



**CLASSIFICATION CIRCULAR 4**

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

1. The purpose of this circular is to inform all government financial practitioners of the changes made to the Standard Chart of Accounts (SCOA) version 13.14.01 to 13.14.02.
2. Reasons for the amendments to the SCOA are provided along with an illustration of the impact thereon. Departments should note that this circular discusses all the segments of the chart of accounts.
3. Items shown in **red** indicate that the item have been removed/deleted, **blue** indicates that the item have been changed/re-named, while **green** implies that a new item have been created/added.

**ITEM SEGMENT**

**Compensation of employees**

4. The item has been created under salaries and wages, non-residence category, for the payment of performance bonus to locally recruited officials at a mission office. These bonuses are paid in foreign currency.

***Illustration of item created on the chart***

3	4	5	6	7	SEGMENT DETAIL NUMBER	POSTLEV
	COMPENSATION OF EMPLOYEES				63	N
		SALARIES AND WAGES			358	N
			SALARIES & WAGES NON RESIDENTS		4736	N
				SAL&WAGES:FOREIGN OFFICIALS	4737	N
				<b>S&amp;W: PERFORMANCE BONUS(NON-RES)</b>	<b>4804</b>	<b>Y</b>

**Goods and Services**

**Inventory: Other Supplies**

5. An item has been created under Assets Held for Distribution sub-category for Construction and Maintenance Equipment. This item is used specifically for a department that buys construction and maintenance equipment with an aim to distribute it to household as part of their service delivery mandate.
6. The item is created based on request received from Agriculture; it is therefore available on Agriculture’s database only. Departments that carry similar mandate and would need to have this item activated for their use, should forward their request to the committee through a memorandum signed by their Chief Financial Officer.

**Illustration of items created on the chart**

3	4	5	6	7	SEGMENT DETAIL NUMBER	POSTLEV
GOODS AND SERVICES					64	N
INV:OTHER SUPPLIES					330	N
INV:ASSTS FOR DSTR					905	N
INV ASSTS DSTR:CONST&MAINT EQP					4808	N
INV ASSTS DSTR:CONST&MAINT EQP					4809	Y
OWN INV ASSTS DSTR:CONST&MAI EQP					4810	Y

7. An item has been created under this category for household supplies. This item has been requested by Department of Social Welfare for household items that the department would buy for distribution to household as part of their service delivery mandate and which are not catered elsewhere under inventory, for example, toiletries. Goods like food and groceries etc. should be allocated under relevant items that are already available on the chart.
8. The item is available on Department of Social Welfare’s database only. Departments that carry similar mandate and would need to have this item activated for their use, should forward their requests to the committee through a memorandum signed by their Chief Financial Officer.

**Illustration of items created on the chart**

3	4	5	6	SEGMENT DETAIL NUMBER	POSTLEV
GOODS AND SERVICES				64	N
INV:OTHER SUPPLIES				330	N
INV MAT&SUP:HOUSEHOLD SUPPLIES				4778	N
INV MAT&SUP:HOUSEHOLD SUPPLIES				4779	Y
OWN:INV MAT&SUP:HOUSEHOLD SPLIES				4780	Y

## Consumable Supplies

9. An item Consumable: Flag, has been renamed to cater for flags and accessories bought for departmental use, which are to be used for a period *less* than one financial year. SCOA provides for classification of tents, flags and accessories in all three categories, i.e. asset, inventory or consumable.

### *Illustration of items renamed on the chart*

3	4	5	6	SEGMENT DETAIL NUMBER	POSTLEV
				64	N
			GOODS AND SERVICES		
			CONS SUPPLIES	331	N
			CONS :TENT,FLAG&ACCESSORIES	4713	N
			CONS :TENT,FLAG&ACCESSORIES	4714	Y
			OWN CONS :TENT,FLAG&ACCESSORIES	4715	Y

## Payments for Financial Assets

10. An item has been deleted and recreated on the chart as it was incorrectly placed under Debt Take Over. Loss on the Gold and Foreign Exchange Contingency Reserve Account (GFECRA) is a statutory obligation of Government therefore is direct charge against Revenue Fund.

### *Illustration of items renamed on the chart*

2	3	4	5	SEGMENT DETAIL NUMBER	POSTLEV
				6	N
			PAYMENTS FOR FINANCIAL ASSETS		
			PAYMENTS FOR FINANCIAL ASSET	62	N
			DEBT TAKE OVERS	317	N
			LOSSES ON GFECRA	4791	Y
			LOSSES ON GFECRA	318	Y

## Transfers and Subsidies

11. The following transfer payments have been introduced to the chart.

### *Illustration of item created on the chart*

2	3	4	5	6	SEGMENT DETAIL NUMBER	POSTLEV
<b>TRANSFERS AND SUBSIDIES</b>					7	N
	DEPARTMENTAL AGENCIES & ACCOUNTS				41	N
	TRNSF&SUB:DEPARTMENTAL AGENCIES				310	N
	PROVINCIAL DEPARTMENTAL AGENCIES				795	N
	<b>PROV DA:ARTS AND CULTURE</b>				<b>4799</b>	<b>Y</b>
	TRANSFERS TO NATIONL DEPT AGENCY				796	N
	<b>NAT RADIO ACTV WAST DISPL INST</b>				<b>4803</b>	<b>Y</b>
	FOREIGN GOV&INTERNATIONAL ORGAN				43	N
	SUBSCRIPTION FS FORN GOV&INT ORG				269	N
	<b>SUB FEES:IAEA</b>				<b>4801</b>	<b>Y</b>
	<b>SUB FEES:IRENA</b>				<b>4802</b>	<b>Y</b>

## Transaction in Assets and Liabilities

12. An item was created under "Other Receipts" for category for profit on Gold and Foreign Exchange Contingency Reserve Account.

### *Illustration of item created on the chart*

2	3	4	5	SEGMENT DETAIL NUMBER	POSTLEV
TRANS IN FIN ASSETS&LIABILITIES				15	N
	REVENUE: FINANCIAL ASSETS			32	N
	REV:FA:OTHER RECEIPTS			107	N
	<b>REV:FA:GFECRA GAINS</b>			<b>4811</b>	<b>Y</b>

## ASSET SEGMENT

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

## FUND SEGMENT

14. Fund segment changes have been aligned to the appropriation and division of revenue for 2013 as tabled by the Minister of Finance. Latest donor funds have been added on the chart of accounts as requested by departments upon finalization of the agreements with National Treasury.

15. Departments are advised to refer to the latest chart of accounts for the latest fund segment changes.

## **PUBLICATION AND CONTACT DETAILS**

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

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

Regards,

**SCOA Technical Committee**

Date: 30 June 2013