

LEKWA-TEEMANE LOCAL MUNICIPALITY
“NW396”



TRAVEL AND SUBSISTANCE POLICY
REVIEWED AND ADOPTED BY COUNCIL
25 NOVEMBER 2011
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1. DEFINITIONS

For the purpose of this policy, except where clearly indicated otherwise, the words and expressions set out below have the following meaning:-

“Accounting Officer”: The Municipal Manager as defined in the Municipal Finance Management Act, 2003 (Act 56 of 2003) (MFMA).

“Chief Financial Officer”: The person appointed in terms of section 80(2)(a) of the MFMA and includes any person acting in that position or to whom authority is delegated.

“Council”: The municipal council, as referred to in section 157 of the Constitution of the Republic of South Africa, 1996, of Lekwa-Teemane Municipality;

“Councillor”: A member of the Lekwa-teemane Municipal Council.

“Management Team”: Officials appointed in terms of Section 82 of the Local Government Structures Act, 1998 (Act 117 of 1998) (Structures Act) and section 56 of the Local Government Municipal Systems Act, 2000 (Act 32 of 2000).

“Mayor”: The Executive Mayor of Lekwa-Teemane Local Municipality

“Director”: An official appointed by the Council to head a Directorate of the Municipality

“Municipality”: Lekwa-Teemane Local Municipality, established in terms of sections 12 and 14 of the Structures Act.

“Municipal Manager” The person appointed by the Council as Municipal Manager in terms of section 82 of the Structures Act and includes any person acting in that position or to whom authority is delegated;

“Traveller”: Any councillor or official travelling away from his or her normal place of domicile and employment on the official business of Lekwa-Teemane Municipality

“Subsistence allowance”: A subsistence allowance is an amount of money paid by the municipality to a traveller for expenditure incurred in respect of personal subsistence and incidental costs (for example refreshments, snacks, drinks and newspapers but excludes any personal recreation, such as visits to a cinema, theatre or nightclubs or sight-seeing).

“Travel Allowance”: A travel allowance is any amount paid to an employee in respect of travelling expenses for business use.

2. PURPOSE

The purpose of this policy is to lay down general rules for the payment of subsistence and traveling allowances or costs for the attendance of approved events outside the municipal area of Lekwa-Teemane.

3. GENERAL

- 3.1 The contents of this policy or payments will not be regarded as conditions of employment but as a re-imbusement for travelling and subsistence expenditure incurred or deemed to be incurred for the attendance of events for official purposes.
- 3.2 Any councilor must have the approval of the Mayor or his delegatee for the attendance of events for which compensation is claimed. Any staff member must have the approval of the Director or his delegate and any Director must have the approval of the Municipal Manager or his delegatee for the attendance of events for which compensation is claimed. Claims are only payable if sufficient provision is made for it on the budget.
- 3.3 Any claim must be submitted on the official claim form with the necessary vouchers where specific expenses are claimed.
- 3.4 Any claim containing false information will lead to disciplinary steps being instituted and payments thus made may be recovered from any money payable by the municipality to the person who submitted the claim.
- 3.5 All efforts should be made to minimize the costs for the municipality i.e. by traveling together in one vehicle, minimizing overnight stay where possible, etc.
- 3.6 A claim for subsistence and travelling can not be made at the municipality as well as another institution for attending the same event. Such action shall lead to disciplinary action.
- 3.7 Sufficient documentation must be attached to the application for the trip e.g., official invitation, agenda or programme, itinerary, details of sponsor and amount, etc.

4. LEGAL FRAMEWORK

This policy is developed and guided by the following:

- 4.1 South African Revenue Services (SARS)

4.2 Municipal Finance Management Act, 2003 (Act No. 56 of 2003)

4.3 South African Local Government Association (SALGA)

4.4 Remuneration of Public Office Bearers Act, 1998 (Act No. 20 of 1998)

4.5 Income Tax Act, 1962 (Act No. 58 of 1962).

5. RESPONSIBILITIES OF REPRESENTATIVES WHO TRAVEL ON BUSINESS OF THE LOCAL MUNICIPALITY

- Every representative who travels on the business of the Local Municipality must comply with this policy in letter and in spirit.
- Representatives who travel on the business of the Local 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.

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

6. SUBSISTENCE AND TRAVEL ALLOWANCE

A subsistence and travel allowance is an amount of money paid by the municipality to a representative to cover the following expenses:

- meals (including reasonable gratuities);
- incidentals such as refreshments, snacks, drinks and newspapers; and
- all business-related travel.

A subsistence allowance does not cover any personal recreation, such as visits to a cinema, theatre or nightclubs, or sightseeing.

7. ENTITLEMENT TO A SUBSISTENCE AND TRAVEL ALLOWANCE

- 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.
- The subsistence allowance may be claimed without the representative having to furnish proof of expenses.
- Entertainment of external business associates or contacts or 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.
- A representative of the municipality must claim his or her subsistence allowance, as provided in this policy, before embarking on any official trip. The subsistence allowance must, in order to facilitate its timeous payment, be claimed at least three working days before the planned trip.
- 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.

- A subsistence allowance **as prescribed by SARS** from time to time will apply in respect of domestic travel.
- For the purposes of a subsistence allowance, a representative shall mean:
 - mayor
 - speaker
 - members of the executive committee
 - other councillors specifically authorised to represent the municipality on a particular occasion
 - municipal manager
 - heads of departments
 - any other official specifically authorised to represent the municipality on a particular occasion.

8. ACCOMMODATION COSTS AND SUBSISTENCE ALLOWANCE

- 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 an hotel, motel, guesthouse or bed and breakfast establishment.
- The actual cost of accommodation will be borne by the municipality, subject to a maximum of **R850 (incl. VAT) per night** for the accommodation itself in respect of domestic travel. Where such accommodation is available, the rate for a single room will be payable.
- If the cost of accommodation includes, as it often does, the provision of breakfast, a subsistence allowance of **R85 per day** will

apply in respect of domestic travel. Where breakfast is excluded the subsistence allowance will be **as prescribed by SARS** per day.

- If a representative stays with a relative or friend, an accommodation allowance of R200 per night may be claimed, together with a **subsistence allowance prescribed by SARS** per day.
- The recoverable cost of accommodation for international travel may not exceed US\$350 per day. The subsistence allowance will be US\$120 per day.
- Where it is not necessary to overnight on any travel on municipal business, no accommodation costs will be paid.
- In the case of international travel, the day of departure from South Africa and the day of return to South Africa each qualify for a subsistence allowance.
- For purposes of this policy, domestic travel shall mean travel within South Africa and the SADEC countries, and international travel shall mean travel to any country other than South Africa and the SADEC countries.
- Representatives intending to travel to any SADEC country may request the executive committee to approve a higher accommodation and subsistence allowance if the representative can motivate such an increase in the light of prevailing exchange rates in such country or countries.

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

If a representative travels on the business of the municipality for a day or part of a day, a subsistence allowance of R75 per day or part of a day is payable. No more than R75 shall be payable per day, irrespective of the number of trips undertaken.

10. CAR RENTAL AND OTHER TRAVEL COSTS

- 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).
- 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 authorization 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 was reasonably but unexpectedly necessitated by the circumstances.
- All flights by representatives of the municipality shall be in economy class, unless another class of travel is specifically authorized by the executive committee.
- If a representative has to utilize his or her personal motor vehicle outside the boundaries demarcated for the municipality he or she will be reimbursed at the maximum amount prescribed from time to time by the South African Revenue Service. The distance to which the reimbursement applies, must be the shortest distance between

the municipality's offices and the location where the official business is to be transacted. If the total number of kilometers for which such reimbursement is received exceeds 8 000 in any tax year, reimbursement for the excess kilometers over 8 000 must be taxed for PAYE purposes.

- Where possible representatives must travel together, up to a maximum of four in a vehicle, to minimize traveling expenses.

11. SUBSISTENCE AND TRAVEL ALLOWANCES FOR PERSONS INVITED FOR INTERVIEWS

- 11.1 Travelling costs to attend an interview shall be reimbursed **if the applicant's place of residence is outside the Lekwa-Teemane Municipal boundaries**, according to the latest prescribed SARS km tariff, calculated from their place of residence.
- 11.2 Air tickets and booking of accommodation for applicants invited for interviews, must **at all times be arranged by the Human Resources Department**, in accordance with the stipulations and upper limits as prescribed in this policy.
- 11.3 Booking of rental vehicles on behalf of applicants, as well as reimbursement of claims by applicants in this regard, is **strictly prohibited**.
- 11.4 A daily subsistence allowance as per this policy will only be applicable where the interview entails one or more nights to be spent away from home, with the understanding that all personal expenses are covered by the subsistence allowance. No further expenses may be claimed.

12. AUTHORISATION

For purposes of implementing this policy:

- 12.1 Only the municipal manager or his or her nominee may authorize any travel to be undertaken by officials, but provided the expenses to be incurred are on the approved budget of the relevant department.
- 12.2 Only the Council, or Mayor may authorize any travel to be undertaken by the mayor, speaker, any councillor, or the municipal manager, but provided the expenses to be incurred are on the approved budget of the municipality.
- 12.3 Only Directors may authorize any travel to be undertaken by employees in the respective Directorate, but provided the expenses to be incurred are on the approved budget of the municipality.
- 12.4 Authorization as per paragraph 12.1), 12.2) and 12.3) must be obtained prior to an occasion by any traveler who travels on the business of the municipality.
- 12.5 An invitation to attend a workshop, meeting or relevant event is not an automatic authorization to attend such workshop or event. The required authorization must still be obtained from the Municipal Manager or Director as the case may be.
- 12.6 An invitation to attend a workshop, meeting or related event is not an automatic authorization to attend such workshop or event. The required authorization must still be obtained from the municipal manager or executive committee, as the case may be.

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 committee or the municipal manager, as the case may be, may recover 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.

13. TRAVEL AND SUBSISTENCE ALLOWANCE CLAIM FORM

The official Travel and Subsistence Allowance claim form, as prescribed by Chief Financial Officer must be used with regard to Travel and Subsistence Allowance Applications.