



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

CLASSIFICATION CIRCULAR 30

GUIDANCE AND UPDATES TO CLASSIFICATION OF EXPENDITURE RELATED TO THE COVID-19 PANDEMIC USING THE STANDARD CHART OF ACCOUNTS

PURPOSE

1. The purpose of this circular is to provide classification guidance to all departments' financial practitioners in allocating COVID-19 pandemic related expenditure using the standard chart of accounts. Updates to the chart were made to standardise allocation and reporting of governments response to the COVID-19 pandemic.
2. This circular repeals Classification Circular 29 on Classification of expenditure related to the COVID-19 pandemic using the standard chart of accounts issued on 24 April 2020.

DISCUSSION

3. The COVID-19 pandemic was declared a national state of disaster in terms of section 27(1) of the disaster Management Act (DMA), 2000 (Act no.57 of 2002). National Treasury made funding available in terms of the Provincial Disaster Relief Funds and issued an instruction note for disaster management central emergency procurement process for Personal Protective Equipment (PPE) that may be implemented by accounting officers of departments.
4. In Classification Circular 29 issued on 24 April 2020, Departments were requested to create the fund and project codes to record spending relating to the COVID-19 by creating posting levels under the relevant category. However, when drawing the data from Vulindlela it became evident that when creation of codes in the fund and project segments is decentralised, consistency in allocation and reporting can be compromised. As a result, it is prudent that the codes are created centrally by the SCOA Technical Committee.
5. Departments are requested to immediately use newly created fund and project segment codes stated in this circular and to journalise the COVID-19 related expenditure to the codes. Codes created by departments using CC 29 should be deactivated in order to avoid any confusion.
6. Spending in the item segment is recorded against the various appropriate categories depending on the department's use for the items or services procured.

FUND SEGMENT

DEPARTMENTAL VOTE

- A new posting level code has been created in the project segment relating to government’s response to the COVID-19 pandemic. The fund is created to specifically identify the amount of voted funds used for COVID-19 spending.

Table 30.1: Illustration of the newly created Departmental Vote codes in the Fund Segment

1	2	3	4	5	SEGMENT DETAIL NO	POST LEV
					1	N
					2	N
					21	N
					37	N
					38	Y
					39	N
					1526	Y

CONDITIONAL GRANT: DEPARTMENT OF HEALTH

- National Treasury has approved funding to provincial health departments through the Provincial Disaster Relief Grant. This allocation must be spent in compliance with the rules of the conditional grant framework for the Provincial Disaster Relief Grant.

Table 30.2: Illustration of the newly created Conditional Grant codes in the Fund Segment

1	2	3	4	5	6	7	SEGMENT DETAIL NO	POST LEV
							1	N
							2	N
							468	N
							469	N
							475	N
							1513	N
							1514	Y
							1515	Y

DONOR FUNDING

9. Regulation 3(6) of the Disaster Management Act, 2002 (DMA) regulations published on 18 March 2020 requires that donor funding received to assist with the national state of disaster be paid into the Reconstruction and Development Fund (RDP Fund).
10. A department that receives donor funding for COVID-19 initiatives should follow the existing process to request for donor funds to be added to the chart of accounts. The department should email the request to the SCOA Technical Committee for creation of the donor fund once the RDP requirements have been fulfilled.

PROJECT SEGMENT

11. New posting codes have been created in the project segment relating to governments response to the COVID-19 pandemic.

Table 30.3: Illustration of the newly created codes in the Fund Segment

1	2	3	SEGMENT DETAIL NO	POST LEV
	PROJECTS		1	N
	DEPARTMENTAL SPECIFIC PROJ LIST		2	N
	COVID-19 RESPONSE		1092	Y
	ENE/EPRE PROJECT LIST		3	N
	NATIONAL DEPARTMENTS		4	N
	PROVINCIAL DEPTS - SECTOR		5	N
	PRJ RESEARCH & DEVELOPMENT(S&T)		16	N
	NO PROJECTS		17	N
	NO PROJECTS		18	Y
	NP RESEARCH AND DEVELOPMENT(S&T)		19	Y
	COVID-19 RESPONSE		1093	Y

ITEM SEGMENT

12. The National Treasury’s Office of the Procurement Officer (OCPO) issued instructions addressing government procurement matters in response to the COVID-19 pandemic such as procurement of personal protective equipment (PPE). Departments are advised to visit the OCPO website more frequently during the period of the pandemic for developments on procurement matters.
13. The list in the table below, although not exhaustive, illustrates some items that can used to classify COVID-19 expenditure (PPE) in the item segment. Furthermore, the SCOA Technical Team included items recently added to the chart which are contained in the SCOA Classification Circular 27. It is incumbent on each department to determine the correct category classification between services, inventories, consumables and assets in the Item Segment with due consideration to the department’s circumstances.

Table 30.4: Illustration of some PPE in the Item Segment

COVID-19 Item Purchased	Service Classification		Inventory Classification		Consumable Classification		Asset Classification	
	SCOA Item	BAS Code	SCOA Item	BAS Code	SCOA Item	BAS Code	SCOA Item	BAS Code
Surgical gloves	N/A		INV MED:GLOVES, DIS. SUNDRIES	1109	CONS SUPP:MEDICAL SUPPLIES	5168	N/A	
Exam gloves	N/A		INV MED:GLOVES, DIS. SUNDRIES	1109	CONS SUPP:MEDICAL SUPPLIES	5168	N/A	
Surgical mask	N/A		INV MED:GLOVES, DIS. SUNDRIES	1109	CONS SUPP:MEDICAL SUPPLIES	5168	N/A	
Mask respirator	N/A		INV MED:GLOVES, DIS. SUNDRIES	1109	CONS SUPP:MEDICAL SUPPLIES	5168	N/A	
Apron	N/A		INV MED:GLOVES, DIS. SUNDRIES	1109	CONS SUPP:MEDICAL SUPPLIES	5168	N/A	
Eye protection	N/A		INV MED:GLOVES, DIS. SUNDRIES	1109	CONS SUPP:MEDICAL SUPPLIES	5168	N/A	
Visor	N/A		INV MED:GLOVES, DIS. SUNDRIES	1109	CONS SUPP:MEDICAL SUPPLIES	5168	N/A	
Gowns	N/A		INV CLOTH: UNIF&PROT CLTHI	1179	CONS SUPP:UNI/PROT CLTH&CLOTHES	1050	N/A	
Coveralls	N/A		INV CLOTH: UNIF&PROT CLTHI	1179	CONS SUPP:UNI/PROT CLTH&CLOTHES	1050	N/A	
Boot covers	N/A		INV MED:GLOVES, DIS. SUNDRIES	1109	CONS SUPP:MEDICAL SUPPLIES	5168	N/A	
Digital Thermometer (Infrared non-contact)	N/A		INV MED:APPLI CATION SETS	1136	CONS SUPP:MEDICAL SUPPLIES	5168	EQP<R5000:ME ASURING& ANALYSIS EQP ¹	3898
							MEASURING & ANALYSIS EQUIPMENT ²	3911
Sanitisers and Disinfectants ³	P/P:PEST CNTRL/F UMIGATI ON SER ⁴	1024	INVMAT&SUP: HH: WASH/CLEAN DE TE	1085	CONS HOUS SUP: WASH/CLEAN DE TE	1059	N/A	
Body bags	N/A		INV MED:VINYL BODY BAG	3899	N/A	N/A	N/A	
Shoe-string bags	N/A		INV MED:GLOVES, DIS. SUNDRIES	1109	CONS SUPP:MEDICAL SUPPLIES	5168	N/A	
Spray bottles	N/A		INV MAT&SUP: HH:DIS PAPER/ PLASTIC	1083	CONS HOUS SUP:DIS PAPER/PLAST	1054	N/A	
Payment for use of National Health Laboratory Service	MEDICAL LAB NHLS	1420	N/A	N/A	N/A		N/A	
Payment for use of Private Laboratories	MEDICAL LAB SERV OTH	1421	N/A	N/A	N/A		N/A	
Payment for use of Private Hospitalization	CONTRCTR S: MEDICAL SERVICES	1433	N/A	N/A	N/A		N/A	
Soap and Sanitisers ⁵	N/A		INV MAT&SUP: HH: TOILETRIES	1084	CONS HOUS SUP:TOILETRIES	1057	N/A	

¹ Total cost of the asset is less than R5000.00

² Total cost of the asset is more than R5000.00

³ Purchases of cleaning materials

⁴ Contracted services for sanitisation and disinfection of buildings

⁵ For personal hygiene purpose

CONTACT INFORMATION

14. Please contact the SCOA Technical Committee 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 guidance highlighted in this classification circular.
15. For updated versions of the SCOA COR database and classification circulars please visit <https://scoa.treasury.gov.za/>

Regards,

SCOA Technical Committee

Date: 07 May 2020