



## national treasury

Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA

### CLASSIFICATION CIRCULAR 22

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

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. Changes to the chart are discussed according to each segment of the chart. Reasons for amendments to the chart are provided along with an illustration of the impact thereof. Please refer to chart version 5 18.19.02 for detailed changes implemented.
3. Departments should note that this circular only focuses on ITEM and ASSET segments. Items shown in **red** indicate that they have been deleted/ removed; **blue** indicates that they have been changed/re-named, and **green** implies that a new item has been created/added in the chart.
4. Departments are requested to ensure that where necessary the PERSAL and BAS links are updated.

#### ITEM SEGMENT

##### PAYMENTS

##### COMPENSATION OF EMPLOYEES

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

##### GOODS AND SERVICES

##### ADMINISTRATIVE FEES

##### Appeals Fees

6. The item: *Appeals Fees* has been created under the category *Administrative Fees*. This item relates to fees payable by departments for lodging an appeal.

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Figure 1. Chart Illustration of item added to the chart

1	2	3	4	5	SEGMENT DETAIL NO	PST LVL
	PAYMENTS				1	N
		PAYMENTS			5	N
			GOODS AND SERVICES		26	N
				ADMINISTRATIVE FEES: PAYMENTS	652	N
				<b>APPEALS FEES</b>	<b>4524</b>	<b>Y</b>

**ADVERTISING**

**Advertising: Public Notices**

7. The item: *Advertising: Public Notices* has been created under the category *Advertising*. This item relates to payments made for placing advert for public notices.

Figure 2. Chart Illustration of item added to the chart

1	2	3	4	5	SEGMENT DETAIL NO	PST LVL
	PAYMENTS				1	N
		PAYMENTS			5	N
			GOODS AND SERVICES		26	N
				ADVERTISING	653	N
				<b>ADVERT: PUBLIC NOTICES</b>	<b>4517</b>	<b>Y</b>

**Intangible Assets<R5000: Intangible Assets**

8. The item *Intangible Assets<R5000: Intangible Assets* has been deleted as it was deemed to be imprecise. Departments that would like to use this item are urged to email the SCOA Technical Committee for guidance.

Figure 3. Chart Illustration of item deleted to the chart

1	2	3	4	5	6	SEGMENT DETAIL NO	PST LVL
	PAYMENTS					1	N
		PAYMENTS				5	N
			GOODS AND SERVICES			26	N
				MINOR ASSETS		654	N
					SOFTW & INTANGIBLE ASSETS<R5000	702	N
					<b>INT ASS&lt;R5000:INT ASSE</b>	<b>1322</b>	<b>Y</b>

**Biological Assets<R5000: Cattle**

9. The item *Biological Assets<R5000:Dairy Cattle* has been renamed to *Biological Assets<R5000:Cattle* to include all breeds of cattle.

Figure 4. Current chart illustration

1	2	3	4	5	6	SEGMENT DETAIL NO	PST LVL
	PAYMENTS					1	N
	PAYMENTS					5	N
	GOODS AND SERVICES					26	N
	MINOR ASSETS					654	N
	BIOLOGICAL ASSET<R5000					698	N
	<b>BIO/ASS&lt;R5000:DAIRY CATTLE</b>					<b>1220</b>	<b>Y</b>

Figure 5. New chart changes illustration

1	2	3	4	5	6	SEGMENT DETAIL NO	PST LVL
	PAYMENTS					1	N
	PAYMENTS					5	N
	GOODS AND SERVICES					26	N
	MINOR ASSETS					654	N
	BIOLOGICAL ASSET<R5000					698	N
	<b>BIO/ASS&lt;R5000:CATTLE</b>					<b>1220</b>	<b>Y</b>

**COMPUTER SERVICES**

The Committee has identified that software development costs have been incorrectly positioned under goods and services which is contradicting the Modified Cash Standards (MCS) as well as the Accounting Manual for Departments (AMD) as these costs should be accounted for under payments for capital assets.

The following changes have therefore been made to align the chart to the MCS and the AMD.

**SITA COMPUTER SERVICES**

**SITA System Development**

10. The item *SITA: System Development* has been renamed to *SITA Systems* and will only include current expenditure. System development should be capitalised in line with the MCS and the AMD, therefore a new item has been added under purchase / construction of capital assets.

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Figure 6. Current chart illustration

1	2	3	4	5	6	7	SEGMENT DETAIL NO	PST LVL
							1	N
							5	N
							26	N
							657	N
							705	N
							747	N
							1365	Y
							1366	Y
							1367	Y
							1368	Y
							1369	Y
							1370	Y

Figure 7. New chart changes illustration

1	2	3	4	5	6	7	SEGMENT DETAIL NO	PST LVL
							1	N
							5	N
							26	N
							657	N
							705	N
							747	N
							1365	Y
							1366	Y
							1367	Y
							1368	Y
							1369	Y
							1370	Y

**EXTERNAL COMPUTER SERVICE PROVIDERS**

**External Computer Services: System Development**

11. The item *External Computer Services: System Development* has been renamed to *External Computer Services: Systems* which will only include current expenditure. System development should be capitalised in line with the MCS and the AMD, and therefore the existing system development item under capital expenditure has been renamed.

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Figure 8. Current chart illustration

1	2	3	4	5	6	7	SEGMENT DETAIL NO	PST LVL
	PAYMENTS						1	N
	PAYMENTS						5	N
	GOODS AND SERVICES						26	N
	COMPUTER SERVICES						657	N
	EXTERNAL COMPUTER SERV PROVIDERS						706	N
	EXT COMP SER:SYSTEM DEVELOP						721	N
	EXT C/S:SYS DEV:DEV OF SYSTEM						1378	Y
	EXT C/S:SYS DEV:IMPLEMENT						1379	Y
	EXT C/S:SYS DEV:APPL TRAINING						1380	Y
	EXT C/S:SYS DEV:MAINT. SYSTEM						1381	Y
	EXT C/S:SYS DEV:OPERAT SUPPRT						1382	Y
	EXT C/S:SYS DEV:POST IMP SUPP						1383	Y

Figure 9. New chart changes illustration

1	2	3	4	5	6	7	SEGMENT DETAIL NO	PST LVL
	PAYMENTS						1	N
	PAYMENTS						5	N
	GOODS AND SERVICES						26	N
	COMPUTER SERVICES						657	N
	EXTERNAL COMPUTER SERV PROVIDERS						706	N
	EXT COMP SER:SYSTEM						721	N
	EXT C/S:SYS :DEV OF SYSTEM						1378	Y
	EXT C/S:SYS :IMPLEMENT						1379	Y
	EXT C/S:SYS :APPL TRAINING						1380	Y
	EXT C/S:SYS :MAINT. SYSTEM						1381	Y
	EXT C/S:SYS :OPERAT SUPPRT						1382	Y
	EXT C/S:SYS :POST IMP SUPP						1383	Y

**External Computer Services: Website Design and Development**

12. A new item *Website Design and Development* has been added under external computer services, this has been done to bring the chart in line with the MCS and AMD.

Figure 10. Chart Illustration of item added to the chart

1	2	3	4	5	6	SEGMENT DETAIL NO	PST LVL
	PAYMENTS					1	N
		PAYMENTS				5	N
			GOODS AND SERVICES			26	N
				COMPUTER SERVICES		657	N
					EXTERNAL COMPUTER SERV PROVIDERS	706	N
					<b>EXT COMP SER:WEB DESIGN &amp; DEV</b>	<b>4428</b>	<b>Y</b>

**Inventory Materials and Supplies: Household Supplies**

13. The item: *Inventory Material and Supplies: Household Supplies: Groceries* has been created under the category *Inventory Material and Supplies: Household Supplies*. The item is appropriate when the departments purchase groceries for purpose of distributing it to households.

Figure 11. Chart Illustration of item added to the chart

1	2	3	4	5	6	SEGMENT DETAIL NO	PST LVL
	PAYMENTS					1	N
		PAYMENTS				5	N
			GOODS AND SERVICES			26	N
				INV:OTHER SUPPLIES		651	N
					INV MAT&SUP:HOUSEHOLD SUPPLIES	684	N
					<b>INV MAT&amp;SUP: HH: GROCERIES</b>	<b>4492</b>	<b>Y</b>

**Travel and Subsistence Domestic: Kilometer Allowance**

14. The item: *Travel and Subsistence Domestic: Kilometer Allowance SMS* has been deleted. This item was linked to the PERSAL allowance code 0093: MOT FIN OFF KM SARS CODE 3702 SMS. Refer to PERSAL NOTICE NUMBER 349 for detail regarding the re-imbursive travel allowance amendments.

Figure 12. Chart Illustration of item deleted to the chart

1	2	3	4	5	6	7	SEGMENT DETAIL NO	PST LVL
	PAYMENTS						1	N
		PAYMENTS					5	N
			GOODS AND SERVICES				26	N
				TRAVEL AND SUBSISTENCE			617	N
					T&S DOMESTIC		691	N
						T&S:DOM:TRANSPORT	723	N
						<b>T&amp;S DOM:KM ALLOWANCE SMS</b>	<b>969</b>	<b>Y</b>

**TRANSFERS AND SUBSIDIES**

15. Transfers and Subsidies accounts have been introduced to the chart and distributed to the specific user departments.

**PURCHASE / CONSTRUCTION OF CAPITAL ASSETS**

**SOFTWARE AND INTANGIBLE ASSETS**

**SOFTWARE AND OTHER INTANGIBLE ASSETS**

**Software and Other Intangible Assets: External Providers Development of Software**

16. The item Software and Other Intangible Assets: Development Software has been renamed to Software and Other Intangible Assets: External Providers Development Software.

*Figure 13. Current chart illustration*

1	2	3	4	5	SEGMENT DETAIL NO	PST LVL
					1	N
					7	N
					41	N
					611	N
					1707	Y

*Figure 14. New chart changes illustration*

1	2	3	4	5	SEGMENT DETAIL NO	PST LVL
					1	N
					7	N
					41	N
					611	N
					1707	Y

**Software and Other Intangible Assets: SITA Development of Software**

17. A new item Software and Other Intangible Assets: SITA Development Software has been added under the category software and other intangible assets.

*Figure 15. New chart changes illustration*

1	2	3	4	5	SEGMENT DETAIL NO	PST LVL
					1	N
					7	N
					41	N
					611	N
					4420	Y

**BIOLOGICAL ASSETS**

**Biological assets: Cattle**

18. The item *Biological Assets:Dairy Cattle* have been renamed to *Biological Assets:Cattle* to include all breeds of cattle.

Figure 16. Current chart illustration

1	2	3	4	SEGMENT DETAIL NO	PST LVL
	PAYMENTS			1	N
		PUR/CONST CAPITAL ASSETS		7	N
			BIOLOGICAL ASSETS	39	N
			<b>DAIRY CATTLE</b>	<b>1695</b>	<b>Y</b>

Figure 17. New chart changes illustration

1	2	3	4	SEGMENT DETAIL NO	PST LVL
	PAYMENTS			1	N
		PUR/CONST CAPITAL ASSETS		7	N
			BIOLOGICAL ASSETS	39	N
			<b>CATTLE</b>	<b>1695</b>	<b>Y</b>

**ASSETS SEGMENT**

19. The asset *Biological Assets:Dairy CATTLE* has been renamed to *Biological Assets:Cattle* to include all breeds of cattle.

Figure 18. Current chart illustration

1	2	3	4	SEGMENT DETAIL NO	PST LVL
	ASSET RELATED			1	N
		BIOLOGICAL ASSETS		164	N
			DAIRY CATTLE	167	N
			<b>DAIRY CATTLE</b>	<b>185</b>	<b>Y</b>

Figure 19. New chart changes illustration

1	2	3	4	SEGMENT DETAIL NO	PST LVL
	ASSET RELATED			1	N
		BIOLOGICAL ASSETS		164	N
			<b>CATTLE</b>	<b>167</b>	<b>N</b>
			<b>CATTLE</b>	<b>185</b>	<b>Y</b>



**Contact information**

20. 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](mailto:scoa@treasury.gov.za) if further clarity or discussion is required regarding the changes highlighted above.

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

Regards,

SCOA Technical Committee

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