



OKHAHLAMBA LOCAL MUNICIPALITY

SUBSISTENCE AND TRAVEL ALLOWANCE POLICY

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PART 1: OBJECTIVE

- 1.1. It is essential that representatives of the municipality from time to time travel outside of the demarcated municipal boundaries to other cities and towns in order to establish and maintain links and relationships with other municipalities, government bodies, and other parties, institutions and organisations operating in the sphere of local government.
- 1.2. It is important for representatives to broaden their knowledge and understanding of and compare local experiences in local government transformation, innovation and change in the rest of the country, and this can effectively be done only through the medium of personal contact with a wide range of local government stakeholders.
- 1.3. In terms of the Income Tax Act (No.58 of 1962) councillors and employees traveling to other destinations for official business purposes or needs be granted an ad-hoc travel and subsistence allowance. The object of this policy is to enforce the promulgated legislation in terms of ad-hoc travel and subsistence allowances, in order to set uniform guidelines for councillors and officials of the Okhahlamba Local Municipality.
- 1.4. This policy sets out the basis for the payment of a subsistence and travel allowance for the purposes of such official travelling outside the Municipal boundaries.

PART 2: RESPONSIBILITIES OF REPRESENTATIVES WHO TRAVEL ON BUSINESS OF THE MUNICIPALITY

- 2.1 Every representative who travels on the business of the municipality must comply with this policy in letter and in spirit.
- 2.2 Representatives who travel on the business of the municipality must appreciate, at all times, that they are ambassadors for the municipality, that their actions, conduct and statements must be in the best interests of the municipality, and that they must comply with any specific mandates they have been given.

- 2.3 Consistent with the municipality's performance monitoring and evaluation objectives, the municipal manager will ensure that records are maintained of all representatives and official travelling is kept.

PART 3: SUBSISTENCE AND TRAVEL ALLOWANCE

- 3.1. A subsistence and travel allowance is an amount of money paid by the municipality to a representative to cover the following expenses:
- a. Meals (including reasonable gratuities);
 - b. Incidental cost expenses which are not necessarily incurred in performing the duties of employment whilst away on business (e.g. telephone cost, laundry cost, non-alcoholic beverages, tips, refreshments etc.);
 - c. All business-related travel and
 - d. Accommodation.
- 3.2. A subsistence allowance does not cover any personal recreation, such as visits to a cinema, gym fees, theatre, nightclubs, sightseeing etc.
- 3.3. For Purposes of this Policy, a "Subsistence allowance" is any allowance paid by the Municipality to a representative to cover accommodation, meals or incidental costs where the employee is, by reason of the duties of his or her office or employment, obliged to spend time "out of office", away from his or her usual place of operations in the Republic.
- 3.4. A "Travel allowance" is any allowance paid, or advance granted by the Municipality to the representative for the use of his or her private motor vehicle for the employer's business purposes.

PART 4: ENTITLEMENT TO A SUBSISTENCE AND TRAVEL ALLOWANCE

- 4.1. A representative may claim a daily subsistence allowance as provided in this policy with the understanding that all authorised personal expenses are covered by the

subsistence allowance. No further expenses, with the exception of certain business expenses (see below), may be claimed.

- 4.2. The subsistence allowance may be claimed without the representative having to furnish proof of expenses.
- 4.3. Expenses incurred in the entertainment of external business associates, contacts, clients, potential investors and potential clients of the Municipality fall outside the scope of the subsistence allowance and will be separately reimbursed (subject to prior approval where applicable). If a representative of the municipality has an entertainment allowance, this entertainment of external business associates or contacts or other parties must be claimed against the entertainment allowance.
- 4.4. A representative of the municipality must claim his or her subsistence allowance, as provided in this policy, preferably before embarking on any official trip. The subsistence allowance must, in order to facilitate its timeous payment, be claimed at least five working days before the planned trip.
- 4.5. The inability or failure to levy a claim prior to a trip as contemplated above does not render the claim invalid, provided that the necessary approval and supporting documentation is available at the time of making the claim.
- 4.6. Nothing in this policy shall preclude a representative from submitting a claim in respect of a trip that was authorised prior to the adoption of this policy provided the necessary approval and supporting documentation is available at the time of making the claim.
- 4.7. No subsistence allowance will be paid, and no representative will be entitled to a subsistence allowance, if the trip or travel is not related to the official business of the municipality. All travel on business of the municipality must be approved as such before a representative is entitled to a subsistence allowance.
- 4.8. For the purposes of a subsistence allowance, a representative shall mean:
 - Councillors and officials
 - Any other representative specifically authorised to represent the municipality on a particular occasion.

PART 5: AUTHORISATION

- 5.1. Only the Municipal Manager may authorise travelling and the payment of their S&T by Directors, Senior Managers and other officials directly accountable to the Municipal Manager. This is on condition that the expenses to be incurred are on the approved budget of the relevant department;
- 5.2. Heads of Department/ Directors may authorise travelling by officials within their directorates provided the expenses to be incurred are on the approved budget of the relevant department;
- 5.3. The Municipal Manager's travel engagements will generally be approved by the Mayor. However the following exceptions will apply:
 - a. Any travel within the Municipality's jurisdiction which is obviously and directly related to the business of the Municipality no permission is required; the Municipal Manager will however inform the Mayor.
 - b. Any travel to other parts of South Africa, which is obviously and directly related to the business of the Municipality, no permission is required; the Municipal Manager will however inform the Mayor.
 - c. The Mayor, in consultation with the Municipal Manager, may approve the travelling on municipal business by Councillors or the Speaker, provided that the Mayor reports to the following council meeting on the nature and the reasons for such travel and the expenses incurred.
- 5.4. Only the executive committee may authorise any travel to be undertaken by the mayor, deputy mayor, speaker, any councillor, or the municipal manager, provided that the Municipal Manager in consultation with the mayor may authorise such travel where time is limited to obtain EXCO approval.
- 5.5. No councillor or official will be allowed to travel internationally to represent the council without council approval.
- 5.6. An invitation to attend a workshop, meeting or related event is not an automatic authorisation to attend such workshop or event. The required authorisation must still be obtained from the Municipal Manager or Departmental Head or Mayor or Executive committee, as the case may be.

PART 6 CAR RENTAL AND TRAVEL COSTS

6.1. CAR RENTAL:

- a. Only "A" or "B" category vehicles may be rented, unless it is more cost-effective to hire a more expensive vehicle (for example, when the number of representatives involved could justify the hire of a micro-bus). In such a case, written authorisation of the Municipal Manager must accompany the claim.
- b. Car rental must be approved as part of the travel package before the trip is embarked on. A representative who rents a vehicle whilst travelling on the business of the municipality without having received prior authorisation will only be reimbursed for the cost of the vehicle rental if authorised by the Municipal Manager and where proof of expenditure can be produced and the representative can demonstrate that vehicle rental was reasonably but unexpectedly necessitated by the circumstances.

6.2. USE OF PERSONAL VEHICLE FOR OFFICIAL TRIPS

- a. Where a representative utilises their personal motor vehicle outside the boundaries demarcated for the municipality, such representative will be entitled to make a claim in terms of this policy and shall be reimbursed at the applicable AA rate prescribed at the time of the claim per kilometre notwithstanding the representative's receipt of a vehicle or transport allowance or the representative's participation in any of the Council's vehicle or transport allowance/incentive/fringe benefit schemes.
- b. The distance to which the reimbursement applies, shall be calculated from the first kilometre of the trip and must be tallied using the fastest distance or as recorded on the vehicle mileage recorder, between the Council offices and the location where the official business is to be transacted.
- c. The rate per kilometre shall be in accordance with the AA Rates applicable at the time of the claim. A certificate generated by the AA website at the time of the claim shall constitute sufficient proof of the applicable AA rate at the time for purposes of a claim.

6.3. GENERAL

- a. Where air travel is necessary, all flights by representatives of the municipality shall be in economy class, unless another class of travel is specifically authorised by the municipal manager, mayor or executive committee, as the case may be.
- b. Where possible representatives must travel together, up to a maximum of four representatives per vehicle, in order to minimise travelling expenses.
- c. In addition to the above, in all cases the method of travelling which is the most beneficial to Council be used - where municipal transport is available such be used and it be expected from delegates to travel together as far as possible.

PART 7: SUNDRY EXPENSES

- 7.1. Sundry expenses incurred in respect of airport taxes, parking fees, booking fees or toll fees will only be reimbursed with submission of the necessary proof. Where representatives qualify for toll concessions, only the cost of concession toll fees may be claimed.

PART 8: SUBSISTENCE AND TRAVEL ALLOWANCES FOR PERSONS INVITED FOR INTERVIEWS OR PERSONS INVITED TO TESTIFY AT DISCIPLINARY TRIBUNALS

- 8.1. Subsistence costs will be paid to any candidate invited for an interview or invited to testify as a **witness** at a Disciplinary Tribunal in accordance with Part 8, but travelling costs at the tariff prescribed by the Council may be paid if the candidate has to travel from outside the municipal boundary or the cost of a return economy class airfare to attend the interview/hearing, whichever is the lesser.
- 8.2. Payment of Subsistence and Travelling allowance payable to successful candidates in cases of interviews will only take place after commencement of duties.

PART 9: ACCOMMODATION COSTS AND SUBSISTENCE ALLOWANCE

- 9.1. Where the destination venue is 200km or more from the Municipal offices, an overnight stay over may be authorised by the Municipal Manager.
- 9.2. The Municipality shall arrange for dinner, bed and breakfast accommodation. The actual cost of accommodation at the rate for a single room will be borne by the Municipality up to a maximum of R1500.00 per night. The representative will be required to collect a tax invoice from the establishment and furnish same to the finance department upon return to office.
- 9.3. A representative shall be allowed to arrange their own private accommodation at their own expense. In this event a maximum of R 1000.00 per day shall be payable by the Municipality to the representative upon their return to office. In such an instance, the representative shall be responsible for the full payment of the accommodation amount and be required to submit proof to the South African Revenue Services at the end of the tax year. No tax invoice or receipt will be required when claiming such accommodation allowance from the Municipality.
- 9.4. The Municipal Manager may authorise the payment of higher fees where accommodation is booked by the Municipality or through the Municipality's designated agent.
- 9.5. The Municipal Manager may at his discretion authorise for a sleep over if the venue is less than 200 km from the Municipal Offices.
- 9.6. If the cost of accommodation includes breakfast, a subsistence allowance of R110.00 per day will apply in respect of domestic travel.
- 9.7. Where breakfast is excluded the subsistence allowance will be R150.00 per day. Proof that the accommodation did not include breakfast must be provided. Where such proof is not available, the claim for subsistence for breakfast will be limited to R110.
- 9.8. A Dinner allowance of a maximum of R200.00 per night be will apply for overnight trips. No alcohol products will be paid for. Proof of expenditure must be furnished

with the actual costs of dinner being payable. Where no proof of expenditure is available, the claim for subsistence for dinner will be limited to R150.

- 9.9. The recoverable cost of travelling and accommodation for travelling outside the borders of the RSA is to be determined by EXCO on an ad hoc basis to meet requirements.
- 9.10. In the case of both domestic and international travel, the day of departure and the day of return each qualify for a subsistence allowance of R110.00.
- 9.11. For purposes of this policy, domestic travel shall mean travel within South Africa, and international travel shall mean travel to any country other than South Africa.

PART 10: SUBSISTENCE ALLOWANCE IF TRAVEL OUTSIDE MUNICIPAL AREA IS FOR A DAY OR PART OF A DAY WITH NO OVERNIGHT STAY

- 10.1. No “out of office” subsistence will be paid to any Councillor or Official on any visits within the boundaries of the Okhahlamba Local Municipality.
- 10.2. If a representative travels outside the municipal area on the business of the municipality for more than 4 hours but less than 6 hours a subsistence allowance of R110.00 may be claimed.
- 10.3. If a representative travels outside the municipal area for 6 hours or more a subsistence allowance of R150.00 may be claimed.
- 10.4. If a representative is travelling internationally, approved SARS rates as published are applicable. South African currency should be used in converting foreign currency on the day of paying out the subsistence allowance. If representatives travelling internationally are paid in excess of the SARS rates, such payment should be taxed.

PART 11: WORKSHOPS ETC FINANCED BY COUNCIL

- 11.1 Accommodation, transport and meals will be arranged at the cost of Council. If any representative prefers accommodation of his/her own choice no subsistence allowance will be payable.
- 11.2 If Council transport is not available, transport allowance as in Part 5 shall apply.

PART 12: SUBSISTENCE AND TRAVELLING ALLOWANCES IF NO OVERNIGHT STAY FOR ATTENDANCE OF TRAINING COURSES OUTSIDE MUNICIPAL AREA IDENTIFIED BY THE EMPLOYER AS NECESSARY

- 12.1. If a representative attends a course outside the municipal area for more than four (4) hours but less than six (6) hours a subsistence allowance of R110.00 may be claimed.
- 12.2. If a representative attends a course in excess of six hours a subsistence allowance of R150.00 per day may be claimed.
- 12.3. The above also apply in respect of the rendering of services during emergency incidents.
- 12.4. LONG COURSES – See 16 below.

PART 13: OVERTIME/

If overtime is claimed for any event, no subsistence allowance shall be paid.

PART 14: NON-ATTENDANCE OR PARTIAL ATTENDANCE AT ANY EVENT

- 14.1. Representatives to any conference, workshop or meeting must ensure that they arrive on time and attend until the conclusion of such event. If any representative fails to do so, the executive committee or the municipal manager, as the case may be, may recover part or all allowances and disbursements paid to enable such

delegate or representative to attend such event, provided that such delegate or representative is afforded the opportunity to submit reasons for not being able to be present from the commencement to conclusion of such event.

PART 15: LEGAL REQUIREMENTS

- 15.1. In terms of Section 66 of the Municipal Finance Management Act No. 56 of 2003 the accounting officer of the municipality must report to the council, in the format and for the periods prescribed, all expenses relating to staff salaries, allowances and benefits, separately disclosing (inter alia) travel, subsistence and accommodation allowances paid.

PART 16: STAFF ATTENDING LONG COURSES

- 16.1. A “long course” will be any course attended for five (5) consecutive working days or longer.
- 16.2. Council shall arrange for bed and breakfast accommodation with receipts to be submitted for lunch and dinner at venues, which do not cater for full accommodation. All claims shall be authorised by the Municipal Manager.
- 16.3. That an amount of R70.00 plus meals and incidental costs per working day be paid in all instances to employees attending long courses. Proof of costs incurred to be provided.
- 16.4. That if possible, employees attending long courses make use of official transport for the duration of the course, every second week fuel will be provided to return home.
- 16.5. That should it be necessary to utilise private transport, the employee be remunerated at the AA rates determined from time to time following approval of such claim by the Municipal Manager.
- 16.6. That the training costs as well as travelling and subsistence allowance for Protection Services Officers attending any Traffic Training College be paid by Council on condition that:-

- a. satisfactory progress reports must be submitted monthly;
- b. the employee enter into an agreement with Council whereby such employee undertakes to remain in Council's service for a period of three (3) years after the attendance of such courses, and should such an employee terminate his service with Council for any reason, the said costs shall be recovered from the employee on a pro rata basis.

CLAIM FORM FOR SUBSISTENCE AND TRAVELLING EXPENSES (OFFICIALS AND COUNCILLORS)

NAME OF CLAIMANT _____ (PAY NO) _____

AUTHORISATION _____

PURPOSE & DESTINATION OF JOURNEY _____

TOWN/CITY _____

DATES OF CONFERENCE/MEETING : FROM _____ TO _____

DATE _____ AND TIME _____ OF DEPARTURE : DATE _____ AND TIME _____ RETURNED

(Time only where applicable)

MUNICIPAL TRANSPORT : YES/NO _____ LINE ITEM NUMBER : _____

PART 5 TRAVEL COSTS
(Prescribed costs per km to be claimed)

1. Own transport _____ type of vehicle _____ engine capacity _____
_____ km's - **petrol/diesel (please mark applicable)** at _____ c/km R _____
2. Air fare (economy class) _____ (Attach AA Certificate) R _____

PART 6 SUNDRY EXPENSES

3. Toll gate fees (Proof required) R _____
4. Parking (Proof required) R _____

PART 7 SUBSISTENCE AND TRAVEL ALLOWANCES FOR PERSONS INVITED FOR INTERVIEWS

1. Subsistence as in Part 8
2. _____ k/m's at _____ c/km (Attach AA Certificate) R _____

PART 8: ACCOMMODATION COSTS & SUBSISTENCE ALLOWANCE (Select applicable scenarios)

1. Accommodation (Single Room) to maximum of **R1500.00** per night *(Council makes payment & Original invoice required)* R _____
 2. Accommodation allowance @ **R1000.00** per day *(Employee arranges his own accommodation, No invoice required)*
(Representative responsible for full payment of accommodation account as well as to submit proof to the Receiver of Revenue at the end of the tax year in respect of the actual costs incurred) R _____
 3. If accommodation includes breakfast **R110.00** per day subsistence R _____
 4. If accommodation excludes breakfast **R150.00** per day subsistence *(Attach Original invoice to show no breakfast)* R _____
 5. If accommodation excludes breakfast **R110.00** per day subsistence *(No Original invoice to show no breakfast available)* R _____
 6. That should an **accommodation allowance** be claimed an amount of **R150.00** be claimed in respect of breakfast R _____
 7. Maximum Dinner allowance of **R200.00** per night is provided for overnight trips. R _____
- No alcohol products will be paid for. Proof of expenditure must be furnished with the actual costs of dinner being payable.

8. Travelling time when sleeping over 2 X **R100.00** subsistence R _____

PART 9: SUBSISTENCE IF TRAVEL IS FOR A DAY OR PART OF A DAY WITH NO OVERNIGHT STAY

1. More than 4 hours but less than 6 hrs - not sleeping over - outside Municipal area **R110.00** R _____
2. 6 Hrs or more - not sleeping over - outside Municipal area **R150.00** R _____

PART 10: WORKSHOPS ETC. FINANCED BY COUNCIL:

1. Accommodation, transport and meals arranged and paid by Council.
If private accommodation is preferred no subsistence payable. If council transport not available, as per Part 5 R _____

PART 11: SUBSISTENCE AND TRAVELLING ALLOWANCES IF NO OVERNIGHT STAY FOR ATTENDANCE OF TRAINING COURSES IDENTIFIED BY THE EMPLOYER AS NECESSARY AND RENDERING OF SERVICES DURING EMERGENCY INCIDENTS

1. More than 4 hours or less than 6 hours – **R110.00** R _____
2. 6 hours or more - **R150.00** R _____
3. That an amount of **R70.00** per working day be paid in all instances attending long courses (five consecutive working Days or longer) R _____

LESS payment in advance R _____

NETT AMOUNT DUE R _____

NAME _____ SIGNATURE OF CLAIMANT _____ DESIGNATION _____ DATE _____

CERTIFIED CORRECT BY _____ DESIGNATION _____

APPROVED BY MUNICIPAL MANAGER _____
DATE _____