

LEKWA TEEMANE LOCAL MUNICIPALITY



**TRAVEL AND SUBSISTENCE POLICY
2023/24 FY**

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1. INTRODUCTION

- 1.1 It is essential that representatives of the municipality from time to time travel to other cities and towns 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; and

Attend seminars, work related workshops, committee meetings with a direct influence on the Council's activities.

- 1.2 Any changes to this policy, as required from time to time, shall be presented and motivated to Council by the Municipal Manager.

2. BACKGROUND

The purpose of this policy is to:

Set out the basis for the payment of a travel and subsistence allowance for the purposes of such official travelling;

Ensure that all travel and subsistence costs incurred by the municipality are incurred in an efficient and effective manner; and

Ensure that officials, councillors and other role players are remunerated fairly and equitably for costs incurred while travelling in the execution of duties for and on behalf of the municipality.

3. DEFINITIONS

For the purpose of this policy, unless the context otherwise indicates:

“Chief Financial Officer” means the official who assists the accounting officer in discharging his/her duties in terms the Municipal Systems Act.

“Official Expenditure” means Non – personal expenditure that is incurred by an official, which is not covered by the S&T allowance e.g. parking, toll fees, business telephone calls.

“International Travel” means a trip away from the official’s headquarters across the borders of South Africa.

“Official” means the person that is undertaking the official business.

“Personal Expenses” means expenditure of a non – official nature e.g. laundry, extra meals, drinks, private telephone calls.

“S & T Claim Form” means the form utilized to process S & T claims.

“Subsistence” Includes all expenses pertaining to accommodation and meals.

“Travel” Includes the use of air travel, bus, taxi, car hire, rail, private vehicle and subsidized vehicle.

For the purposes of a subsistence allowance, a representative shall mean:

Executive

mayor; Speaker;

Members of the mayoral committee;

Other councillors specifically authorized to represent the municipality on a particular occasion;

Municipal Manager;

Heads of Department;

Any other official specifically authorized to represent the municipality on a particular occasion; and

Any official who is a member of a recognized professional institution and is granted permission to attend meetings and conferences of such institution.

“Delegated Authority” means the official who is given the authority to perform functions in terms of the department’s written delegations.

4. AUTHORISATION

For purposes of implementing this policy:

- 4.1 Only the Municipal Manager or his delegate may authorize any travel to be undertaken by officials, or payments to be made for persons invited for interviews, but provided the expenses to be incurred are on the approved budget of the relevant department and sufficient funds are available.
- 4.2 Only the Executive Mayor (in consultation with the Municipal Manager) or in his absence the Municipal Manager or his delegate, may authorize any travel to be undertaken by any councillor, but provided the expenses to be incurred are on the approved budget of the municipality and sufficient funds are available. For administrative purposes the official Travel and Subsistence claim form will be authorized by the Municipal Manager.
- 4.3 The Executive Mayor shall authorize any travel undertaken by the Municipal Manager or his delegate shall authorize any travel undertaken by the Executive Mayor or in the absence of either the Chief Financial Officer shall authorize any travel undertaken, provided the expenses to be incurred are on the approved budget of the municipality and sufficient funds are available.
- 4.4 An invitation to attend a workshop, meeting, function, and cultural, sporting or related events is not automatic authorization to attend such workshop, function

or event. The required authorization must still be obtained from the Municipal Manager or Executive Mayor, as the case may be.

- 4.5 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 Municipal Manager, or the Municipal Manager's delegate, as the case may be, must 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.

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

- 5.1 Every representative who travels on business of the municipality must comply with this policy in letter and in spirit.
- 5.2 Representatives who travel on 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 interest of the municipality, and that they must comply with any specific mandates they have been given.
- 5.3 Consistent with the municipality's performance monitoring and evaluation objectives, the Municipal Manager will ensure that a database of all representatives and official training is kept.

6. SUBSISTENCE AND TRAVEL ALLOWANCE

- 6.1 A subsistence and travel allowance is an amount of money paid by the municipality to a representative to cover the following expenses:
- Meals
 - Incidentals such as refreshments, snacks, drinks and newspapers
 - All business-related expenses

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

7. ENTITLEMENT TO A SUBSISTENCE AND TRAVEL ALLOWANCE

- 7.1 A representative may claim a daily subsistence allowance as provided in this policy with the understanding that all authorized personal expenses are covered by the subsistence allowance. No further expenses may be claimed.

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

- 7.3 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.

- 7.4 A representative of the municipality must claim his or her subsistence allowance, as provided in this policy, a day before embarking on any official trip in order to facilitate a timeous payment. Furthermore, travel allowance will be calculated and paid as per the monthly tariffs determined by the Department of Transport

- 7.5 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.

8. CLAIM PROCEDURES

The following procedures are to be followed in order for all travel and subsistence claims:

- 8.1 The official travel and subsistence claim form of the municipality must be completed by the claimant.

- 8.2 The necessary supporting documentation (invitation, agenda, etc.) must be attached to the claim form.
- 8.3 The claim form must be approved by the necessary HOD and signed by the Municipal Manager or his delegate.
- 8.4 The completed and approved claim form must then be submitted to the Finance Department for payment.
- 8.5 Payments for travel and subsistence claims are dealt with as follows by the Finance Department:
- Claims for payments must reach the Finance Department by 12h00 on the day before embarking on any official trip in order to facilitate a timeous payment, failure to comply might lead to delayed payments.
- 8.6 It is the duty of each claimant to ensure that his/her claim reaches the Finance Department timeously.
- 8.7 Claim forms that have not been completed correctly (all relevant fields completed, documentation attached or approved by HOD and Municipal Manager or his delegate) cannot be processed and will be returned to the relevant claimant.

9. CLAIM TARIFFS

9.1 Privately owned vehicles / Public transport

- 9.1.1 Employees, who are required to travel, will make use of the Municipality provided vehicles or privately-owned transport.

9.1.2 The total travelling distance to be reimbursed will be based on the shortest acceptable route per the AA route maps available from their website at www.shellgeostar.co.za and will be measured as the lesser of:

The return distance in kilometres from the municipal head office in LEKWA TEEMANE to the destination per the claim form, or

The return distance in kilometres from the point of departure to the destination per the claim form.

9.1.3 Any additional travel (of a private nature) will be for the cost of the employee.

9.1.4 When using rental vehicles or council vehicles where the petrol card is not working or damaged, the petrol slip will have to be signed by the relevant Department Head and the Municipal Manager. This will serve as proof that the slip is valid.

9.1.5 After authorization, the slip mentioned in 9.1.4 must be forwarded to the Finance Department for payment.

9.2 Other incidental expense

The following expenses incurred must be paid for directly by the claimant and reclaimed from the Municipality upon presentation of appropriate supporting documentation:

Toll fees;
Parking fees;
Entertainment; and
Petrol slips of rental vehicles.

9.3 Overnight accommodation

9.3.1 The following flat rate option is available in cases where overnight accommodation is required for trips away from the office:

- A flat rate of R 950.00 per night can be made into the claimant's bank account to offset all accommodation costs including breakfast.
- The actual cost of bed and breakfast in a hotel/guest house may not exceed a maximum of R 1 450.00 for the accommodation if the option above was not picked and the claimant will be responsible to submit relevant supporting documentation (i.e all invoices related to the expenditure incurred) to initiate a reimbursement.
- Failure to provide this supporting documentation, no reimbursement will be provided for.
- In an instance whereby an advance payment is made to the claimant, upon return
- from the official trip, the claimant must submit to Finance Department the following to be attached to the claim form:
 - an attendance registers and/or an acknowledgment letter
 - invoices pertaining to all accommodation and incidental costs
- Failure to provide the above, will lead to the advance payment be deducted from the claimant's salary.

9.3.2 At the discretion of the Municipal Manager or his delegate, in exceptional cases, with due consideration of the circumstances, payment can be made to the hotel / guest house directly by the municipality in those circumstances where the available accommodation is more costly than the flat rate allowed:

Hotel reservations will be made by the municipality directly. It is however the duty of each claimant to confirm hotel reservations before departure as the municipality will not be held accountable for any mistakes. Claim forms must be approved and submitted to the Finance Department at least 3 working days before departure in order to facilitate timely payment and confirmation with the hotel. Payment of claims submitted later than 3 days before departure cannot be guaranteed and this could lead to difficulties as far as confirmation of bookings are concerned.

The claimant is duty bound to submit the signed tax invoice received from the hotel/guest house (received on departure) to the Finance Department within 5 days of return to the Municipality. Failure to do so

will lead to the deduction of the full amount from the claimants following monthly payslip.

When an employee is required to stay overnight and the R 950.00 per day option was not chosen, or the hotel and guest house does not provide supper, a daily allowance of R200.00 will be paid to the employee. This allowance will cover the following:

- (i) Lunch;
- (ii) Dinner; and
- (iii) Beverages.

9.3.3 Payment for overnight accommodation will be at the discretion of the Municipal Manager or his delegate with due consideration of the circumstances of each claim.

9.4 Daily expenses

9.4.1 A flat rate of R 200.00 per day is allowed for all travel that is required in the execution of official duties that will take the claimant beyond a 100 km radius travelling from the municipality's head office.

The allowance shall cover the following:

Lunch;

Beverages; and

Any incidental costs (toll gate, parking fees)

9.4.2 No claims for travel or daily expenses for distance shorter than the 60 km radius will therefore be considered.

9.5 International travel

9.5.1 A flat rate of \$195 per day outside the borders of the Republic of South Africa is allowed.

- 9.5.2 The amount of days to be paid for is limited to those days actually outside of the borders of the Republic of South Africa and limited to those days actually utilized for the performance of duties on behalf of the municipality (reasonable travel time included). All additional days taken for private purpose will not be paid for by the municipality.
- 9.5.3 This daily flat rate is meant to offset all costs incurred (meals, travel, accommodation, etc.) on a daily basis and not further claims will be considered.
- 9.5.4 The total USA Dollar value of the claim will be paid to the claimant in Rand value at the current R/\$(USA) exchange rate at the time of submission of the claim.
- 9.5.5 All bookings for air travel will be done by the Municipality. The Municipality's responsibility will be limited to the cost of an economy class return ticket. All costs in excess of an economy class return ticket will be the responsibility of the claimant. It is the duty of the claimant to confirm bookings made before departure as the Municipality will not be held liable for any errors.

9.6 Car rentals

- 9.6.1 As required from time to time and at the discretion of the Municipal Manager or his delegate, claimants may need to utilize transport acquired from vehicle rental companies. All bookings will be made by and paid for by the Municipality directly.
- 9.6.2 The Municipality's liability will be limited to kilometres / days required by the claimant in the execution of duties for and on behalf of the municipality. All costs incurred in excess of the allowed kilometres / days will be for the account of the claimant.
- 9.6.3 The standard vehicle class that will be obtained by the Municipality will be a Class B vehicle (air-conditioning and power steering). Any requirements for a class higher than Class B will be at the discretion of the Municipal Manager, but limited to no higher than a Class D vehicle.

10. LEGAL REQUIREMENTS

- 10.1 In terms of section 66 of the Local Government: Municipal Finance Management Act, 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.
- 10.2 Claimants will be held liable for any unauthorised expenses as well as expenditure where there is not acceptable documentary proof.
- 10.3 If overnight accommodation is paid for by the Municipality directly to the hotel/guesthouse, the claimant is duty bound to submit the signed tax invoice received from the hotel / guest house (received on departure) to the Finance Department within 5 days of return to the Municipality. Failure to do so will lead to the deduction of the full amount from the claimants following the monthly payslip.
- 10.4 In any instances where this policy is contrary to any act or legislation of the Republic of South Africa, the act or legislation shall take precedence.

11. REPAYMENT OF CLAIMS

- 11.1 Should a meeting or trip be cancelled for which a claim has been submitted, the relevant Head of Department must immediately be informed.
- 11.2 If any employee is delegated to attend seminars, workshops or meetings and has received the necessary allowances and is prevented from attending due to whatever reason, all monies shall be paid back immediately, after the matter has been assessed. If the delegate fails to do so, the monies shall be deducted from the salary of the employee concerned. If this is not done, disciplinary action will proceed and the expenditure will be classified as fruitless expenditure.
- 11.3 Delegates to any seminars, meetings or workshops must ensure that they arrive on time and attend until conclusion of such event. If they fail to do so, Council will take the necessary actions to recover all expenses incurred to enable the employee to attend such event, provided that such an employee be afforded the opportunity to present reasons for not being able to attend the event from commencement to conclusion.

12. DELEGATION OF POWERS

This policy should be applied with due observance of the municipality's policy with regard to delegated powers. Such delegations refer to delegations between the Council and the Municipal Manager as well as between the Municipal Manager and other responsible officials. All delegations in terms of this policy must be recorded in writing.

13. IMPLEMENTATION OF THIS POLICY

- 13.1 This policy will be effective from the date of approval by Council
- 13.2 The implementation of this policy cannot be backdated and all sections thereof will only be implemented from date of approval.

APPROVED BY COUNCIL ON...MAY2023
NO.....

UNDER ITEM

MUNICIPAL MANAGER

MAYOR OBO COUNCIL

AUTHORISATION

Municipality Stamp_____