No changes were made to this category of payments.

GOODS AND SERVICES

10. The item: **Equipment<R5000: Medical and Allied Equipment** has been amended to include Assistive Devices for the disabled. This item, therefore includes any assistive devices for blind, deaf or otherwise disabled persons.

Table 20.1 Current chart illustration

| 2 | 3 | 4 | 5 | 6 | SEGMENT DETAIL NO | POST LEV |
|---|----------|--------------------|--------------|--|-------------------------|-------------|
| | | | | | 1 | N |
| | PAYMENTS | | | | 5 | N |
| | | GOODS AND SERVICES | | | 26 | N |
| | | | MINOR ASSETS | | 654 | N |
| | | | | MACHINERY & EQUIPMENT<R5000 | 700 | N |
| | | | | EQP<R5000:MED&ALLIED EQUIP | 1283 | Y |

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Table 20.2 New chart changes illustration

| 2 | 3 | 4 | 5 | 6 | SEGMENT DETAIL NO | POST LEV |
|---|---|---|---|---|-------------------------|-------------|
| | | | | | 1 | N |
| | | | | | 5 | N |
| | | | | | 26 | N |
| | | | | | 654 | N |
| | | | | | 700 | N |
| | | | | | 1283 | Y |

PURCHASE OR CONSTRUCTION OF CAPITAL ASSETS

Consultants: Business and Advisory: Research and Advisory – Capitalised Buildings

11. The item: **Consultants: Business and Advisory: Research and Advisory – Capitalised Buildings** has been removed. The Modified Cash Standards (MCS) chapter on Capital Assets, research entails original and planned investigations undertaken with the prospect of gaining new scientific or technical knowledge and understanding. Accounting Manual for Departments (AMD) further states that costs incurred for research purposes are classified as “current expenses” without considering the threshold.

Table 20.3 Chart deletions illustration

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | SEGMENT DETAIL NO | POSTLEV |
|---|---|---|---|---|---|---|---|-------------------------|----------|
| | | | | | | | | 1 | N |
| | | | | | | | | 7 | N |
| | | | | | | | | 35 | N |
| | | | | | | | | 599 | N |
| | | | | | | | | 674 | N |
| | | | | | | | | 748 | N |
| | | | | | | | | 1498 | Y |
| | | | | | | | | 675 | N |
| | | | | | | | | 733 | N |
| | | | | | | | | 749 | N |
| | | | | | | | | 1514 | Y |
| | | | | | | | | 734 | N |
| | | | | | | | | 750 | N |
| | | | | | | | | 1522 | Y |

Consultants: Business and Advisory: Research and Advisory – Capitalised Other Fixed Structures

12. The item: **Consultants: Business and Advisory: Research and Advisory – Capitalised Other Fixed Structures** has been removed. The MCS chapter on Capital Assets, research entails original and planned investigations undertaken with the prospect of gaining new scientific or technical knowledge and understanding. AMD further states that costs incurred for research purposes are classified as “current expenses” without considering the threshold.

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Table 20.4 Chart deletions illustration

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | SEGMENT DETAIL NO | POSTLEV |
|---|---|---|---|---|---|---|-------------------------|----------|
| | | | | | | | 7 | N |
| | | | | | | | 35 | N |
| | | | | | | | 600 | N |
| | | | | | | | 676 | N |
| | | | | | | | 735 | N |
| | | | | | | | 751 | N |
| | | | | | | | 2007 | Y |
| | | | | | | | 677 | N |
| | | | | | | | 736 | N |
| | | | | | | | 754 | N |
| | | | | | | | 1536 | Y |
| | | | | | | | 737 | N |
| | | | | | | | 755 | N |
| | | | | | | | 1556 | Y |

MACHINERY AND EQUIPMENT

Assistive Devices, Medical and Allied Equipment

13. The item: **Medical and Allied Equipment** has been changed to include Assistive Devices for use by disabled persons. This item henceforth includes all assets, such as wheelchairs and other assistive devices, purchased by departments for distribution to disabled persons.

Table 20.5 Current chart illustration

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | SEGMENT DETAIL NO | POSTLEV |
|---|---|---|---|---|---|---|-------------------------|----------|
| | | | | | | | 1 | N |
| | | | | | | | 7 | N |
| | | | | | | | 36 | N |
| | | | | | | | 602 | N |
| | | | | | | | 1621 | Y |

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Table 20.6 New chart changes illustration

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | SEGMENT DETAIL NO | POSTLEV |
|----------|--|---|---|---|---|---|-------------------------|----------|
| PAYMENTS | | | | | | | 1 | N |
| | PUR/CONST CAPITAL ASSETS | | | | | | 7 | N |
| | MACHINERY AND EQUIPMENT | | | | | | 36 | N |
| | OTHER MACHINERY & EQUIPMENT | | | | | | 602 | N |
| | ASSISTIVE DEVICE,MED&ALLIED EQU | | | | | | 1621 | Y |

Road and Transport: Roads Ordinance

14. The item **Road and Transport: Roads Ordinance** has been added to the chart.

Table 20.7 Chart additions illustration

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | SEGMENT DETAIL NO | POSTLEV |
|----------|------------------------------------|---|---|---|---|---|-------------------------|----------|
| PAYMENTS | | | | | | | 1 | N |
| | SALES GOODS & SERV NON CAP ASS | | | | | | 12 | N |
| | SALE GOODS&SERV PRODUCED BY DEPT | | | | | | 13 | N |
| | ADMINISTRATIVE FEES:RECEIPTS | | | | | | 102 | N |
| | REGISTRATION: RECEIPTS | | | | | | 124 | N |
| | ROAD AND TRANSPORT | | | | | | 142 | N |
| | R&TRNSP:ROADS ORDINANCE | | | | | | 4279 | Y |

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RECEIPTS

Services Rendered: Aeronautical Services

15. The item **Services Rendered: Aeronautical Services** has been added for use by the department of Transport.

Table 20.8 Chart additions illustration

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | SEGMENT DETAIL NO | POST LEV | |
|----------------------------------|---|---|---|---|---|---|---|-----------------------------------|-------------|---|
| RECEIPTS | | | | | | | | 2 | N | |
| SALES GOODS & SERV NON CAP ASS | | | | | | | | 12 | N | |
| SALE GOODS&SERV PRODUCED BY DEPT | | | | | | | | 13 | N | |
| OTHER SALES: RECEIPTS | | | | | | | | 103 | N | |
| SERVICES RENDERED | | | | | | | | 127 | N | |
| | | | | | | | | SERV REND:AERONAUTICALSERVICES | 4207 | N |
| | | | | | | | | SERV REND:AERO SERV:LANDING SERV | 4208 | N |
| | | | | | | | | SERV REND:AS:INTERN LANDING FEES | 4211 | Y |
| | | | | | | | | SERV REND:AS:REGNAL LANDING FEES | 4212 | Y |
| | | | | | | | | SERV REND:AS:DOMSTC LANDING FEES | 4213 | Y |
| | | | | | | | | SERV REND:AS:OTH UNSCHD LAND FEE | 4214 | Y |
| | | | | | | | | SERV REND:AERO SERV:PAS SER CHRG | 4209 | N |
| | | | | | | | | SERV REND:AS:INTERN PASSN SERVIC | 4215 | Y |
| | | | | | | | | SERV REND:AS:REG PASNG SERV CHAR | 4216 | Y |
| | | | | | | | | SERV REND:AS:DOMSTC PAS SERV CHA | 4217 | Y |
| | | | | | | | | SERV REND:AS:OTH UNSCHED PASSNGR | 4218 | Y |
| | | | | | | | | SERV REND:AERO SERV:AIRCRAFT PARK | 4210 | N |
| | | | | | | | | SERV REND:AS:INTERN AIRCRAFT PARK | 4219 | Y |
| | | | | | | | | SERV REND:AS:REG AIRCRAFT PARKING | 4220 | Y |
| | | | | | | | | SERV REND:AS:DOMSTC AIRCRAFT PARK | 4221 | Y |
| | | | | | | | | SERV REND:AS:OT UNSCHD AIRC PARK | 4222 | Y |

Sales: Capital Assets

16. Three items under sales of capital assets have been removed. The new items created under the item Sales: These Capital Assets were created to meet the minimum reporting requirements of Estimates of National Expenditure (ENE) and Estimates of Provincial Revenue and Expenditure (EPRE). Items are sufficient to satisfy Annual Financial Statements (AFS) reporting requirements.

Table 20.9 Current chart deletions illustration

| 1 | 2 | 3 | SEGMENT DETAIL NO | POST LEV |
|----------------------|---|---|-------------------------|-------------|
| RECEIPTS | | | 2 | N |
| SALES:CAPITAL ASSETS | | | 23 | N |
| | | | 234 | Y |
| | | | 235 | Y |
| | | | 236 | Y |

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Table 20.10 Chart additions illustration

| 1 | 2 | 3 | 4 | 5 | 6 | SEGMENT DETAIL NO | POST LEV |
|---|------------------------------------|---|---|---|---|-------------------------|-------------|
| | RECEIPTS | | | | | 2 | N |
| | SALES:CAPITAL ASSETS | | | | | 23 | N |
| | SALES:BUILD&OTHER FIXED STRUCT | | | | | 4119 | N |
| | SALES:RESIDENTIAL BUILDINGS | | | | | 4223 | Y |
| | SALES:NON-RESIDENTIAL BUILDINGS | | | | | 4224 | Y |
| | SALES:MACHINERY & EQUIPMENT | | | | | 4120 | N |
| | SALES:OTHER MACHINERY & EQUIPMENT | | | | | 4121 | N |
| | SALES:CELLULAR PHONES | | | | | 4122 | Y |
| | SALES:COMPUTER EQUIPMENT | | | | | 4123 | N |
| | SALES:COMP HARD&SYSTEMS - DESKTOP | | | | | 4136 | Y |
| | SALES:COMP HARD&SYSTEMS - LAPTOP | | | | | 4137 | Y |
| | SALES:COMPHARD&SYSTEMS - TABLET PC | | | | | 4138 | Y |
| | SALES:COMPUTER PERIPHERALS | | | | | 4139 | Y |
| | SALES:DESKTOP PRINTING EQUIPMENT | | | | | 4140 | Y |
| | SALES:DOMESTIC EQUIPMENT | | | | | 4124 | Y |
| | SALES:FURNITURE & OFFICE EQUIPMENT | | | | | 4125 | N |
| | SALES:CROCKERY & CUTLERY | | | | | 4141 | Y |
| | SALES:DOMESTIC FURNITURE | | | | | 4142 | Y |
| | SALES:OFFICE EQUIPMENT | | | | | 4143 | Y |
| | SALES:OFFICE FURNITURE | | | | | 4144 | Y |
| | SALES:TRANSPORT EQUIPMENT | | | | | 4126 | N |
| | SALES:MOTOR VEHICLES | | | | | 4127 | Y |
| | SALES:CYCLES | | | | | 4128 | Y |
| | SALES:TRUCKS | | | | | 4129 | Y |
| | SALES:EMERGENCY VEHICLES | | | | | 4130 | Y |
| | SALES:TRSP ACC&TRLRS | | | | | 4131 | Y |
| | SALES:BIOLOGICAL ASSETS | | | | | 4132 | N |
| | SALES:ANIMAL REPRODUCTION | | | | | 4133 | Y |
| | SALES:DAIRY CATTLE | | | | | 4134 | Y |
| | SALES:DOGS (LAW ENFORCE&SEC) | | | | | 4135 | Y |
| | SALES:GAME/WILD ANIMALS | | | | | 4315 | Y |

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ASSETS, LIABILITIES AND EQUITY

17. **Accumulated Depreciation on Other Machinery and Equipment** has been expanded to enable departments to meet the Annual Financial Statements (AFS) reporting requirements.

Table 20.11 Chart additions illustration

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | SEGMENT DETAIL NO | POST LEV |
|----------------------------------|---|---|---|---|---|---|---|-------------------------|-------------|
| ASSETS, LIABILITIES & EQUITY | | | | | | | | 4 | N |
| ASSETS | | | | | | | | 95 | N |
| NON CURRENT ASSETS | | | | | | | | 97 | N |
| TRAD ENT:ACCUM DEPREC CAPITAL AS | | | | | | | | 788 | N |
| TRAD ENT:ACCUM DEPREC MACH&EQUIP | | | | | | | | 810 | N |
| T/ENT:ACCUM DEPR OTH MACH&EQP | | | | | | | | 844 | N |
| T/ENT:ACCUM DEPR COMPUTER EQP | | | | | | | | 908 | N |
| T/ENT:ACCUM DEPR COMPUTER EQP | | | | | | | | 4265 | Y |
| T/ENT:ACCUM DEPR FURN&OFFICE EQP | | | | | | | | 909 | N |
| T/ENT:ACC DEP F&O EQP: OFF EQUIP | | | | | | | | 4266 | Y |
| T/ENT:ACCUM DEPR OTH MACH&EQP | | | | | | | | 885 | N |
| T/ENT:ACC DEP OT M&E:C&I REF EQ | | | | | | | | 4267 | Y |
| T/ENT:ACC DEP OT M&E:S E S M:FIX | | | | | | | | 4268 | Y |
| T/ENT:ACCUM DEPR TRANSPORT EQP | | | | | | | | 845 | N |
| T/ENT:ACC DEP TRANS EQP:MOT VEHI | | | | | | | | 4269 | Y |
| T/ENT:ACC DEP TRANS EQP:TRUCKS | | | | | | | | 4270 | Y |

INTEREST AND RENT ON LAND

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

PAYMENTS FOR FINANCIAL ASSETS

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

TRANSFERS AND SUBSIDIES

20. 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).

PROVINCIAL AND LOCAL GOVERNMENTS

21. Transfer payments' descriptions have been aligned to the latest list of public entities listed in PFMA schedule 1, 2, 3A, 3B, 3C and 3D as at 29 March 2018. Please refer to chart version 5 18.19.01 for detailed changes implemented.

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DEPARTMENTAL AGENCIES AND ACCOUNTS

22. Transfer payments' descriptions have been aligned to the latest list of public entities listed in PFMA schedule 1, 2, 3A, 3B, 3C and 3D as at 29 March 2018. Please refer to chart version 5 18.19.01 for detailed changes implemented.

HIGHER EDUCATION INSTITUTIONS

23. Transfer payments' descriptions have been aligned to details as approved in the ENE on transfers and subsidies to higher education institutions. Please refer to chart version 5 18.19.01 for detailed changes implemented.

FOREIGN GOVERNMENT AND INTERNATIONAL ORGANISATIONS

24. 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 18.19.01 for detailed changes implemented.

PUBLIC CORPORATIONS AND PRIVATE ENTERPRISE

25. Transfer payments' descriptions have been aligned to details as approved in the ENE on transfers and subsidies to public corporations and private enterprises. 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.

26. Please refer to chart version 5 18.19.01 for detailed changes implemented

NON PROFIT INSTITUTIONS (NPI)

27. 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 department. 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 department.

28. Please refer to chart version 5 18.19.01 for detailed changes implemented.

HOUSEHOLDS (HH)

29. 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 18.19.01 for detailed changes implemented.

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ASSETS SEGMENT

30. The asset: **Medical and Allied Equipment** has been changed to include Assistive Devices for disabled persons.

Table 20.12 Current chart illustration

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | SEGMENT DETAIL NO | POST LEV |
|---|---------------|-----------------------|-----------------------------|----------------------------|---------------------------------------|---|-------------------------|-------------|
| | ASSET RELATED | | | | | | 1 | N |
| | | MACHINERY & EQUIPMENT | | | | | 4 | N |
| | | | OTHER MACHINERY & EQUIPMENT | | | | 27 | N |
| | | | | MEDICAL & ALLIED EQUIPMENT | | | 95 | N |
| | | | | | MEDICAL & ALLIED EQUIPMENT | | 248 | Y |

Table 20.13 New chart changes illustration

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | SEGMENT DETAIL NO | POST LEV |
|---|---------------|-----------------------|-----------------------------|---|---|---|-------------------------|-------------|
| | ASSET RELATED | | | | | | 1 | N |
| | | MACHINERY & EQUIPMENT | | | | | 4 | N |
| | | | OTHER MACHINERY & EQUIPMENT | | | | 27 | N |
| | | | | ASSISTIVE DEVICE, MED&ALLIED EQU | | | 95 | N |
| | | | | | ASSISTIVE DEVICE, MED&ALLIED EQU | | 248 | Y |

PROJECT SEGMENT

31. Changes have been aligned to the 2018 ENE Infrastructure project list that was approved and tabled in February in Parliament. Please refer to the latest chart in this regard. The Provincial infrastructure project list has been amended with changes made during the tabling of the provincial Estimates of Provincial Revenue and Expenditure.

INFRASTRUCTURE SEGMENT

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

REGIONAL IDENTIFIER

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

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Contact information

34. Definitions have been added to the Excel version of the Chart of Accounts (herein referred to as SCOA version 5 18.19.01). 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.
35. 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.
36. 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