

SUBSISTENCE AND TRAVELLING ALLOWANCE POLICY



APPROVED BY:

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MUNICIPAL MANAGER
DATE: 03/08/2020

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DATE: 03/08/2020

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1. PURPOSE OF POLICY

The purpose of this policy is to regulate how travelling and subsistence costs are paid to staff member and Councillors required to undertake approved council business which involves incurring expenses for travel and accommodation.

2. OBJECTIVE OF POLICY

The objective of this policy is to set out the basis for the payment of subsistence and travel allowance for the purposes of official travelling, either to outlying areas of the Municipality's area of jurisdiction or beyond.

3. SCOPE

This policy shall apply to all employees and councillors of the Mphashe Local Municipality.

4. POLICY DEFINITION

TERM	DEFINITION
"Africa"	Means the African Continent but excluding states on the Mediterranean Basin, namely Egypt, Libya, Tunisia, Algeria and Morocco and thus - "Outside South Africa but within Africa" means all states situated on the African Continent and including Madagascar, but nevertheless excluding Egypt, Libya, Tunisia, Algeria and Morocco.
"Chief Financial Officer"	The person appointed by the Council as Chief Financial Officer 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 (Act 108 of 1996), of the Mphashe Local Municipality

<p>“Day”</p>	<p>For the purpose of claiming travel and subsistence allowance per day, “day” means a completed period of twenty four (24) hours, but also includes —</p> <p>A period of not less than four (4) hours spent by a representative traveling to a required destination outside the area of jurisdiction of the Mbhashe Local Municipality, if the representative is necessarily required to sleep over at such destination that night, or is necessarily travelling to board an aircraft or ship for travel outside of South Africa; and</p> <p>A period of not less than four (4) hours spent by a representative travelling back from a required destination outside of the area of jurisdiction of the Mbhashe Local Municipality, if the representative was necessarily required to sleep over at such destination the previous night, or has spent the previous night travelling back from a foreign destination to South Africa on an aircraft or ship.</p>
<p>“Domicile”</p>	<p>Means the place where a councillor, official, or other party travelling officially on the business of the municipality normally resides or has his or her office place of work</p>
<p>“Head of Department”</p>	<p>An official appointed by the Council to manage a Department of the municipality.</p>
<p>“Executive Mayor”</p>	<p>The Executive Mayor of the Mbhashe Local Municipality.</p>
<p>“Municipality”</p>	<p>Means the Mbhashe Municipality.</p>
<p>“Municipal Manager”</p>	<p>The person appointed by the Council as Municipal Manager and includes any person acting in that position or to whom authority is delegated;</p>
<p>“Municipal Manager”</p>	<p>Change as appropriate</p>

"Occasion"	For the purpose of this policy means any business trip, congress, seminar, meeting, workshop, educational tour, training course or other instance that a representative is required to attend officially on behalf of the municipality
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5. LEGISLATIVE FRAMEWORK

Municipal Finance Management Act No. 56 of 2003

- a) Basic Conditions of Employment Act
- b) Labour Relations Act
- c) SALGBC Consolidated Conditions of Service

6. POLICY PROCEDURE

6.1 RESPONSIBILITIES OF REPRESENTATIVES WHO TRAVEL ON BUSINESS OF THE MUNICIPALITY

- a) Every representative who travels on the business of the municipality must comply with this policy in letter and in spirit.
- b) 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.
- c) 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

6.2 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:

- a) Incidentals such as refreshments, snacks and
- b) All business-related travel.

6.2.1 A subsistence and travel allowance claim must be made within three months of the financial year.

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

6.5. REPRESENTATIVE CATEGORIES

a) Councillors and staff are divided into three categories for the purpose of determining highest class of accommodation permitted, class of car rental permitted and class of air travel permitted as follows:

CLASSIFICATION	QUALIFYING PERSONS	ACCOMMODATION APPROVED	CAR RENTAL CLASS APPROVED	AIR TRAVEL CLASS APPROVED
CATEGORY A	Executive Mayor, Speaker, Portfolio Councillors and Municipal Manager, Heads of Departments	3-5 Star Hotel	Grouping	Business Class
CATEGORY B	Councillors, and other representatives	Star Hotel	Grouping	Economy Class

- b) These limitations shall not apply when a representative is travelling in response to an invitation extended by an outside party that has undertaken to pay all such accommodation, car rental or air travel expenses and such outside party has offered to and is willing to pay such expenses for a higher class than the representative would normally be entitled to.
- c) These limitations shall likewise not apply where facilities by way of accommodation or car rental to the standard that the representative is normally entitled to are not available at the destination. In such circumstances the representative shall make use of the best facilities that may be available, including a guest house, motel or bed and breakfast establishment.
- d) Any representative may opt to rather stay at a guest house, motel or bed and breakfast establishment or with a friend or relative rather than at a hotel and his or her subsistence and travelling expenses shall be dealt with as is hereinafter provided for.

6.6. ENTITLEMENT TO A SUBSISTENCE ALLOWANCE

- a) A representative may claim a daily subsistence allowance as provided in this policy with the understanding that all personal expenses are covered by the subsistence allowance. No further personal expenses may be claimed.
- b) Where a Councillor/Official is actually and necessarily absent from their ordinary place of residence for more than 24 hours and Council is responsible for paying for accommodation
- c) The subsistence allowance payable is currently determined as follows and is R 109 per overnight stay or each completed period of 24 hours of such absence. The actual cost of the Hotel accommodation to include breakfast, lunch and dinner if provided as well as laundry, plus R90 per overnight stay or each completed period of 24 hours of such absence or part thereof provided such part exceeds four (4) hours, thereafter.
- d) The councillor or official arranged his or her own accommodation or use his or her home during the workshop or any function organised by the municipality outside the jurisdiction of the municipality is entitled to an allowance of R500.00 per overnight stay inclusive of R1 09. 00 paid as subsistence.
- e) Where a Councillor/Official is actually and necessarily absent from their ordinary place of residence for more than 24 hours and the host pays for both accommodation and meals
- f) The subsistence allowance payable is R1 09 per overnight stay or each completed period of 24 hours of such absence or part thereof provided such part exceeds four (4) hours, thereafter.
- g) The subsistence allowance may be claimed without the representative having to furnish proof of expenses. Any accommodation costs and any meal claims (see Part 7) must have proof of expense attached.
- h) A representative of the municipality may claim his or her subsistence allowance as provided in this policy, after embarked on that official trip.
- i) The subsistence allowance must, in order to facilitate its timely payment and comply with SARS be claimed and paid on the pay date of the municipality which is 15th of each month. Before the planned trip, unless the Accounting Officer is satisfied that the need for the trip arose unexpectedly and the representative could not reasonably have been aware of the need for the trip three (3) days prior to departure.

j) No subsistence allowance will be paid to a councillor or official who is being trained by the municipality for his/her own capacity. In this instance the institution pay all the costs such as accommodation and registration costs.

k) 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.

l) A subsistence and travel allowance claim must be made within three months of the financial year.

m) Subsistence and Travelling Allowance shall be claimed subject to budgetary provision by the relevant department.

6.7 ACCOMMODATION AND MEAL COST LIMITS

- a) Destinations outside the area of jurisdiction of Mbhashe Local Municipality. Where appropriate hotel accommodation is available, the rate for a single room will be payable.
- b) The actual cost of accommodation, to include breakfast, lunch and dinner if provided as well as laundry, will be borne by Council, subject to the approved list below in respect of domestic travel.

CLASSIFICATION	QUALIFYING PERSONS	ACCOMMODATION APPROVED
CATEGORY A	Executive Mayor, Speaker, Portfolio Councillors and Municipal Manager	3-5 Star Hotel
CATEGORY B	Councillors and Heads of Department	3 — 4 Star Hotel
CATEGORY C	All other representatives	3 -4 Star Hotel

- c) If a representative is attending an occasion to which he or she has been invited and the host provides suitable accommodation, the municipality will not pay the cost of accommodation and meals provided.
- d) Depending upon the circumstances regarding the provision of meals included in the charge by the accommodation establishment that the representative is staying at, the following maximum costs will be paid by Council (vouchers to be furnished) to cover the cost of the meals not provided for.

CLASSIFICATION	QUALIFYING PERSONS	<u>CASE 1</u> 2 MEALS PROVIDED	<u>CASE 2</u> 1 MEAL PROVIDED	<u>CASE 3</u> NO MEALS PROVIDED
ALL CATEGORIES	All staff are entitled to the same payment	R 96.00	R 156.00	R 240.00

- e) If the accommodation establishment provides three meals per day, no further costs for meals will be paid by Council.
- f) If a representative stays with a relative or friend, no accommodation costs will be paid but the representative may claim the daily meal costs (to be supported by vouchers) according to Case 1, Case 2 or Case 3.
- g) Where it is not necessary to stay overnight on any travel on municipal business, no accommodation costs will be paid.
- h) In the case of both domestic and international travel, the day of departure and the day of return each qualify for a subsistence allowance.
- i) The municipality will provide accommodation to new employees whilst he or she still looking for accommodation at Mbhashe and that provision will be done for a period not exceeding one month.

6.8 DESTINATIONS WITHIN THE AREA OF JURISDICTION OF MBHASHE LOCAL MUNICIPALITY

- a) It is the Council's policy that authorised officials should not be compelled to drive motor vehicles and travel after sunset, which means after 18h00 from April to August and after 19h00 from September to March.
- b) If a councillor or official must necessarily attend an occasion at a destination which is more than 80 kilometres away from his or her domicile and

- c) The occasion terminates at such a late hour that the official would necessarily be compelled to drive after sunset to return to his or her domicile; or
- d) The occasion is scheduled to or in fact extends over a period of two or more days
- e) The subsistence allowance and accommodation and meal costs shall be paid according to the provisions of parts 6 and 6.7 above mutatis mutandis.
- f) Trips envisaged in section 6.7 above must be authorised prior to departure unless unforeseen circumstances arise that could not have reasonably been foreseen, such as the breakdown of a motor vehicle or an accident.
- g) Where no overnight stay is necessary, no subsistence allowance, accommodation costs or meal costs will be paid.

6.9 CANDIDATES INVITED FOR INTERVIEWS.

- a) Travelling arrangements will be made to candidates invited for interviews
- b) If a candidate's domicile is more than 100 kilometres from the municipality's offices and the hour set for the interview is in the late afternoon or evening (i.e. at 15h00 or later), his or her accommodation for one night will be paid accordingly.
- c) If such candidate declines to accept the accommodation arranged and offered by the municipality no moneys in respect of or in lieu of accommodation will be paid to the candidate.

6.10 DESTINATIONS OUTSIDE OF AFRICA

- a) If representatives are required to travel outside of Africa the actual cost of accommodation will be borne by the municipality, subject to a maximum per night for the accommodation itself, on a scale that will be determined by the Council from time to time and which at present is the following —

CLASSIFICATION	QUALIFYING PERSONS	ACCOMMODATION APPROVED
CATEGORY A	Executive Mayor, Speaker, Portfolio Councillors and Municipal Manager.	3-5 Star Hotel
CATEGORY B	Councillors and Heads of Departments	3 —4 Star Hotel

CATEGORY C	All other representatives	3-4Star Hotel
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b) If a representative is attending an occasion to which he or she has been invited and the host provides suitable accommodation, the municipality will not pay the cost of accommodation.

c) Depending upon the circumstances regarding the provision of meals included in the charge by the accommodation establishment that the representative is staying at, daily subsistence allowances will be paid at a rate to be determined by the Council from time to time, and which at present are the following —

CLASSIFICATION	QUALIFYING PERSONS	<u>CASE 1</u> 3 MEALS PROVIDED	<u>CASE 2</u> 2 MEALS PROVIDED	<u>CASE 3</u> 1 MEAL PROVIDED	<u>CASE 4</u> NO MEALS PROVIDED
All categories	All staff are entitled to the same payment	\$95	\$127	\$158	\$190

c) If the accommodation establishment provides three meals per day but only some of the meals, or none of the meals, are included in the daily rate but constitute additional costs, the representative shall be entitled to claim the subsistence allowance according to 6.7, depending upon which meals are not included in the daily rate.

d) If a representative is attending an occasion to which he or she has been invited and the host provides any meals, he or she will not be paid a subsistence allowance, as illustrated above mutatis mutandis, in respect of such meals that the host

provides, subject to there being no health or religious circumstances preventing the representative eating any meals provided by the host.

- e) If a representative stays with a relative or friend, no accommodation allowance may be claimed, but the representative may claim the daily subsistence allowance provided for in Case 4 above.
- f) Notwithstanding anything to the contrary, the accommodation and subsistence costs enumerated in United States dollars above shall only be payable from the time that the representative boards an aircraft or ship for departure from South Africa until the time that the representatives alights on South African soil again.
- g) Any accommodation or subsistence costs arising from the representative travelling from his or her domicile to the point of international departure, or returning from the point of international departure to his or her domicile, shall be paid in South African rands as provided for in section 6.7 above.
- h) Incidental costs such as air, taxi, bus, laundry (once a week) and telephone three calls a week and a maximum of six (6) minutes per call] and train fares may be claimed separately on return and on proof of expense(s).
- i) Any personal other cost not covered such as any further telephone calls or toiletries etc. shall be paid by the representative out of the Daily Subsistence Allowance. However the representative may also, upon return, claim for necessary unforeseen costs incurred which could not reasonably have been expected, such as medical expenses, and the Council shall give consideration to reimbursing the representative for such costs.
- j) The daily subsistence allowance shall be claimed by the representative not later than three days before departure and shall be paid in South African rands calculated at the prevailing rand / US dollar exchange rate, it being the responsibility of the representative to make arrangements, such as travellers cheques, to enable him or her to have the funds available in the country of destination and in the currency of the country of destination.

6.11 DESTINATIONS OUTSIDE OF SOUTH AFRICA BUT WITHIN AFRICA

- a) If representatives are required to travel outside of South Africa but within the continent of Africa the actual cost of accommodation will be borne by the municipality, subject to a maximum per night for the accommodation itself, at a

scale that will be determined by the Council from time to time and which at present is the following —

Classification	Qualifying Persons	Accommodation Approved
Category A	Executive Mayor, Speaker,	3-5

allowance according to tables 6.10 above, depending upon which meals are not included in the daily rate.

- b) If a representative is attending an occasion to which he or she has been invited and the host provides any meals, he or she will not be paid a subsistence allowance, as illustrated in 6.10 above mutatis mutandis, in respect of such meals that the host provides, provided that there are no health or religious circumstances preventing the representative eating any meals provided by the host.
- c) If a representative stays with a relative or friend, no accommodation allowance may be claimed, but the representative may claim the daily subsistence allowance provided for in Case 4 above.
- d) Notwithstanding anything to the contrary, the accommodation and subsistence costs enumerated in United States dollars above shall only be payable from the time that the representative boards an aircraft or ship for departure from South Africa until the time that the representatives alights on South African soil again.
- e) Any accommodation or subsistence costs arising from the representative travelling from his or her domicile to the point of international departure, or returning from the point of international departure to his or her domicile, shall be paid in South African rands as provided for in section 6.7 above.
- f) Incidental costs such as air, taxi, bus, laundry (once a week) and telephone (three calls a week and a maximum of 6 minutes per call) and train fares may be claimed separately on return and on proof of expense. Any other personal cost not covered such as any further telephone calls or toiletries etc. shall be paid by the representative out of the Daily Subsistence Allowance, However the representative may also, upon return, claim for necessary unforeseen costs incurred which could not reasonably have been expected, such as medical expenses, and the Council shall give consideration to reimbursing the representative for such costs.

- g) The daily subsistence allowance shall be claimed by the representative not later than three days before departure and shall be paid in South African rands calculated at the prevailing rand / US dollar exchange rate, it being the responsibility of the representative to make arrangements, such as travellers cheques, to enable him or her to have the funds available in the country of destination and in the currency of the country of destination.

6.12 TRAVEL AND CAR RENTAL COSTS

6.12.1 Destinations within the Mphashe Local Municipal area.

Representatives travelling officially to destinations within the Mphashe Local Municipality's area of jurisdiction will be —

- a) Officials using vehicles provided by the municipality; or
 - b) Councillors or officials paid a travel allowance using their own vehicles; or
 - c) Councillors or officials driving privately owned vehicles.
- d) No additional travelling costs will be paid by the municipality in respect of case (a) above.
- e) In case (b) above, no additional traveling allowance will be paid, as this is covered by the allowance.
- f) In case (c) above, a travelling allowance per kilometre or any other maximum amount prescribed by the Department of Transport will be paid.
- g) 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 kilometres for which such reimbursement is received exceeds 8 000 in any tax year, reimbursement for the excess kilometres over 8 000 must be taxed for PAYE purposes.

6.13 DOMESTIC AIR TRAVEL AND CAR RENTAL

- a) All domestic airfares and car rental will be paid by the municipality. The class of travel and rented car will be as set out in section 6.5 above, namely —

CLASSIFICATION	QUALIFYING PERSONS	CAR RENTAL CLASS APPROVED	AIR TRAVEL CLASS APPROVED
CATEGORY A	Executive Mayor, Speaker, Portfolio Councillors, Municipal Manager Heads of departments	Grouping	Business Class
CATEGORY B	Councillors and all other representatives	Grouping	Economy Class

b) If more than one representative is travelling on a specific trip, they shall share one rented car for up to four passengers or, if there are a greater number, hire a microbus.

c) If the party is too large to be accommodated by a microbus, the minimum number of vehicles which can comfortably accommodate the party will be hired.

d) Car rental must be approved as part of the travel package before the trip is embarked on.

e) 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 was reasonably but unexpectedly necessitated by the circumstances.

6.13 INTERNATIONAL TRAVEL

a) Airfares for international travel will be paid by the municipality.

Notwithstanding anything to the contrary, all representatives shall travel Economy Class on international flights, unless they have been invited to an occasion and the host is paying the airfare.

b) If such host is paying the airfare, the representative shall have no claim against the municipality for air travel costs

- d) If there is no air service available to the country of destination, or no air service all the way to the country of destination and the trip, or part of the trip, has to be undertaken by ship, boat or ferry, the municipality will pay the fare subject to the same conditions mutatis mutandis set out in section 6.13 above.
- e) Unless the representative has been invited to an occasion and the host is paying all costs, the municipality will pay the entire representative's train fare, bus fare or taxi fare costs necessarily incurred in the country of destination.
- f) Such costs must be approved as part of the travel package before the trip is embarked on.
- g) A representative who incurs additional such costs whilst travelling abroad on the business of the municipality without having received prior authorisation will only be reimbursed for such costs if proof of expenditure can be produced and the representative can demonstrate that costs were reasonably necessitated by the circumstances.

6.14 AUTHORISATION

- a) For purposes of implementing this policy the Delegation of Authority Policy of Council will govern the authorisation of travel.
- b) An invitation to attend a workshop, meeting or related event is not an automatic authorisation to attend such workshop or event.
- c) The required authorisation must still be obtained as per the Delegation Policy.
- d) 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.
- e) If any representative fails to do so, Council 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.
- f) All subsistence and travel claims paid to representatives will be reflected on their payslip as prescribed by South African Revenue Services.
- g) It is therefore in the representatives own interest to ensure that all bookings for flights, car rental, hotels and meals connected to hotel accommodation is arranged through Council's supply chain process.
- h) Claims in terms of this policy are categorised as "out of pocket expenses" in terms of the Act dealing with the remuneration of Public Office Bearers.







7. GENERAL POLICY PROVISIONS

Policy applies to all employees and councillors of Mbashe Local Municipality

8. PROCEDURES FOR IMPLEMENTING POLICY

The Municipality will implement this policy as outlined and apply remedial actions where required

9. POLICY GOVERNANCE

Policy Title	SUBSISTENCE AND TRAVELLING ALLOWANCE	
Policy Version		
<u>Role & Process</u>	<u>Responsible Individual Name and/or Date</u>	<u>Responsibility Accepted Signature</u>
Senior Manager Corporate Services	N Nkuhlu	
Policy Custodian	N Nkuhlu	
Policy Author	N Nkuhlu	
LLF Consultation Date	3 July 2020	
LLF Consultation Reference		
Council Approval Date	30 July 2020	
Council Approval Reference		
(UNIT) eg. Manager Human Resources	N. Hanise	
Policy Approved		
Policy Inception Date	3 August 2020	
Review Start Date		
Review Completion Date		
Legislative References		
Policy Review "Triggers"		
Comments		