



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

CLASSIFICATION CIRCULAR 29

CLASSIFICATION OF EXPENDITURE RELATED TO THE COVID-19 PANDEMIC USING THE 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 chart of accounts.

DISCUSSION

2. 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.
3. Departments are therefore requested to use the fund and project segments to record spending relating to the COVID-19 by creating posting levels under the relevant category. This will allow departments to identify and report on COVID-19 expenditure and related projects.
4. 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

5. Departments are advised to create a fund for COVID-19 under the **DEPARTMENTAL SPECIFIC** break-down category. The fund is created to specifically identify the amount of voted funds used for COVID-19 spending.

Standard Chart of Accounts (SCOA) – Classification Circular 29

*** Chart Illustration of creation of the **Fund** in the system (Basic Accounting System)

1	2	3	4	5	6	SEGMENT DETAIL NO	POST LEV	BRK ALL
EXPENDITURE:VOTED						1	N	N
DEPARTMENTAL APPROPRIATION						2	N	N
VOTED FUNDS DISCRETIONARY						21	N	N
DEPARTMENTAL VOTE						37	N	N
VOTED FUNDS						38	Y	Y
DEPARTMENTAL SPECIFIC						39	N	N
COVID-19 FUNDS						***	Y	N

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.

Chart Illustration of the newly created Conditional Grant in the fund segment

1	2	3	4	5	6	7	SEGMENT DETAIL NO	POST LEV
EXPENDITURE:VOTED							1	N
DEPARTMENTAL APPROPRIATION							2	N
CONDITIONAL GRANT PAYMENTS							468	N
CONDITIONAL GRANTS: ALL DEPTS							469	N
HEALTH							475	N
COVID-19 DISASTER RESPONSE GRANT							1513	N
COVID-19 DISASTER RESPONSE GRANT							1514	N
GEN ACC:COVID-19 DIS RESPNS GRNT							1515	Y

DONOR FUNDING

- 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).
- The existing process to request for donor funds to be added to the chart of accounts should be followed. Departments should email the request to the SCOA Technical Committee for creation of the donor fund once the RDP requirements have been fulfilled.

PROJECT SEGMENT

- Departments are advised to create a COVID-19 project under the **DEPARTMENTAL SPECIFIC PROJ LIST** break-down category.

*** Chart Illustration of creation of the **Project** in the system (Basic Accounting System)

1	2	3	SEGMENT DETAIL NO	POST LEV	BRK ALL
PROJECTS			1	N	N
DEPARTMENTAL SPECIFIC PROJ LIST			2	N	N
COVID-19 VIRUS / CORONAVIRUS			***	Y	N

ITEM SEGMENT

- The National Treasury’s Office of the Procurement Officer (OCPO) issued an instruction, National Treasury Instruction No. 03 of 2020/21. The purpose of the instruction is to provide for a disaster management emergency procurement process for Personal Protective Equipment (PPE). It is accessible from the OCPO website. Departments are advised to visit the OCPO website more frequently during the period of the pandemic for developments on procurement matters.
- Annexure A of the abovementioned instruction was used as a basis to provide item segment classification guidance on COVID-19 PPE. Furthermore, the SCOA Technical Team included items recently added to the chart which are contained in the SCOA Classification Circular 27.
- The list in the table below, although not exhaustive, illustrates items that can used to classify COVID-19 expenditure (PPE) in the item segment. 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 illustrating SCOA allocation using 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 -	3898
Sanitisers and Disinfectants ¹	N/A		INVMAT&SUP: HH: WASH/CLEAN DETE	1085	CONS HOUS SUP: WASH/CLEAN DETE	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 ²	N/A		INV MAT&SUP: HH: TOILETRIES	1084	CONS HOUS SUP:TOILETRIES	1057	N/A	

¹For cleaning purpose

² For personal hygiene purpose

CONTACT INFORMATION

13. 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.
14. For updated versions of the SCOA COR database and classification circulars please visit <https://scoa.treasury.gov.za/>

Regards,

SCOA Technical Committee

Date: 24 April 2020