

INTERNAL POLICY	
XHARIEP DISTRICT MUNICIPALITY	
SUBJECT: TRAVELLING AND SUBSISTENCE ALLOWANCE POLICY	POLICY NO: DCSHR03
DIRECTORATE: CORPORATE SERVICES	COUNCIL ITEM:
DATE APPROVED:	
EFFECTIVE DATE:	

Chapter 1

1. AIM

The Aim of the Policy is to regulate the granting of travelling allowance to the employees of Xhariep District Municipality.

2. OBJECTIVE

- a) To regulate payment of travel allowances to Xhariep District Municipal employees, who have to travel in execution of official duties
- b) To establish uniform directives, procedures, conditions and limitations according to which the travel allowance can be paid
- c) To establish procedures and conditions under which employees can use their private vehicles in execution of their official duties.

3. ALLOCATION OF TRAVEL ALLOWANCE

- a) The allocation of travel allowance to employees is mainly informed by the function and duties that they perform. However, the following positions shall automatically qualify for the allowances:
 - i. The Municipal Manager
 - ii. Section 56 Managers
 - iii. Managers
 - iv. Officers and Accountants
- b) The Municipal Manager, Section 56 Managers and contract employees have latitude of structuring their motor vehicle allowance as a condition of their employment contracts.

- c) An employee occupying a post other than those mentioned in 3(a) above may be considered for allocation provided that the Manager for that employee will, based on the functions and duties of that employee make an application motivating for the allocation of the allowance to the Departmental Head. The application should further be recommended by the Departmental Head and approved by the Municipal Manager or his/her delegate.
- d) Allocation of travel allowance may be reviewed if the duties of that position change.
- e) All employee allocated the travel allowance must have the vehicle on which travel allowance is paid, available for execution of official duties at all times. Other official transport will not be made available so such incumbents.
- f) Prior written permission must be obtained from supervisors for the use of a different vehicle, other than the one which an allowance is paid for. Such written permission must be submitted together with the claim.
- g) All heads of departments must ensure that adequate budgetary provisions are made for all posts that qualify for an allowance during the budgetary process.

4. TERMINATION OF TRAVEL ALLOWANCE

- a) If an employee, who is an incumbent of a position linked to the travel allowance, is transferred by the Municipality to another position not linked to travel allowance and such transfer was not requested by the employee, the Municipality will give the employee six months written notice of its intention to withdraw the travel allowance.
- b) During the six months period the employee shall receive full monthly travel allowance as was applicable prior to the transfer. After the six month period the Municipality shall determine the fixed amount to pay the employee until such time the official's motor debt is paid off, upon supplying the Municipality with all documentation required for the execution of the payment.
- c) Payment of the allowance in (b) will be terminated immediately if the employee decided to dispose-off the vehicle for which a travel allowance was received.
- d) If the employee is demoted or transferred based on the act of misconduct, the municipality will give such employee six months' notice for the termination of the allowance.
- e) The municipality will terminate the travel allowance on termination of service by the employee.
- f) The municipality reserves the right to withdraw travel allowance because of unavailability of funds and operational requirements. The employees

that will be affected shall be granted a fully paid six months' notice prior withdrawal of the travel allowance.

5. CONDITIONS

- a) All claims for official trips must be supported by a trip authorisation form and relevant correspondence, which shall be submitted as travel claims are presented.
- b) All claims shall be duly certified and approved by the relevant Supervisor and Head of Department before submission.
- c) Employees who are allocated the travel allowance post must:
 - i. Be in possession of valid driver's license
 - ii. Have a vehicle that is registered in their name or
 - iii. Have legal binding agreement between the buyer and seller
 - iv. Have the vehicle available all the times

6. PAYMENTS IN RESPECT OF TRAVEL ALLOWANCE

- a) This payment refers to the fixed amount which is paid monthly to the incumbents of positions mentioned in Section 3(a) of this policy.
- b) The Amount of Payment to travel allowance incumbents shall be based on the Municipal Manager's discretion in formal consultation with the Departmental Head, Chief Financial Unit and Human Resource Manager.
- c) The determination of the amount to be paid must be consistent with the existing amounts paid to existing employees who are travel allowance incumbents.

7. ADJUSTMENT OF TRAVEL ALLOWANCE

- a) The travel allowance will be adjusted every after 3 financial years in line with the annual collective bargaining increment of the third year and such adjustment shall be in consultation with all employees who re incumbents of travel allowance.
- b) The Municipality may decide not to adjust travel allowance as stipulated in Section 7(a) due to the following:
 - i. Unavailability of funds
 - ii. Operational requirements
 - iii. Municipal financial position

8. FINANCING AND CHOICE OF VEHICLE

- a) Employees are expected to arrange for the financing of private vehicles at financial institutions of their choice.
- b) The decision about the choice of a vehicle, which the employee prefers to use in the daily execution of work activities, rests with the employee, with the understanding that the type of vehicle shall comply with the purpose and requirements for the execution of the employee's official duties.

9. DATE OF EFFECT

This policy shall come to effect on the date of approval by council.

10. IMPLEMENTATION OF THE POLICY

The implementation of this policy to all qualifying employees is to the approval of the Municipal Manager and availability of funds.

11. MONITORING

For the purpose of expenditure monitoring, finance division shall monthly submit an expenditure report to Management to determine whether the Municipality does sustain the policy.

CHAPTER 2

2. SUBSISTENCE AND TRAVELLING

2.1 Objective

- 2.1.1 It is essential that representatives of the municipality from time to time travel outside the municipal area in order to establish and maintain links and relationships with other municipalities, government bodies, and other parties, institutions and organizations operating in the sphere of local government. 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.
- 2.1.2 This policy sets out the basis for the payment of a subsistence and travel allowance for the purposes of such officials travelling.

2.2 Responsibilities of representatives who travel on business of the municipality

2.2.1 Every representative who travels on the business of the municipality must comply with this policy in letter and in spirit.

2.2.2 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.

2.2.3 Consistent with the municipality's performance monitoring and evaluation objectives, the municipal manager will ensure that a database of all representatives and officials travelling is kept safe.

2.3 Entitlement to a subsistence and travel allowance

2.3.1 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.

2.3.2 The subsistence allowance may be claimed without the representative having to furnish proof of expenses.

2.3.3 Entertainment of external business associates or contacts of clients or potential investors or potential clients falls 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.

2.3.4 A representative of the municipality must claim his or her subsistence allowance, as provided in this policy.

2.3.5 No subsistence allowance will be paid, and no representative will be entitled to a subsistence allowance, if the trip 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.

2.3.6 For the purpose of a subsistence allowance, a representative shall mean:

- (i) Mayor or Executive Mayor, as the case may be.
- (ii) Speaker
- (iii) Members of the Executive Committee or Mayoral Committee, as the case may be.
- (iv) Other Councillors specifically authorised to represent the municipality on a particular occasion.
- (v) Municipal Manager.
- (vi) Managers accountable to the municipal Manager.
- (vii) Heads of Department.
- (viii) Any other official specifically authorised to represent the municipality on a particular occasion.

2.4 Accommodation costs and subsistence allowance

2.4.1 Representatives who travel on the business of the municipality, where the business unavoidably entails one or more nights to be spent away from home, may stay in hotel, motel, guesthouse or bed and breakfast establishment.

2.4.2 The Executive Mayor, Speaker, Members of Mayoral Committee (MAYCO), Municipal Manager and Section 56 Managers (Senior Management) should be accommodated at a three (3) star rated hotel and above.

2.4.3 If the cost of accommodation excludes, as it often does, the provision of breakfast and or dinner the following will apply in respect of domestic travel:

- (i) A maximum of R80.00 (eighty rand) per person per day be allowed for breakfast provided that the necessary proof of payment submitted. Failure to provide the necessary proof within 24 hours after the employee returned to the workplace will result in the deduction of the full amount from the employee's next salary.
- (ii) A maximum of R150.00 (one hundred and fifty rand) per person per day be allowed for lunch provided that the necessary proof of payment be submitted. Failure to provide the necessary proof within 24 hours after the employee returned to the workplace will result in the deduction of the full amount from the employee's next salary.

(iii) A maximum of R200.00 (two hundred rand) per person per day be allowed for dinner provided that the necessary proof of payment be submitted. Failure to provide the necessary proof within 24 hours after the employee returned to the workplace will result in the deduction of the full amount from the employee's next salary.

- 2.4.4 If a representative stays with a relative or friend, no accommodation allowance may be claimed, but the representative may claim a subsistence allowance of R265.00 per day for accommodation.
- 2.4.5 The recoverable cost of accommodation for international travel must be in line with the prescript of the law. The Accounting Officer must determine the travelling, accommodation and subsistence allowance payable to an employee on the official business of the Municipality outside South African boundaries, within SADC region.
- 2.4.6 A council representative delegated to attend an international assignment of the Municipality will be entitled to an international subsistence allowance consistent with the minimum daily amounts in respect of meals and incidental costs as provided for in the SARS Government Gazette, No. 31915 (As amended by SARS from time to time. (The gazette is available from HR)
- 2.4.7 No accommodation arrangements may be made or paid for by the Municipality in respect of any event scheduled to start at or after 09:00 and closing before or at 16:30 on the same day or if such event is within 200 km from the place of residence of the employee who must attend it.
- 2.4.8 Whenever an event that must be attended is scheduled over more than one day at a place further than 150 km from the place of residence of the person concerned, travelling expenses, including tollage, may be paid in respect of only one return journey between her/his place of residence and the place where the event takes place.
- 2.4.9 Where it is not necessary to overnight on any travel on municipal business, no accommodation costs will be paid, but a subsistence allowance of R85.00 per day may be claimed if travelled for municipal business.
- 2.4.10 The rate being used for claiming should be fixed at R3.05 as per the SARS schedule.

- 2.4.11 In the case of both domestic and international travel, the day of departure and the day of return each qualify for a subsistence allowance.
- 2.4.12 Any changes from SARS in terms of subsistence allowance will be immediately implemented by the Municipality.
- 2.5 Subsistence allowance if travel is for a day or part of a day with no overnight stay
 - 2.5.1 If a representative travels on the business of the municipality for a day or part of a day, a subsistence allowance of R85.00 per day or of a day is payable.
 - 2.5.2 No more than R85.00 shall be payable per day, irrespective of the number of trips undertaken and time of departure and/or time of return.
 - 2.5.3 This applies to all trips outside municipal area.
- 2.6 Car rental and other travel costs
 - 2.6.1 Only "B" or "C" 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.
 - 2.6.2 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 proof of expenditure can be produced and the representative can demonstrate that vehicle rental reasonably but unexpectedly necessitated by the circumstances.
 - 2.6.3 All flights by representatives of the municipality shall be in economy class, unless another class of travel is specifically authorised by the Executive Mayor or municipal manager, as the case may be.
 - 2.6.4 Where a councillor or employee who delegated to attend a meeting/congress or similar event on behalf of the municipality outside the municipal area, he/she must, unless he/she is an official that participate in any transport allowance scheme of the municipality, make use of the official transport.

- 2.6.5 Whenever an employee who do participate or do not participate in any transport allowance scheme of the municipality is required to attend to the official business of the municipality outside the municipal are and does not use a municipal vehicle due to the non-availability of such vehicle, she/he must be reimbursed at the fixed cost tariff of the AA using the vehicle purchase price (VAT incl) plus the running costs.
- 2.6.6 The distance for which any Councillor or employee may be reimbursed in terms of this policy is the shortest distance between her/his residence and the place where the event takes place.
- 2.6.7 Where possible representatives must travel together, up to a maximum of four in a vehicle, to minimize travelling expenses.
- 2.6.8 Should the employee/councillors receiving a vehicle allowances be required to attend the specific meeting, his/her vehicle should be the one used, in order to cut costs.
- 2.6.9 Whenever an employee who receives a fixed locomotion allowance for official journeys to conferences etc. within the municipal area, is delegated to travel, she/he must be paid an allowance calculated of the fixed cost tariff and the running costs of the vehicle used calculated at AA Tariff recommended for that size vehicle.

2.7 Subsistence and travel allowances for persons invited for interviews

Subsistence and travelling costs will be paid for candidates who attend an invited interview provided that such rate may not exceed any amount determined by the South African Revenue Service. No travelling cost will be paid to applicants for travelling within the boundaries of the municipality.

2.8 Authorisation

For purposes of implementing this policy:

- 2.8.1 The municipal manager/acting municipal manager must authorise any travel to be undertaken by managers reporting directly to the municipal manager. The managers reporting directly to the municipal manager must authorise all payments to be made for persons invited for interviews and all other officials, but provided the expenses to be incurred are on the approved budget of the relevant department.

- 2.8.2 Only the Executive Mayor or Speaker may authorise any travel to be undertaken by the Municipal Manager. The Speaker or the Municipal Manager may authorise any travel to be undertaken by any Councillor provided the expenses to be incurred are on the approved Budget of the Municipality.
- 2.8.3 The Executive Mayor and Speaker shall have his/her travel on municipal business be approved by the municipal manager, provided the expense to be incurred is on the approved budget of the municipality.
- 2.8.4 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. The invitation must accompany the claim.
- 2.8.5 Council delegates or 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 Mayor or Mayoral Committee or the Municipal Manager, as the case may be delegate a representative to attend such event, provided that such delegate or representative is afforded the opportunity to submit reason for not being able to present from the commencement to conclusion of such event.
- 2.8.6 The distance for which and Councillor or employee may be reimbursed in terms for this policy is the shortest distance between her /his residence and the place where the event takes place.
- 2.8.7 Should the employee/councillors receiving a vehicle allowances are attending the specific meeting, his/her vehicle should be used, in order to cut costs.
- 2.8.8 Whenever an employee who receives a fixed locomotion allowance for official journeys within the municipal area, is delegated to travel, she must be paid an allowance calculated on running costs of the vehicle used calculated at AA Tariff recommended for the size vehicle.

2.9 Legal requirements

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.

2.10 Indemnity

2.10.1 The Municipality is not liable for the payment of-

(a) any damage to or breakages or loss of an employee's vehicle that she/he may incur whilst on official business; and

(b) any traffic fine issued to an employee whilst on official business, whether she/he used his/her own vehicle or an official vehicle.

2.10.2 The signing of "indemnity clause" for use of Municipal vehicles as well as personal vehicles by other employees.
