



# EXAMPLE



**national treasury**

Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA

# The Project Segment

## Example

- ✓ The Great Kei municipality in the Eastern Cape province has undertaken a capital project to build a new road which will span 20 kms. The strategic object is to expand the CBD and the KPI number is IB\_003 which will be measured against the director of Technical Services. The project is funded by MIG.
- ✓ It is envisaged that the road will be complete in the next financial year. The municipality paid Ace contractors, R1 500 000 excl vat. The contractor completed 30% of the work.
- ✓ The municipality also used its own labour to the value of R150 000 and bitumen from its stores to the value of R300 000.

• **Solution: Contractor**

DEBIT

CREDIT

**PROJECT**

Capital: Infrastructure  
IB

SAME

**FUNCTION**

**FUND**

Non- Funding

**ITEM**

Liabilities: Short Term:  
Short-term Borrowings

**COSTING**

**REGIONAL**

Reg District  
Great Kel.

SAME

**MSC**

Vote 3: Technical Services

SAME



**Solution:  
Contractor**

• Solution: Own Labour

DEBIT

CREDIT

PROJECT

Capital: Infrastructure: M  
Infrastructure: Roa  
IB003\_P002\_N  
SAME

FUNCTION

Road Tra  
Roads

FUND

C  
M

ITEM

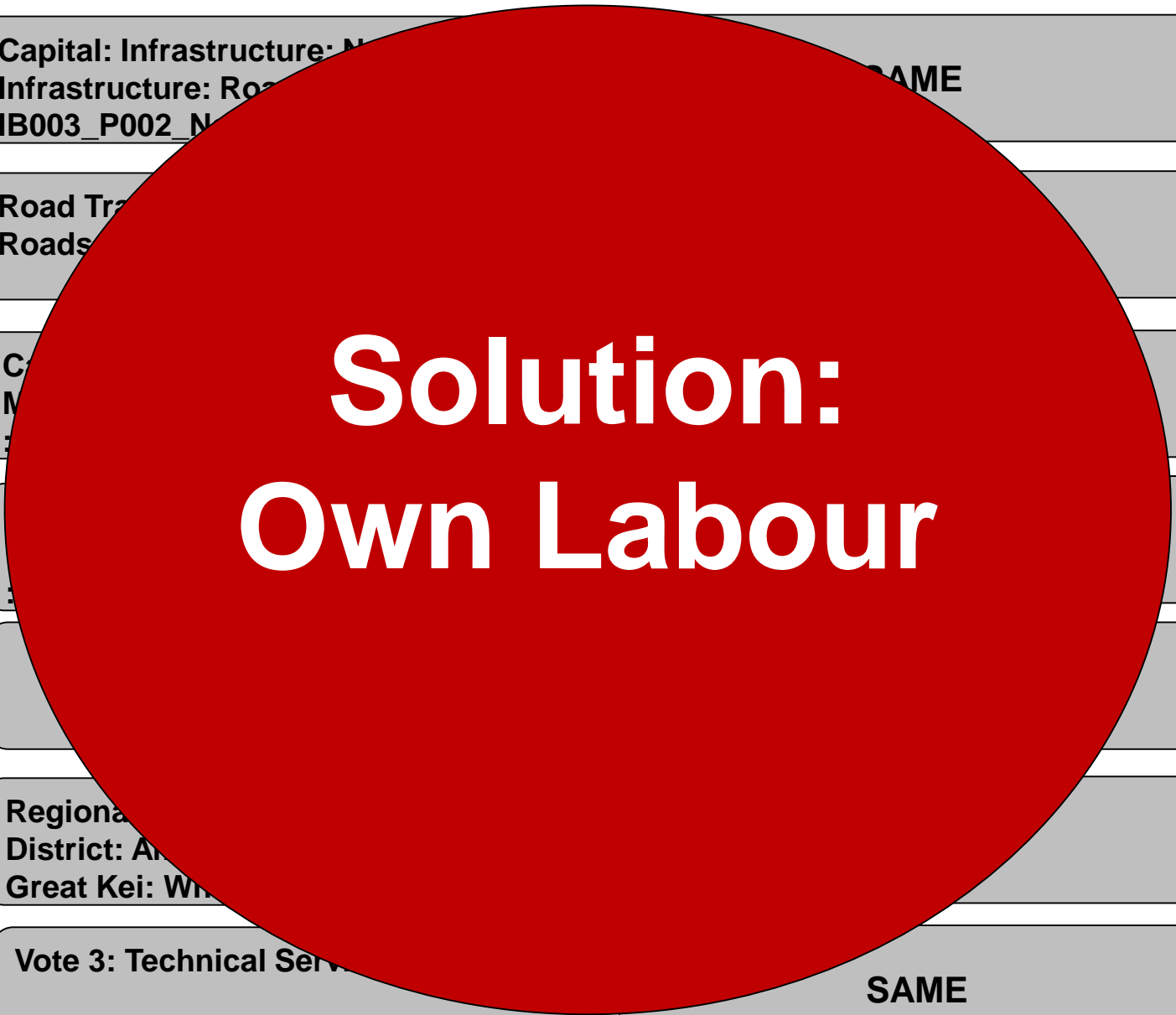
COSTING

REGIONAL

Regiona  
District: An  
Great Kei: Wh

MSC

Vote 3: Technical Serv  
SAME



**Solution:  
Own Labour**

• **Solution: Bitumen**

DEBIT

CREDIT

**Solution:  
Bitumen**

**PROJECT**

Capital: Inf  
Infrastr  
IB003

**FUNCTION**

R  
ion:

**FUND**

y:

**ITEM**

**COSTING**

**REGIONAL**

Regional: P  
District: Amato  
Great Kei: Whole of m  
Eastern Cape:  
Municipalities: E123  
Admin or Head Office

**MSC**

Vote 3: Technical Services

Vote 1 : Finance and Administration