

TRANSPORT ALLOWANCE SCHEME POLICY

1. PREAMBLE

The purpose of this policy is to create a uniform policy that is adequate for all employees who qualify for a transport allowance scheme within the municipality.

2. LEGISLATIVE FRAMEWORK

The implementation of this policy shall always be guided by the provisions of the Municipal Finance Management Act and other relevant pieces of legislation to ensure adequate accountability and responsibility.

3. APPLICATION OF THE POLICY

All employees who qualify for a transport allowance within the municipality.

4. FIXED COMPENSATORY TRANSPORT ALLOWANCE

4.1 Employees who by nature of their duties are involved on a daily basis on both the functional and managerial levels as determined by Council or employees who are compelled to utilize their private vehicles in the completion of their official duties on a regular basis are eligible to receive a fixed compensatory transport allowance.

4.2 Employees may also receive a fixed compensatory transport allowance in the form of a fringe benefit linked to their employment contract upon entering into the service of the Municipality.

4.3 The fixed allocation for this category will be paid in terms of a maximum kilometer allocation of 750km.

4.4 The allowance payable will be calculated according to the fixed and running costs of the Automobile Association tables according to the 10000km column of the fixed cost component taking into account the employee's annual salary.

4.5 The formula for the calculation of the allowance will be as follows:

(F+R)X Km

Where **F** = Fixed cost component read off 10 000 km column **AA** tables (according to **annual salary**)

R = running cost according to the **AA** table for a vehicle with an engine capacity of 3 litres.

Km = between 450 - 750.

4.6 Where the recipient of a transport allowance wish to claim distances in excess of kilometres allocated to them for travelling done within the within the demarcated municipal area, such claim must be supported by a log sheet approved by their HOD..

4.7 Any employee on this level whose average monthly distances travelled within the Municipal demarcated area are in excess of 750 km and who wish for a fixed coupling in this regard, may approach their HoD who will approve the maintenance of log sheets.

4.8 Where travel allowances are granted as part of an employee's post, the monthly fixed km distances will be calculated as follows:

- Post level 1 = 750km
- Post level 2 = 750km
- Post level 3 = 650km

4.9. The km allocation applied to the package of such an employee shall be utilized within the demarcated Municipal boundary. Travelling undertaken outside the Municipal boundary shall be excluded from this tally and shall be administered in terms of the council's Subsistence and Travel Allowance policy applicable at the time.

4.1.0 Employees that are not eligible to receive a travel allowance by virtue of their post may be eligible to receive a transport allowance where the Municipal Manger approves the granting of such an allowance after having considered a motivation from the employees HoD supported by a log sheet evidencing the employees use of their personal vehicle for a period of three (3) months in the execution of council official duties.

4.11 To provide financial discipline and administrative simplicity in this regard, the procedure for the coupling of an allocation to a post will be as follows:

4.11.1. The incumbent will maintain officially approved log sheets of actual distances travelled for a period of three (3) months.

4.11.2. Only distances travelled within the District Municipality boundaries or to Council works within the boundaries of the municipality in the execution of official duties will be taken into account, distances between work and home will be excluded.

4.11.3. The employee's HoD will be required to forward a written application and motivation supported by the log sheets to the Human Resource Division for investigation and verification.

- 4.11.4. The Human Resources Manager will then be required to submit a recommendation the Municipal Manager who will either accept or reject the application and motivation for the coupling of a travel allowance to the employee's remuneration package.
- 4.11.5. The granting of an allowance on these terms does not vary the baseline package of the post occupied by the employee in question and such an allowance is entered into specifically with that employee.
- 4.11.6. As it is accepted that employees do not, as a result of vacations etc, always utilize their full allocations every month, the lower interval will be allocated to the post should the average of the log sheets submitted fall between two intervals.
- 4.11.7. Should the HoD after the initial approval wish to increase the kilometrage allocations, the procedure above must once again be followed. This implies that the HoD will not have the discretion to increase allocations at will after the initial approval.
- 4.11.8. It will be expected of employees in posts with allocations above 750 km to, one year after receiving the allowance, maintain log sheets for a minimum of three months annually as a control measure. Employees should send the log sheets to their Department to ensure that they are still entitled to the allocation. Control sheets should be sent to the both Human Resources Manager and Payroll Administrator who will approve/disapprove the allocation. Should the **Kms** be reduced, the Municipal Manager and Human Resources section in conjunction with the relevant HoD will inform the employee, of the reduction of the allocation after giving the employee one month's written notice.
- 4.11.9. The HoD can at any stage recommend termination of transport allowance, after **giving six months written notice**, should he/she deem it no longer a necessity for the incumbent of the post to utilize is vehicle in the completion of his vehicle in the completion of his duties. During this period only the fixed cost component of the allowance will be paid. The Human Resources Manager and Payroll Administrator should then be informed accordingly.

4.11.10. The reporting obligations prescribed in this section shall not apply to officials who receive a transport allowance as part of their fringe benefits upon entering into Municipal service.

5 AD HOC ALLOWANCE

- 5.1. If employees in posts not in receipt of permanent travel allowances and in the absence of pool vehicles are requested and agreed to by the departmental head to use their private motor vehicles for Council's business on an adhoc basis are legible to receive the allowance (in cents) based on the AA table as updated from time to time.
- 5.2. All ad hoc claims must be approved by an official on at least the level of the HoD or his/her nominee.
- 5.3. This section applies only for the use of personal vehicles within the demarcated boundaries of the Municipality. Any ad hoc travelling that takes place outside the demarcated municipal boundary must be claimed in terms of Council's Subsistence and travelling policy applicable at the time.

6 GENERAL CONDITIONS

- 6.1 Employees in receipt of permanent transport allowances shall at all times provide motor vehicles of **suitable types and conditions** as predefined and approved by HoD concerned for the proper discharge of their duties.
- 6.2 Employees are to provide proof of availability of suitable vehicles on the request of management and/or Hod and/or the Municipal Manager.
- 6.3 Alternatively, the affected employees' transport allowances must be stopped until such vehicle is available or provided.
- 6.4 An employee in receipt of an allowance must inform their HoD immediately if he/she does not have a vehicle available.
- 6.5 In the event that an employee has received a transport allowance without having the requisite vehicle available the overpayment of the allowance for the identified non qualifying period must be recovered from the employee's salary.
- 6.6 In such an instance, the Municipal Manager may institute disciplinary action and/or incapacity proceedings relating to his/her non-compliance with this provision and inability to perform his/her duties due to him/her not having the requisite vehicle and where he/she continued to receive the allowance without

complying with the above qualifying requirements he/she must be charged with fraud.

- 6.7 The municipality may terminate or vary any transport allowance on the recommendation of the HoD concerned with the concurrent approval of the Municipal Manager after consultation with the affected employee.
- 6.8 The Municipal Manager shall approve of any employees' in receipt of permanent transport allowances , who are required to be transferred by the Council to other posts to which no transport allowances are attached, or whose duties change to the extent that their posts no longer justify transport allowances being attached to them, to continue to be paid the fixed cost portion of the allowances for the duration of outstanding fixed periods or payments of their existing vehicle financing agreements for their current vehicles purchased in terms of this scheme, or until the agreement or commitment is terminated/expires for any reason whatsoever.
- 6.9 In such an instance, the affected employee may not re-negotiate or reschedule the agreements in any way to have the effect of extending the agreements and/or commitments/obligations in terms thereof to cause allowances to continue to be paid for longer than they otherwise would have been.
- 6.10 If such agreements should terminate at an earlier time due to whatever reason the employee concerned must inform his/her HoD and/or the Municipal Manager immediately and the transport allowance must be discontinued forthwith.
- 6.11 Employees without transport allowances and those in receipt of transport allowances in their current posts and who apply for and are appointed to new or promotion to which transport allowances are attached shall receive the new post's approved allowance that they take up the duties (are appointment) of the promotional posts; and employees who are in receipt of existing transport allowances which they enjoyed from their previous post and who are appointed to promotional posts that do not have transport allowances attached to them shall have their existing transport allowance discontinued from the time that they take up the duties of the new promotional post.
- 6.12 An employee who received a transport allowance prior to the introduction of this policy, will continue to receive allowances in terms of his/her former scheme until the end of the agreed term with the financing bank or deciding to change the

vehicle, where after he/she will be placed on the new arrangements in terms of this policy.

- 6.13 Nothing in this policy shall preclude a recipient of a transport allowance from making a claim in terms of any of the Council's other policies including the Council's subsistence and travelling policy applicable at the time.