

DECIPHERING SIC CODES

Is your SIC code the right one?

Are you a business owner in California? Have you ever filed anything with the Water Board? If so, you have seen the four digit SIC code that must be included on almost every piece of paperwork. But what exactly is an SIC code? Well, in this month's edition of **The Rain Events**, we are going to take a look at what SIC codes are, and what they mean for industrial facilities. You may want to pay close attention – we have encountered numerous businesses who mistakenly assign themselves inaccurate SIC codes. Do you know for sure you have the right code for your facility?

What Are SIC Codes?

The Standard Industrial Classification (SIC) system originated in the 1930s as a way of standardizing the business analysis methods of each branch of the government. Who is on the SIC code list? Almost every imaginable business sector, and then some – from coal mining, to fabric mills, to restaurants, and even private households. The Standard Industrial Classification system is a series of four-digit codes that are organized in a top-down hierarchy. “The first two digits of the code represent the major industry sector to

which a business belongs. The third and fourth digits describe the sub-classification of the business group and specialization, respectively.”

Take SIC code 3273 as an example. The first two digits identify the major industrial section of the SIC list, in this case, manufacturing “Stone, Clay, Glass, and Concrete” products. The third digit places this code in the “Concrete, Gypsum, and Plaster Products” sub-classification. The fourth and last digit identifies this code as “Ready-Mixed Concrete,” for businesses

involved in manufacturing that product. “The Bureau of Labor Statistics updates the codes every three years and uses SIC to report on work force, wages and pricing issues. The Social Security Administration assigns SIC codes to businesses based on the descriptions provided by employers under the primary business activity entry on employer ID applications.”²

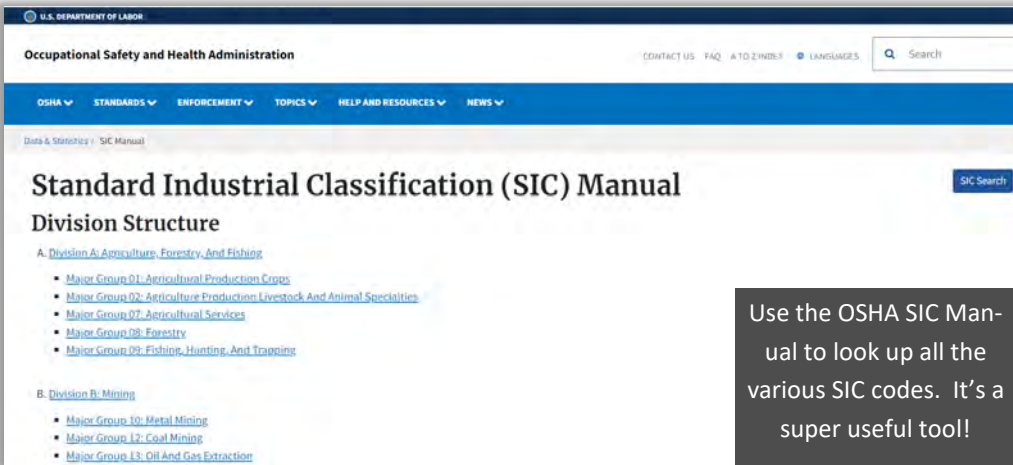
“All businesses have a primary SIC code. This is the main code that categorizes the core industry of the business. Businesses can also have up to five secondary SIC codes. Secondary SIC codes classify other industries the business is involved in but aren't the main focus. The secondary industries might overlap with your main industry or they might be unrelated.”³

You may have heard the terms SIC and NAICS used interchangeably, but what is the difference between the two? Are they the same? These two codes were developed by the federal government and are used by the U.S. Office of Management and Budget (OMB). But in 1997, OMB adopted North American Industry Classification System (NAICS) as its new industry classification system. NAICS codes were created to provide a greater level of detail about a firm's

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(SIC CODES)





hand, describes businesses that make bread and sell it to the general public onsite. Again, when choosing a SIC code for your facility, start at the top of the code structure (i.e., manufacturing, transportation, or retail), and work your way down to the specifics (i.e., manufacturing ready-mix concrete). And once you think you have found the right SIC code for your facility, take another look around and make sure there isn't another code that fits your facility better.

What's the Big Deal?

Why are SIC codes so important? Well, one look at Attachment A of the Industrial General Storm Water Permit reveals that not every SIC code requires permit coverage. In the bakery example above, the first code would require permit coverage while the second code would not. Inadvertently picking the wrong SIC code can actually have some costly side effects – it is easy to imagine the well-meaning bakery shop owner accidentally picking out the manufacturing code and then having to comply with the Industrial General Permit. Also, the IGP requires different sampling parameters for some SIC codes, so having an incorrect code could incur additional expenses for testing for additional parameters that wouldn't normally be required. In short, it's a good idea to make sure your facility has the right SIC code. If you need to change your SIC code for whatever reason, you will need to contact the Water Board and request a change on SMARTS.

https://en.wikipedia.org/wiki/Standard_Industrial_Classification

² Ibid.

³<https://www.patriotsoftware.com/blog/accounting/sic-codes/>

⁴<https://dor.wa.gov/about/statistics-reports/sic-and-naics-codes#:~:text=of%20NAICS%20codes,What%20is%20the%20difference%20between%20a%20SIC%20and%20a%20NAICS,which%20are%20services%20producing%20industries>

The Rain Events

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activity. NAICS codes are organized by establishments that use the same or similar processes to produce goods or services. However industries under SIC codes are grouped together based on either demand or production.⁴ But for NPDES Industrial Permits, SIC codes are still utilized to determine permit applications.

SIC codes are also important for industrial facilities having to comply with SB205—the bill that requires businesses to show on their business license that they are covered by the Industrial General Permit. It's a way the State is leveling the playing field and making sure all industrial facilities are complying with the Permit. To do this, the city or county will determine whether the Standard Industrial Classification (SIC) code provided by the business is one that is regulated by the Industrial General Permit. The State Water Board has posted a list of SIC codes on their

website to aid cities and counties in identifying regulated business categories. If the business is identified as a potentially regulated industry, the municipality will require the business to provide proof that they are already enrolled or currently in the process of being enrolled for coverage under the Industrial General Permit, or provide proof of no-exposure (NEC) or non-applicability (NONA) before they can issue or renew a business license. In the case that the applying business is not enrolled for coverage under the Industrial General Permit, municipalities have been given the freedom by the State to develop a provisional license which gives the business in question to three months in which to become compliant.

Which Code Fits You?

To find out which SIC code applies to your site, follow the same procedure as outlined in the last paragraph – start at the top (the major industrial sections), and work down to your specific activity. Go to the [OSHA SIC Code website](#) to see a list of all the current SIC codes. But keep a few things in mind while browsing for your facility's SIC code. Again, remember that the codes are hierarchal - if this little detail is overlooked, it is easy to accidentally choose a wildly inaccurate SIC code that looks like it would be a good match for your site, when it actually applies to an entirely different business sector. For instance, SIC codes 2051 and 5461 deal with two facilities that make the same bakery products on-site. The only difference between the two is that 2051 is in the manufacturing section of the SIC code hierarchy, and 5461 is in the retail section of the code book. Code 2051 describes businesses that make bread, but don't sell it on-site. Code 5461, on the other



Check out this past [Rain Events Newsletter](#) to find out more about SB205



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ACRONYM REFERENCE CHART

a quick reference sheet for some common acronyms in the storm water industry

CONSTRUCTION GENERAL PERMIT ←

→ INDUSTRIAL GENERAL PERMIT

CGP Construction General Permit	MS4 Municipal Separate Storm Sewer System	CWA Clean Water Act	NPDES National Pollutant Discharge Elimination System	EPA Environmental Protection Agency	SMARTS Storm Water Multiple Application and Report Tracking System	IGP Industrial General Permit
LID Low Impact Development	ATS Active Treatment System	BAT Best Available Technology	BMP Best Management Practices	BCT Best Conventional Technology	NONA Notice of Non Applicability	NEC No Exposure Certification
LUP Linear Underground (or Overhead) Projects	LRP Legally Responsible Person	NOI Notice of Intent	PRD Permit Registration Documents	NOT Notice of Termination	SWPPP Storm Water Pollution Prevention Plan	SIC Standard Industrial Classification
REAP Rain Event Action Plan	TSS Total Suspended Solids	BOD Biochemical Oxygen Demand	COC Chain of Custody Form	COD Chemical Oxygen Demand	QA/QC Quality Assurance/Quality Control	ERA Exceedance Response Action
ROWD Report of Waste Discharge	TMDL Total Maximum Daily Loads	NEL Numeric Effluent Limitation	WDID Waste Discharge Identification Number	NAL Numeric Action Levels	ELG Effluent Limitations Guidelines	NSWD Non Storm Water Discharge

LIST OF ACRONYMS (ARRANGED IN ALPHABETICAL ORDER)

ATS <i>CGP</i> Active Treatment System	IGP <i>IGP</i> Industrial General Permit	NSWD <i>IGP</i> Non Storm Water Discharge
BAT <i>IGP/CGP</i> Best Available Technology	LID <i>CGP</i> Low Impact Development	PRD <i>IGP/CGP</i> Permit Registration Documents
BCT <i>IGP/CGP</i> Best Conventional Technology	LRP <i>IGP/CGP</i> Legally Responsible Person	QA/QC <i>IGP/CGP</i> Quality Assurance/Quality Control
BMP <i>IGP/CGP</i> Best Management Practices	LUP <i>CGP</i> Linear Underground/Overhead Projects	REAP <i>CGP</i> Rain Event Action Plan
BOD <i>IGP/CGP</i> Biochemical Oxygen Demand	MS4 <i>IGP/CGP</i> Municipal Separate Storm Sewer System	ROWD <i>CGP</i> Report of Waste Discharge
CGP <i>CGP</i> Construction General Permit	NAL <i>IGP/CGP</i> Numeric Action Levels	SIC <i>CGP</i> Standard Industrial Classification
COC <i>IGP/CGP</i> Chain of Custody	NEC <i>IGP</i> No Exposure Certification	SMARTS <i>IGP/CGP</i> Storm Water Multiple Application and Report Tracking System
COD <i>IGP/CGP</i> Chemical Oxygen Demand	NEL <i>IGP/CGP</i> Numeric Effluent Limitation	SWPPP <i>IGP/CGP</i> Storm Water Pollution Prevention Plan
CWA <i>IGP/CGP</i> Clean Water Act	NOI <i>IGP/CGP</i> Notice of Intent	TMDL <i>IGP/CGP</i> Total Maximum Daily Load
ELG <i>IGP</i> Effluent Limitations Guidelines	NONA <i>IGP/CGP</i> Notice of Non Applicability	TSS <i>IGP/CGP</i> Total Suspended Solids
EPA <i>IGP/CGP</i> Environmental Protection Agency	NOT <i>IGP/CGP</i> Notice of Termination	WDID <i>IGP/CGP</i> Waste Discharge Identification Number
ERA <i>IGP</i> Exceedance Response Action	NPDES <i>IGP/CGP</i> National Pollutant Discharge Elimination System	

NOTE: THIS IS NOT A COMPLETE LIST OF ACRONYMS. SEE APPENDIX 6 OF THE CGP AND ATTACHMENT B OF THE IGP FOR A COMPLETE LIST.

Storm Water Contest...

Each month, we invite our readers to participate in a contest to test their knowledge of the Industrial General Permit and show their storm water compliance program. We enter all submittals to our monthly newsletter question into a drawing and one person is selected at random to receive a \$25 gift card. Last month's contest question was:

How did you tell your facility "I Love You" in the month of February (or early March)?

Congratulations to Brian who replied *"We show love to our facility by touring the facility daily and making a monthly dry and when possible making a wet report. We have completed our yearly sampling and look to see if BMP are working!"* Brian, we hope you enjoy some yummy treats from Krispy Kreme!

...This Month's Contest

What do the 4 digits mean in an SIC code?

We need industrial storm water sleuths to help us with this month's question. Submit your answers by Friday, April 12th. Email your answer to jteravskis@wgr-sw.com. One winner will be selected by a random drawing to receive a \$25 gift card to Amazon.

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