



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

CLASSIFICATION CIRCULAR 10

ADJUSTMENTS TO THE STANDARD CHART OF ACCOUNTS (SCOA)

PURPOSE

1. 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 11.12.01 to 11.12.02

DISCUSSION

2. Changes to the chart will be discussed according to each of the segments.
3. Departments are requested to ensure that all necessary internal policies have been updated where proposed changes were recommended in the segments of the chart.

FUND SEGMENT

4. No changes have been made to this segment of the chart.

OBJETIVE SEGMENT

5. No changes have been made to this segment of the chart.

RESPONSIBILITY SEGMENT

6. No changes have been made to this segment of the chart.

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ITEM SEGMENT

PAYMENTS

GOODS AND SERVICES

Advertising

Advert: Promotional items

7. The item below has been amended to exclude gifts purchased for other purposes other than promoting the mandate of the department. A new item has been created under operating payments to cater for such gifts mentioned above, refer to paragraph 10 & 11 below.

An illustration of the changed item for Advert: Promotional items

1	2	3	4	5	SEGMENT DETAIL NO	P/NP LEVEL
	PAYMENTS				1	N
		PAYMENTS			2	N
			GOODS AND SERVICES		365	N
				ADVERTISING	393	N
				ADVERT:PROMOTIONAL ITEMS	514	Y

Training and development

8. Training and staff development as captured on the previous versions of the chart was exclusively for expenditure on training and development for employees and departments were not allowed to allocate expenditure related to training and development for non-employees to the same item.
9. The item has been renamed to training and development and departments are allowed to use this item to classify training for both employees and non-employees as created on the posting level.

An illustration of the changes to the item training and development

1	2	3	4	5	SEGMENT DETAIL NO	P/NP LEVEL
	PAYMENTS				1	N
		PAYMENTS			2	N
			GOODS AND SERVICES		365	N
				TRAINING & DEVELOPMENT	388	N
				TRAIN & DEV:EMPLOYEES	1735	Y
				TRAIN & DEV:MATERIAL&MANUALS	1736	Y
				TRAIN & DEV:NON-EMPLOYEES	2946	Y

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Operating payments

Operating payments: Gifts

10. A new item operating payments: Gifts has been added. Expenditure to be posted in the item includes, amongst others, gifts (including flowers) bought for employees and non-employees in hospital, going on pension and for bereavements, in the form of courtesy by the employer. It excludes gifts in the form of cash paid directly to the individual/household, as those are classified as transfers to households.
11. This does not infer that National Treasury encourages such expenditure. Incurrence of such expenditure must be in line with the departmental policies, PFMA and Treasury Regulations.

An illustration of the created item for operating payments: Gifts

1	2	3	4	5	SEGMENT DETAIL NO	P/NP LEVEL
	PAYMENTS				1	N
		PAYMENTS			2	N
			GOODS AND SERVICES		365	N
				OPERATING PAYMENTS	389	N
				O/P:GIFTS	312	Y

TRANSFER PAYMENTS

12. Transfer payments items have been updated with the latest changes for categories **subscription fees foreign government and international organisation** and **nonprofit institutions** and details thereof can be found in the latest published version of the chart.

PAYMENTS FOR CAPITAL ASSETS

Biological assets

Minerals and non-regenerative resources

13. Corrections have been made for the asset classes in the category of payments for capital assets. The asset class minerals and non-regenerative resources were incorrectly placed below the asset class biological assets instead of land and subsoil assets.

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An illustration of items removed for minerals and non-regenerative resources

1	2	3	4	5	SEGMENT DETAIL NO	P/NP LEVEL
					1	N
					310	N
					315	N
					318	N
					1566	Y
					1567	Y

Land and subsoil assets

Minerals and non-regenerative resources

14. A new item has been added under the asset class, land and subsoil assets to correct the classification of minerals and non-regenerative resources.

An illustration of items removed for minerals and non-regenerative resources

1	2	3	4	5	SEGMENT DETAIL NO	P/NP LEVEL
					1	N
					310	N
					316	N
					3215	N
					3216	Y
					3217	Y

RECEIPTS

SALES OF GOODS AND SERVICES NON CAPITAL ASSETS

Administrative fees

Environmental authorisation fees

15. A new item was created for environmental impact assessment authorisation application fees. The creation was based on sections 24(5) (c), 24M and 44 of the National Environmental Management Act, 1998.
16. The item is limited for use by the Department of Economic Affairs, Environment and Tourism.

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An illustration of the created item for environmental authorisation fees

1	2	3	4	5	6	SEGMENT DETAIL NO	P/NP LEVEL
	RECEIPTS					3	N
	SALES GOODS & SERV NON CAP ASS					167	N
	SALE GOODS&SERV PRODUCED BY DEPT					261	N
	ADMINISTRATIVE FEES:RECEIPTS					264	N
	LICENCES/PERMITS/FEES:RECEIPTS					288	N
	ENVIRONMENTAL AUTHORIZATION FEES					3212	Y

Motor vehicle registration standard

17. The item motor vehicle registration has been amended to have the same shorted name as the others in the same category.

An illustration of the changes made to the item for motor vehicle registration standard

1	2	3	4	5	6	7	SEGMENT DETAIL NO	P/NP LEVEL
	RECEIPTS						3	N
	SALES GOODS & SERV NON CAP ASS						167	N
	SALE GOODS&SERV PRODUCED BY DEPT						261	N
	ADMINISTRATIVE FEES:RECEIPTS						264	N
	MOTOR VEHICLE REGISTRATION						295	N
	MOTOR VEHCL REGIS STANDARD						3195	Y

Laboratory services: Vet testing

18. A new item has been added for the services rendered in testing of animal tissue in a laboratory. Animal testing / animal experimentation and animal research refer to the 'dissecting' of an animal and historically referred only to experiments that involved the dissection of animals.

An illustration of the changes made to the item for laboratory services: vet services

1	2	3	4	5	6	7	SEGMENT DETAIL NO	P/NP LEVEL
	RECEIPTS						3	N
	SALES GOODS & SERV NON CAP ASS						167	N
	SALE GOODS&SERV PRODUCED BY DEPT						261	N
	ADMINISTRATIVE FEES:RECEIPTS						264	N
	SERV REND:LABORATORY SERVICES						282	N
	LABORATORY SERVICES:VET TESTING						3218	Y

TRANSACTIONS IN FINANCIAL ASSETS AND LIABILITIES

Revenue: Financial assets

Revenue: Other receipts

Revenue: Financial assets: Receipts of payments made

19. Revenue: Financial assets: Receipt of payments made has been removed from the receipts item list. The committee has done an analysis of the item and found that this item was incorrectly and inappropriately used and contributed to incorrect and inconsistent classification. Upon further investigation it was found that receipt of payments made is nothing other than what is explained in paragraph 20 and 21 below and that allocations in this regard in future are made to the items as explained in paragraph 20 and 21 below.
20. Revenue received relating to refunds for payments made in the financial year should be credited to voted funds within the main division of the vote and against same expenditure item used for payment.
21. Revenue received after the financial year has closed and relating to previous year's expenditure should be allocated to the item, Revenue: Financial assets: Receipts of previous year's expenditure.

An illustration of the item deleted for revenue: Financial assets: Receipt of payments made

1	2	3	4	5	SEGMENT DETAIL NO	P/NP LEVEL
					3	N
					171	N
					172	N
					175	N
					824	Y

ASSETS SEGMENT

Tangible capital assets

Biological assets

Minerals and non-regenerative resources

22. Corrections have been made for the category tangible assets. The asset class minerals and non-regenerative resources were incorrectly placed below the asset class biological assets instead of land and subsoil assets.

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An illustration of items removed for minerals and non-regenerative resources

1	2	3	4	SEGMENT DETAIL NO	P/NP LEVEL
				1	N
				9	N
				12	N
				71	N
				72	N

Land and subsoil assets

23. A new item has been added under the asset category, land and subsoil assets to correct the classification of minerals and non-regenerative resources.

An illustration of item added for minerals and non-regenerative resources

1	2	3	4	SEGMENT DETAIL NO	P/NP LEVEL
				1	N
				11	N
				544	N
				545	N
				546	N

PROJECT SEGMENT

24. No changes have been made to this segment of the chart.

REGIONAL SEGMENT

25. No changes have been made to this segment of the chart.

Please contact the SCOA project team via the **SCOA call centre**, by sending a concise mail to 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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