



**national treasury**

Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA

## **CLASSIFICATION CIRCULAR 4**

### **ADJUSTMENTS TO THE STANDARD CHART OF ACCOUNTS (SCOA)**

#### **Purpose**

The purpose of this circular is to inform all government financial practitioners of the amendments, and the reasons for amendments, made to the Standard Chart of Accounts (SCOA) versions 0910.2 to 0910.3.

#### **PAYMENTS**

##### **1. Compensation of employees**

**No changes** have been made to this section.

##### **2. Goods and services**

###### **2.1 Administrative fees**

The name of the item “system access fees” has been **changed** to include the payment for information. The definition of the item has been adjusted as follows: This item is for expenditure payable to institutions to get access to data information used by the departments for research and analysis purposes and systems for example, ITC, Home Affairs system, AKTEX system, StatsSA or SARS data information. Also monies payable to the deeds trading account to obtain deeds registration certificates. This is for WAN access to users of this information database and not the software use license fee. The information provided is not seen as an intangible asset of the department and constitutes the payment for a good or service current payments. This information could be in the form of a DVD, CD or other hardcopy format or directly online.

<b>ITEM CHANGED</b>	<b>BAS SEGMENT NUMBER</b>
SYSTEM ACCESS & INFORMATION FEES	2897

###### **2.2 Communication**

This item for radio transmissions was **changed** to include expenditure on television transmissions. The definition of the item has been adjusted accordingly. This is for costs incurred in broadcasting a message to the public are included in the account for example television and radio communication. Acquisitions of radio transmissions include all costs relating to the use of electromagnetic waves for communication i.e. Narrowcasting has traditionally been understood as the dissemination of information (usually by radio or television) to a narrow audience, not to the general population. In

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the context of out-of-home television, this term often refers to the display of content on large Plasma or LCD screens run over a broadcast network.

<b>ITEM CHANGED</b>	<b>BAS SEGMENT NUMBER</b>
COM:RADIO AND TV TRANSMISSIONS	1925

**2.3 Contractors**

The item for preservation and restoration of assets by contractors has been **changed** to also include expenditure for dismantling and cleaning of assets before storage. The definition has been adjusted as follows: This item is for payment of services relating to restoration and preservation of items that should be stored for a long period of time whilst not in use and the restoration of art items. Excluded from this item are normal maintenance and repairs. Also included are the cost for dismantling and cleaning of assets to be stored for an unspecified period of time.

<b>ITEM CHANGED</b>	<b>BAS SEGMENT NUMBER</b>
CONTRCTRS:PRES/RESTO/DISM/CL SER	1901

**2.4 Inventory**

The item "jobbing requirements" under inventory has been **deleted** because a more suitable group of items exist under materials and supplies.

In future the item Inventory materials and supplies: Hardware must be used. This item is used for hardware and hardware materials including duplicate keys, locks and all other products used in the day to day maintenance done by the entity itself which are otherwise not provided for in the chart.

<b>ITEMS DELETED</b>	<b>BAS SEGMENT NUMBER</b>
INV OTH CONS:JOBGING REQUIREMENTS	1775

**2.5 Furniture and office equipment<R5000**

The definition of the item for office equipment under this category has been amended to also include payments for laptop bags, moon bags and briefcases. This is to clarify the classification of those expenses for users.

<b>ITEM DEFINITION CHANGED</b>	<b>BAS SEGMENT NUMBER</b>
F&O/EQP<R5000:OFFICE EQUIPMENT	2843
Office equipment includes photocopiers, scanners, shredders, binding machines, printers, switchboards, staple machines, glutens, etc. Also included in this item are laptop bags, moon bags and briefcases.	

## TRANSFERS AND SUBSIDIES

### 3. Provinces and municipalities

A new item has been **added** under transfers to municipalities for use by National Treasury only. It is used for the sharing of the general fuel levy for metropolitan

municipalities, previously known as the Regional Services Council levy replacement grant, which has been shifted to National Treasury from the Department of Provincial and Local Government from 1 April 2009 and is included in the direct charges.

ITEM ADDED	BAS SEGMENT NUMBER
MUN B/ACC:GENL FUEL LEVY METROS	3037

The following item has been **deleted** from the chart because it is provided for in the fund segment under Conditional grants. This grant provides municipalities with capital subsidies for property developments in townships and new residential neighborhoods that include the construction or upgrading of community facilities, and where appropriate, attract private sector funding and input.

ITEM DELETED	BAS SEGMENT NUMBER
MUN B/ACC:NEIGHBHD DEV PRTNR GRN	2353

### 4. Departmental agencies and accounts.

Two new items have been **added** to the chart for the National Department of Housing for transfers to newly established departmental agencies. The Housing Development Agency aims to assist provinces and municipalities with land acquisition, project management and development, and the Social Housing Regulatory Agency regulates social housing institutions that receive funds from government for the construction of low and medium income rental housing.

ITEM ADDED	BAS SEGMENT NUMBER
HOUSING DEVELOPMENT AGENCY	3038
SOCIAL HOUSING REGULATORY AUTH	3041

The following items have been **added** as newly introduced transfers by the Department of Trade and Industry. ProTechnik Laboratories is a transfer for the South African contribution to international non-proliferation treaties and regimes. Protechnick previously was a Public Corporation but is now established as a Public entity. The item under Public Corporation, BAS segment number 2023 has been removed from the chart.

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<b>ITEM ADDED</b>	<b>BAS SEGMENT NUMBER</b>
PROTECHNIK LABORATORIES	3039

The South African Micro Finance Apex Fund provides sustainable access to affordable financial services for the poor.

<b>ITEM ADDED</b>	<b>BAS SEGMENT NUMBER</b>
SA MICRO FINANCE APEX FUND	3040

The National Metrology Laboratory became the National Metrology Institute of South Africa (NMISA) in May 2007. It is mandated to maintain the international system of units; and maintain and develop primary scientific standards of physical quantities for South Africa and compare these with other national standards to ensure global measurement equivalence. Funding is based on the approved business plan of the entity and supporting memorandums of understanding.

<b>ITEM CHANGED</b>	<b>BAS SEGMENT NUMBER</b>
NAT METROLOGY INSTITUTE OF SA	2173

This following item has been **deleted** because it was duplicated on the chart. Departments must transact against the item: PROV DA: ARTS AND CULTURAL, BAS segment code 2447.

<b>ITEM DELETED</b>	<b>BAS SEGMENT NUMBER</b>
PROV DA:PROV ARTS&CULTURE CNIL	2333

The following two items were **added** to the chart under departmental agencies due to newly introduced transfers by the National Department of Agriculture.

<b>ITEM ADDED</b>	<b>BAS SEGMENT NUMBER</b>
ELSENBURG AGRICULTURAL COLLEGE	3035
TAUNG AGRICULTURAL COLLEGE	3034

The name of South African Management Development Institute (SAMDI) was **changed** to Public Administration Leadership and Management Academy (PALAMA). The aim of PALAMA is to provide or coordinate the provision of training and management development interventions that lead to improved performance and service delivery in the public sector.

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<b>ITEM CHANGED</b>	<b>BAS SEGMENT NUMBER</b>
PALAMA TRADING ACCOUNT	2093

**5. Universities and technikons**

The following item was **deleted** because Technikon Sultan is now merged with the former Natal Technikon to form the Durban Institute of Technology.

<b>ITEM DELETED</b>	<b>BAS SEGMENT NUMBER</b>
TECHNIKON ML SULTAN	1553

**6. Foreign government and international organizations**

A new transfer payment was introduced for the Department of Trade and Industry and therefore the item for African Programme Rethinking development economic was **added** under the category for transfers to foreign government and international organisations.

<b>ITEM ADDED</b>	<b>BAS SEGMENT NUMBER</b>
AFRICAN PR RETHINKING DEV ECONOM	3008

**7. Public corporations and private enterprises**

The item for Protechnick Laboratories under this category has been **deleted** because the entity changed from a public corporation to a Public entity. The item has been added under Departmental agencies and for use by the Department of Trade and Industry.

<b>ITEM DELETED</b>	<b>BAS SEGMENT NUMBER</b>
PROTECHNIK LABORATORIES	2023

**8. Non-profit institutions**

A new item was added under this category for the Kwa Zulu Natal (KZN) Legislature. The KZN Legislature/Parliament has approved the KwaZulu-Natal Funding of Represented Political Parties Act (No 7 of 2008) to provide all political parties represented in the Legislature with supplementary funding on an equitable and proportional basis. Section 11 of this act requires that separate records of all monies paid from this fund be kept.

The item is break down allowed. The department must create the own posting level items.

<b>ITEM ADDED</b>	<b>BAS SEGMENT NUMBER</b>
NPI:POLITICAL PARTIES	3008

**9. Households**

**No changes** have been made to this section.

**PAYMENTS FOR CAPITAL ASSETS**

**10. Purchase/construction of capital assets**

**No changes** have been made to this section.

**RECEIPTS**

**11. Tax receipts**

**No changes** have been made to this section.

**12. Sales of goods and services**

**No changes** have been made to this section.

**13. Fines penalties and forfeits**

**No changes** have been made to this section.

**14. Interest, dividends and rent on land**

**No changes** have been made to this section.

**15. Sale of capital assets**

**No changes** have been made to this section.

**ASSETS, LIABILITIES AND NET ASSETS**

**16. Current assets**

**No changes** have been made to this section.

**17. Non current assets**

**No changes** have been made to this section.

**18. Current Liabilities**

**No changes** have been made to this section.

**19. Non current Liabilities**

**No changes** have been made to this section.

**20. Net assets**

**No changes** have been made to this section.

**21. Direct exchequer receipts**

**No changes** have been made to this section.

**22. Direct exchequer payments**

**No changes** have been made to this section.

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Please contact the SCOA project team via the **SCOA call centre**, 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.

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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