

TRAVELLING & SUBSISTENCE POLICY

OFFICIALS & COUNCILLORS

1 JULY 2014



**STEVE TSHWETE
LOCAL MUNICIPALITY
MP 313**

TABLE OF CONTENTS

1. Definitions
2. Approval
3. Reimbursement for travel expenses
4. Subsistence
5. Travelling and subsistence payable to officials attending training courses where subsistence over weekends is not provided
6. Subsistence payable with respect to overseas visits
7. Interviews
8. General
9. Review
10. Short title

This policy applies to all councillors and officials of the Steve Tshwete Local Municipality who are travelling on official business and as such are formal representatives of the municipality. Transport and subsistence costs will be paid in accordance with the stipulations as set out below:

1. **DEFINITIONS**

For the purpose of this policy, the following words will have the meanings as indicated:

“applicable rate” means the rate paid as published by SA Rates for vehicles operating cost (fixed plus running costs).

“Council” means the Council of Steve Tshwete Local Municipality and *“councillor”* means a councillor elected to serve on the Council.

“delegate” means any councillor or any official that received permission to attend an official visit as contemplated in section 3 of the policy.

“fixed average journey distance per month” means the distance in kilometers on which a monthly transport allowance was based.

“fixed or running transport allowance” means an employee who receives a fixed or running transport allowance according to the travelling allowance scheme.

“fixed term employees” means the municipal manager or managers directly accountable to the municipal manager or any other director appointed by the municipal manager on a fixed term contract.

“Middelburg boundaries” means the area within a 15 kilometre radius of the Middelburg town.

“official travelling” means the attendance of meetings, seminars, congresses, workshops, training courses, or any other *municipal arranged* event that a delegate or councillor attends in his/her official capacity for which prior approval has been obtained and includes the attendance of meetings of institutes by councillors and/or officials *as approved by Council from time to time subject to that the official or councillor is not reimbursed by the organization.*

“Steve Tshwete boundaries” means the area determined by the National Demarcation Board for the municipal area known as (MP 313) Middelburg.

“transport allowance” means the allowance structured by an incumbent employed as Municipal Manager and other directors on a fixed term performance contract.

“vehicle allowance scheme” means the vehicle allowance schemes as approved by Council.

2. **APPROVAL**

- 2.1 Official travelling by officials *within* the Steve Tshwete boundaries will be subject to the approval of his/her director provided that the expenses to be incurred are on the approved budget of the relevant department.
- 2.2 Official visits by officials *outside* the Steve Tshwete boundaries will be subject to approval by the relevant executive director up to three (3) consecutive days, provided that the expenses to be incurred are on the approved budget of the relevant department. For visits more than three (3) consecutive days approval must be obtained from the Municipal Manager.
- 2.3 The Municipal Manager shall approve his/her own official visits in collaboration with the Executive Mayor as well as those of the executive directors and any visits outside the Steve Tshwete boundaries which exceed three (3) consecutive days provided that expenses to be incurred are on the approved budget of the relevant vote.
- 2.4 Official visits by the Speaker, members of the Mayoral Committee and other councillors will be subject to approval by the Executive Mayor or his delegated official provided that the expenses to be incurred are on the approved budget of the relevant vote.
- 2.5 The Executive Mayor shall approve his/her own official visits provided the expenses to be incurred are on the approved budget.
- 2.6 Official visits in countries other than South Africa will be subjected to prior approval by the Mayoral Committee provided that the expenses to be incurred has been provided for on the relevant vote of the approved budget and that the visit be reported to the next Council meeting by the Executive Mayor on the nature of and expenses incurred.

3. **REIMBURSEMENT FOR TRAVEL EXPENSES**

- 3.1 Fixed term employees
 - 3.1.1 Kilometers travelled will only be reimbursed for official travelling outside the Middelburg boundaries according to the terms and agreement of their employment contract at the applicable rate.
 - 3.1.2 Documentary proof or approval by the relevant Executive Director / Municipal Manager for trips must be attached to the claim form.

4.2 Fixed or running transport allowance

- 4.2.1 Employees receiving a *fixed* or *running transport allowance* will be reimbursed for official kilometers *outside* the Middelburg boundaries.
- 4.2.2 The actual kilometers travelled will be paid at the running cost of the vehicle used restricted to an engine capacity of a 2500cc vehicle.
- 4.2.3 Log sheets need not be kept but a completed travelling and subsistence claim form must be submitted to the Directorate Financial Services subjected to the necessary approval for reimbursement.

4.3 Officials not receiving a transport allowance

- 4.3.1 These employees when travelling with privately owned vehicles will be reimbursed for official kilometers travelled on the applicable rate limited to a maximum of 2500cc vehicle within or outside the Steve Tshwete boundaries limited to their annual salary.
- 4.3.2 Log sheets must be kept and submitted with a completed transport and subsistence claim form to the Directorate Financial Services subjected to the necessary approval.

4.4 Transport costs payable to councillors

- 4.4.1 Any allowance or transport costs payable to councillors will be subject to the regulations pertaining to the remuneration of public office bearers as promulgated by the Provincial Department of Local Government in terms of the Public Office Bearers Act, 20 of 1998.
- 4.4.2 Councillors receiving a transport allowance will be reimbursed for official journeys to municipal events outside the Middelburg boundaries, i.e. outreaches, ward committee meetings, training, workshops related to local government.
- 4.4.3 Official kilometers travelled per month will be reimbursed according to the tariffs prescribed by the Department of Transport for use of privately owned vehicles.
- 4.4.4 For the purposes of claiming, a logbook/sheet acceptable to the South African Revenue Services reflecting the official and private kilometers travelled per month must be kept and submitted monthly to the Directorate Financial Services for reimbursement.

4.4.5 Documentary proof of approval by the Executive Mayor for trips outside the Steve Tshwete boundaries must be attached to the logbook/sheet.

4.5 International and domestic flights

4.5.1 Councillors, Municipal Manager, Executive Directors and officials as delegated may travel by means of economy class at the best available fare.

4.5.2 The Executive Mayor may travel by means of business class at the best available fare.

4.5.3 In the case of group bookings, scheduled and sponsored tours or travelling with delegations from National / Provincial Government, the South African Local Government Association (SALGA) or from any other government institution or private sector on official approved trips, such councillors and officials may travel by means of the same class as the members of the delegations which they accompany.

4.5.4 All requests for air travel must be made at the most appropriate rate applicable at the time of travel. To ensure that the most economical airfare is booked, officials are to finalize the relevant bookings where possible well in advance of the intended trip.

4.6 Hiring of vehicles

4.6.1 Where deemed necessary, the hiring of vehicles for travel within the boundaries of the Republic of South Africa outside the Steve Tshwete boundaries may be authorized by the Executive Mayor for councillors or Municipal Manager or Executive Directors as may be delegated.

4.6.2 Only travellers with a valid South African drivers' license may hire vehicles from the approved vehicle agency.

4.6.3 For the Executive Mayor a vehicle similar to the official mayoral vehicle (Mercedes C-Class or similar) or Group G of the approved vehicle agency may be hired.

4.6.4 For the other councillors, Municipal Manager and Executive Directors any vehicle from Group C of the approved vehicle agency may be hired.

4.6.5 For all other officials any vehicle from Group B of the approved vehicle agency may be hired.

- 4.6.6 For groups of five (5) officials and more, any vehicle from Group N (microbus) of the approved vehicle agency may be hired.

4. **SUBSISTENCE**

4.1 Overnight stays

- 5.1.1 Accommodation expenses will be payable when travelling to a destination outside the boundaries of Steve Tshwete Local Municipality when it can reasonably be expected of a councillor or an official to stay overnight during an official visit.
- 5.1.2 No accommodation will be payable for official visits within the Steve Tshwete boundaries.
- 5.1.3 It will be the prerogative of the Executive Mayor for councillors and the Municipal Manager or Executive Directors for officials to determine whether or not it is reasonable for a councillor or an official to stay overnight, subject to the availability of sufficient budget funding.
- 5.1.4 Accommodation must, as far as possible, be arranged to be within a 20 km radius from event. In instances where it is impractical pre-approval must be obtained from the Municipal Manager or relevant Executive Director, failing which no additional cost will be reimbursed for travelling expenses.

5.2 Accommodation expenses

- 5.2.1 If a delegate is required to stay overnight in a hotel/guest house, a maximum of R1 800,00 for bed and breakfast will be paid directly to the hotel/guest house.

Arrangements with a hotel/guest house with regard to accommodation (bed and breakfast) must be made prior to the delegate's departure and payment will only be made to the specific hotel based on the quotation or a pro forma invoice.

- 5.2.2 The maximum limit above can be exceeded in exceptional circumstances but only subject to the approval of the Municipal Manager in respect of officials and the Executive Mayor in respect of a councillor providing the amount does not exceed the amount of R4 000,00 as determined from time to time by Council.

5.2.3 If a delegate is required to stay overnight and prefers to have dinner/lunch at the hotel/guesthouse, the cost can be paid prior to the delegates departure subjected to the following:

- the lunch/dinner cost and soft drinks must be included on the quotation/pro forma invoice to be paid directly to the hotel/guest house.
- no other subsistence claims for meals or soft drinks will be considered.

5.2.4 Kindly note that any “*extras*” not provided for in the policy may not be booked against the room account and must be settled by the delegate prior to departure.

5.3 Meal expenses

5.3.1 If a delegate stays overnight a maximum of R330,00 per day will be paid for meals and soft drinks only and does not include alcoholic beverages but includes a service charge of up to 10% of the total bill subjected to the submission of documentary proof of expenditure incurred.

5.3.2 Claims for meals for official entertainment of guests are to be dealt with as claims against the relevant entertainment allowance provision of the relevant cost centre and to be approved by the relevant manager/head of department.

5.3.3 If a delegate stays overnight and prefers not to stay in a hotel/guest house the daily allowance will be paid on submission of documentary proof of the expenditure incurred.

5.3.4 No meal expenses will be payable for official visits regarding workshops or training within the municipal boundaries.

5.4 Day allowance

A maximum of R215,00 per day for official journeys will be payable for refreshments, meals and soft drinks, if a councillor or an official is away from his workplace longer than six (6) hours, but who does not stay overnight, upon submission of documentary proof of expenditure incurred.

5.5 Miscellaneous expenses

5.5.1 The maximum that may be claimed where miscellaneous expenditure is incurred for official visits by councillors and officials outside the Steve Tshwete boundaries subject to the submission of documentary proof of expenditure is as follows:

- parking fees;
- toll fees;
- bus fares/taxi fares subjected to prior approval by the Municipal Manager or Executive Directors; and
- incidental costs to a maximum of R100,00 per day. In the event where no proof can be provided by the supplier, such reimbursement must be motivated and certified by the Municipal Manager.

5.5.2 No incidental costs will be reimbursed if the subsistence allowance of R330,00 per day has been exceeded.

6. **TRAVELLING AND SUBSISTENCE PAYABLE TO OFFICIALS ATTENDING TRAINING COURSES WHERE SUBSISTENCE OVER WEEKENDS IS NOT PROVIDED**

6.1 If an employee, including but not limited to a traffic officer, inspector of licenses, examiner of vehicles, examiner of drivers' licenses, learner horticulturist and fireman, attend a training course at a training institute (example Traffic Training College) exceeding one (1) week and a subsistence over weekends is not provided, then costs towards the provision of subsistence during the week will be paid to the training institution that provides such subsistence and the employee will be compensated for travelling and subsistence costs incurred over weekends according to paragraph 6.2 below.

6.2 Officials referred to in paragraph 6.1 above will receive an amount equivalent to a bus/minibus return ticket with regard to every weekend for the duration of the course, in order to financially assist them with additional travelling and subsistence expenses incurred over weekends.

6.3 An official Council vehicle may only be used for this purpose in exceptional circumstances with the prior permission of the Municipal Manager.

7. **SUBSISTENCE PAYABLE WITH RESPECT TO OVERSEAS VISITS**

7.1 When travelling in countries other than in the Republic of South Africa, the daily maximum amount allocated per country which is deemed to be expended as issued by SARS from time to time to a maximum amount of US \$215,00 per day, calculated from the first day of departure, will be paid to any official or councillor on condition that documentary proof of expenditure is provided within thirty (30) days of returning from a trip.

Should proof of expenditure not be submitted in the prescribed time or the full advance not be utilized, the advance or balance thereof will be deducted from the next salary of the relevant councillor or official.

7.2 The daily allowance is to cover for all meals, transport costs, official telephone, fax, internet calls and other incidental costs which may occur.

7.3 The amount payable however can be revised by Council depending on the exchange rate and the country that is visited.

7.4 Accommodation for international travel must be the equivalent to hotel accommodation used by business travellers but in the case of attendance of a conference the conference hotel may be used or the most convenient hotel nearest to the conference venue.

8. **INTERVIEWS**

The following will be payable for invited applicants travelling to the Steve Tshwete Local Municipality for interviews:

8.1 Travelling cost will be paid according to the applicable rates based upon running costs to a maximum engine capacity of a 2500cc vehicles calculated on the actual kilometers travelled.

8.2 Applicants using public transport where receipts are not issued will be paid according to the applicable rates based upon running costs to a maximum engine capacity of a 1300cc vehicles calculated on the actual kilometers travelled.

8.3 The actual accommodation cost for bed and breakfast to a maximum amount of R700,00 per night for one (1) night only, but can be extended to a maximum of two (2) nights with prior approval by the Municipal Manager or delegated official.

8.4 No other meal expenses or drinks will be paid.

- 8.5 A person who uses private transport to attend an interview shall be paid the cash equivalent of the avoided air ticket cost, which would have been paid in the event of air travel being the most economical and practical means of transport.
- 8.6 If the invited applicant travels by air the actual expenditure of an economy class ticket on domestic flights only at the best available fare will be paid.
- 8.7 The actual expenditure on the hire of vehicles, if travel by air, equal to a Group B vehicle of a motor vehicle agency limited to a maximum of two days and limited to 400 kilometers per claim.
- 8.8 Miscellaneous expenses such as parking and toll fees will be reimbursed according to expenditure incurred for a return trip albeit that only proof of one (1) slip could be submitted.
- 8.9 The reimbursements in paragraph 8.1 to 8.8 will only be paid subject to documentary to proof of expenditure and prior approval by the Human Capital Development Department.
- 8.10 It will be the prerogative of the Human Capital Development Department to decide when to make arrangements on behalf of the invited applicants or to pay according to proof of expenditure.
- 8.11 The Executive Director Corporate Services be delegated to approve the payment of a return flight ticket and accommodation arrangements.
- 8.12 The Human Capital Development Department must inform all invited applicants of the reimbursement cost payable for attending interviews.

9. **GENERAL**

- 9.1 The reimbursement fees will be revised annually with the annual budget by the Executive Director Financial Services in consultation with the Municipal Manager and subject to the determinations by the South African Revenue Services from time to time.
- 9.2 Prior approval for all journeys undertaken outside the Steve Tshwete boundaries must be obtained from the relevant Executive Director or Municipal Manager at all times who will evaluate the necessity of the journey, regardless of the post level of the official involved, subject to the availability of funding on the annual budget.

- 9.3 To save costs if more than one (1) delegate attends a specific official occasion they must as far as possible travel with one (1) vehicle subject to the internal arrangements of the Municipal Manager or Executive Director. Should more than one (1) official travel together only the owner of the vehicle used will be eligible to receive imbursement for the travelling costs.
- 9.4 When travel by road, the official distance to the designation will be paid. Any kilometers travelled in excess of a 10% deviation will be for the account of the official.
- 9.5 The daily subsistence/allowance payable will only be reimbursed for expenditure incurred for the delegate only on his/her official visit.
- 9.6 Any deviation from and ratification of minor breaches of the travelling and subsistence policy must be approved by the Municipal Manager but only –
- in an emergency;
 - if such arrangements are not included in the policy; and/or
 - in the case of special circumstances and other exceptional cases where it is impractical to follow the travelling and subsistence policy.
- 9.7 The reasons for any deviations in terms of paragraph 9.5 must be recorded and be reported to the next meeting of the Council.
- 9.8 If proof of expenditure cannot be provided as required in terms of this policy the expenditure incurred by the relevant director, official or councillor will be for his/her own account.
- 9.9 Delegates who stay overnight must within five (5) working days from return submit the original invoices received from the hotel and/or guest house to the expenditure section of the Directorate Financial Services to confirm the attendance. Failure of submission might result that the amount may be recovered from the relevant official's salary.
- 9.10 Delegates may only submit one (1) travel and subsistence claim on the prescribed form per event (excluding toll gate fees) which should include all costs incurred allowed to be claimed in terms of this policy.
- 9.11 Where Council incurs costs due to delegates not booking into hotels, missing and/or cancelling prebooked flights, such costs will be recovered from the individual concerned and regarded as acted negligently.

10. **REVIEW**

This policy will be reviewed annually to ensure that it complies with changes in applicable legislation and the operating requirements of the municipality.

11. **SHORT TITLE**

This policy shall be called the Travelling and Subsistence Policy of the Steve Tshwete Local Municipality.