

Letsemeng Local Municipality



Subsistence and Travel Allowance Policy

2018

**Letsemeng Local Municipality
Subsistence and Travel Policy**

Table of contents

1.	DEFINITIONS AND EXPLANATIONS	3
2.	OBJECT OF SUBSISTENCE AND TRAVELLING POLICY	3
3.	LEGISLATIVE REQUIREMENTS	4
4.	RESPONSIBILITIES OF REPRESENTATIVES WHO TRAVEL ON BUSINESS OF THE MUNICIPALITY	5
5.	GENERAL CONDITIONS.....	5
6.	ACCOMMODATION COSTS AND SUBSISTENCE ALLOWANCE	6
7.	TRAVELLING ALLOWANCE.....	8
8.	REIMBURSEMENT FOR KILOMETRES TRAVELLED	9
9.	HIRING OF VEHICLES.....	10
12.	UP KEEP OF POLICY	11
13.	EXCEPTIONS.....	11
14.	THE ONLY TRAVEL AND SUBSISTENCE POLICY	11
15.	ADOPTION OF POLICY.....	12

Letsemeng Local Municipality Subsistence and Travel Policy

1. DEFINITIONS AND EXPLANATIONS

For purposes of this policy, the following definitions will apply:

Official distance: The distance in kilometres travelled by an Employee in his/her employer's service excluding distances between place of work and residence, unless that incurred when performing standby duties.

Councillor: as defined in terms of the Municipal Structures Act (Act 117 of 1998) and any member of Letsemeng Local Municipality's council.

Delegate/Representative: includes any Councillor or Employee who is delegated by the Council/Mayor to attend seminars and congresses, or who is delegated by the Municipal Manager/Senior Manager to attend meetings, workshops and work outside the municipal area.

Meals: any food / refreshment that a Councillor or an Employee is entitled to whilst on official Council business away from the normal workplace excluding alcoholic beverages.

Municipal official: An Employee of a municipality or person contracted by a municipality otherwise than as an Employee.

Official duty: approved council business / activities approved by the Mayor, Municipal Manager or Senior Managers.

Official transport: vehicles of Letsemeng Local Municipality, regarded as suitable by the Accounting Officer for the circumstances and trip to be undertaken.

Subsistence and travelling policy: This policy as agreed between the Letsemeng Local Municipality and its Employee Representatives.

International travel: means travelling outside the borders of the Republic of South Africa

2. OBJECT OF SUBSISTENCE AND TRAVELLING POLICY

- 2.1 It is essential that Representatives of the municipality from time to time travel outside the municipal area in order to establish and maintain links

Letsemeng Local Municipality Subsistence and Travel Policy

- and relationships with other municipalities, government bodies, and other parties, institutions and organizations operating in the sphere of local government.
- 2.2 It is important for Representatives to broaden their knowledge and understanding 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.
- 2.3 Therefore, this policy sets out the basis for the payment of subsistence and travelling allowance for the purposes of such official traveling and the object of this policy is to:
- Clearly define the subsistence and travelling related expenses that may be funded from Letsemeng Local Municipality's funds.
 - Set out the conditions, approval requirements and limitations in terms of which the policy is to be implemented in order to restrict material differences between participants.
 - Set uniform guidelines for Councillors and Employees of Letsemeng Local Municipality.
 - Clarify the various related processes and responsibilities.
 - To state the responsibilities of the Councillors and Employees who are travelling on official trips on behalf of the municipality.
 - Clarify subsistence and travel allowances for persons invited for interview at Letsemeng Local Municipality.

3. LEGISLATIVE REQUIREMENTS

- 3.1 In terms of the Municipal Finance Management Act (Act 56 of 2003), the Accounting Officer of the municipality is required to report to council, in a format and for periods as may be prescribed, all expenditure incurred by the municipality on staff salaries, wages, allowances and benefits, and in a manner that discloses such expenditure per type of expenditure, *inter alia*: travel, accommodation and subsistence allowances paid.
- 3.2 In terms of the Income Tax Act (No.58 of 1962) Councillors and Employees travelling to other destinations for official business purposes need to be granted travel and subsistence allowance. Letsemeng Local Municipality's subsistence and travelling policy is therefore positioned

Letsemeng Local Municipality Subsistence and Travel Policy

- within the context of the South African Revenue Services (SARS) definitions and ruling on subsistence and travelling allowance.
- 3.3. Remuneration of Public Office Bearers Act (No 20 of 1998) determines the upper limits of salaries, allowances and benefits of different members of Municipal Councils and this policy gives effect to this act.
- 4. RESPONSIBILITIES OF REPRESENTATIVES WHO TRAVEL ON BUSINESS OF THE MUNICIPALITY**
- 4.1 Every Representative who travels on the business of the municipality must comply with this policy in letter and in spirit.
- 4.2 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 statement must be in the best interest of the municipality, and that they must comply with any specific mandates they have been given.
- 5. GENERAL CONDITIONS**
- 5.1 Funds provided for subsistence and travel shall only be used for approved official duty;
- 5.2 An application for subsistence and travel funds (allowance or advance) shall not be considered or processed where all required documents have not been attached to the application; or staff have not cleared a previous advance;
- 5.3 Allowance and advances will not be paid in cash, but shall be transferred / deposited directly into the applicant's bank account and the payment period shall be in line with the cash flow controls laid by the Municipal Manager or Chief Financial Officer;
- 5.4 All slips for travel allowances need to be retained for Income Tax purposes and this responsibility rests with Representatives.
- 5.5 Councillors and Employees must disclose to their Vehicle Insurers that they use their privately owned vehicles for business purposes from time to time as Letsemeng Local Municipality shall not be held liable for any damage that might occur to the property of the Councillors / Employees whilst on official trip.

**Letsemeng Local Municipality
Subsistence and Travel Policy**

6. ACCOMMODATION COSTS AND SUBSISTENCE ALLOWANCE

- 6.1 A Representative who travel on business of the municipality, where business unavoidably entails one or more nights to be spent away from home, may stay in a hotel, guesthouse or bed and breakfast establishment.
- 6.2 The actual cost of accommodation will be borne by the municipality. Where such accommodation is available, the single rate per room will be payable provided that the necessary proof is submitted.
- 6.3 If the cost of accommodation excludes, as it often does, the provision of breakfast and/or dinner the following rates will apply in respect of domestic travel (travelling within South Africa):
- 6.3.1 A maximum of R80.00 (seventy five rand) per person per day be allowed for breakfast provided that the necessary proof of expenditure is submitted. Only meals enjoyed by the delegate, maybe claimed.
 - 6.3.2 A maximum of R130.00 (hundred rand and ten rand) per person per day be allowed for lunch provided that the necessary proof of expenditure is submitted. Only meals enjoyed by the delegate can be claimed.
 - 6.3.3 A maximum of R180.00 (one hundred and eight rand) per person per day be allowed for dinner provided that the necessary proof of expenditure is submitted. Only meals enjoyed by the delegate, maybe claimed.
- 6.4 In all instances above, expenses for alcoholic beverages, private telephone calls and entertainment (except if the employee/councillor receives entertainment allowance) will be excluded from any claim.
- 6.5 If a Representative stays with a friend or relative, no accommodation allowance maybe claimed, but the Representative may claim a subsistence allowance of 350 (three hundred and fifty rand) per day and no claims for breakfast and dinner may be claimed.
- 6.6 If a Representative travels outside the jurisdiction of Letsemeng Local Municipality for official purposes and the trip requires an overnight sleep, the Representative will be paid a subsistence (inconvenience) allowance of R115.00 (one hundred and fifteen rand) per day upon providing proof

Letsemeng Local Municipality Subsistence and Travel Policy

- (e.g. hotel invoice showing arrival and departure date) of overnight stay/sleep.
- 6.7 If a Representative travels outside the jurisdiction of Letsemeng Local Municipality for official purposes where there is no over-night stay, he/she will be entitled to:
- 6.7.1 Breakfast at R80.00 (eighty) provided the Representative left his/her place of residence before 06H00 in the morning and proof of expenditure is submitted.
- 6.7.2 Lunch to the amount of R130.00 (hundred and thirty rand) provided that the trip was taken before normal lunch time at the municipality and proof of expenditure is submitted.
- 6.8 Where Representatives attend an event in groups, one vehicle should be used up to a maximum of 2 Representatives in a five-seater vehicle to minimise travelling costs.
- 6.9 The vehicle of the Representative who receives travel allowance as part of his/her salary package must avail his/her vehicle for travel purpose where Representatives travel in group.
- 6.10 A representative who travels outside the borders of the Republic of South Africa (international trips) will be entitled to the following:
- 6.10.1 An inconvenience allowance of R115 (hundred fifteen rand) per day multiplied by the Rand and US Dollar, Euros exchange rate (i.e. if the exchange rate between Rand and Dollar is R10.00; then the delegate will be entitled to R700.00) over the number of days.
- 6.10.2 The exchange rates shall be requested by the Chief Financial Officer within seven days before commencement of the trip or at any suitable day from any commercial bank preferably where the main primary bank account of the municipality is held.
- 6.10.3 Where the representative uses private accommodation while on international trips; the representative will be entitled to R350.00 (three fifty rand) per day multiplied by the exchange rate between Rand and US Dollar.
- 6.10.4 The rate shall be determined by the Chief Financial Officer using the procedure indicated in paragraph 6.7.2 above.

7. TRAVELLING ALLOWANCE

7.1 In all cases, a travelling authorisation document must be completed and approved before a trip to a dedicated destination to carry out official duty is undertaken in order for Councillor and Employee to qualify for reimbursement.

7.2 Where is it not possible for the Councillor or Employee to get a pre-approval, the relevant authority must still sign the trip approval form as proof that the trip was official and authorised.

7.3 For Councillors

7.3.1 Councillors shall be paid travel allowance in terms of the government gazette regulating the payment of kilometre tariffs to Councillors, and subject to the following stipulations:

a) The trips were for the purposes of approved official duty;

b) In the case of more than one Councillor traveling together, only one claim per trip / group of Councillors traveling together shall be accepted.

7.4 For Municipal Employees

7.4.1 Municipal Employee shall be paid travel allowance using the rates as determine by the national Department of Transport of South Africa and such rates will fluctuate on a monthly basis as determined by the department in line with the fluctuation in petrol or diesel prices.

7.4.2 The allowance shall be paid using rates for Privately-Owned vehicles as determine by the national Department of Transport of South Africa for that specific month. Different rates shall be paid based on the engine capacity; petrol or diesel driven-car and the type of vehicle used.

7.5 Persons invited for interviews

7.5.1 Persons invited for interviews at Letsemeng Local Municipality shall be paid at fixed rate of R2.50 per kilometre if the applicant has to travel more than 100 kilometres (single trip) in radius.

Letsemeng Local Municipality Subsistence and Travel Policy

- 7.5.2 Accommodation cost shall be paid for persons attending interviews at Letsemeng Local Municipality where such persons are to travel more than 400 kilometres (single trip) to attend interviews.
- 7.5.3 Letsemeng Local Municipality shall assist newly appointed Officials with relocation of their property to one of the towns that form part of Letsemeng Local Municipality by paying for the cost of freight of the said furniture and accommodation at a guesthouse/bed and breakfast/hotel for a period of one month while such Employee is still looking for his/her own accommodation and the period can be increased up to a maximum of two months at the discretion of the Municipal Manager. Letsemeng Local Municipality shall be responsible for the payment of one freight trip with a renowned or approved service provider. Thus the official shall engage the municipality in this regard. This may entail subjecting this to the municipality's SCM processes as per the said policy.
- 7.5.4 Should such Employee resign with a period of less than twelve months from date of appointment, such Employee will be liable to pay back such accommodation costs and relocation costs on a pro-rate basis.

8. REIMBURSEMENT FOR KILOMETRES TRAVELLED

- 8.1 In all cases claims shall be based on the actual amount of kilometres travelled from the departure point to the destination and back using the shortest tarred road. The departure point shall be either the workplace or normal residential place of the Employee or Councillor claiming travel allowance.
- 8.2 Any Employee receiving a travel allowance, included in their remuneration package, and who travels within the jurisdiction of Letsemeng Local Municipality with private transport on official duty, will be reimbursed using the rates indicated above for actual kilometres travelled from the first kilometres travelled and of all councillors and trips must be kept. However the officials should be paid excess of 500 kilometres
- 8.3 Any Employee receiving a travel allowance, included in their remuneration package, and who travels outside the jurisdiction of Letsemeng Local Municipality with private transport on official duty, will be reimbursed using the rates indicated above for actual kilometres travelled from the first kilometre travelled.
- 8.4 Any Employee who do not receive a travel allowance included in their remuneration package but use his/her private transport for official municipal business, in and outside the jurisdiction of Letsemeng Local Municipality, will be reimbursed at the applicable rate for that specific

**Letsemeng Local Municipality
Subsistence and Travel Policy**

month as determined by the national Department of Transport for private vehicles from the first kilometre travelled.

9. HIRING OF VEHICLES

- 9.1 Should an Employee or Councillor have to attend an official duty outside the jurisdiction of Letsemeng Local Municipality, and travels by air, train or bus to the destination, a vehicle may be hired from a vehicle hire company for official journeys for furthering the official duty, subject to the following conditions:

Employee/Councillors	Vehicle Classification
Mayor/Speaker and Municipal Manager	Category F
All other Councillors and Senior Managers	Category C
All other officials	Category B

10. PARKING AND TOLL FEES

- 10.1 The cost of parking and toll fees will be reimbursed on actual cost incurred after proof of cost incurred has been furnished.

11. AUTHORISATION

- 11.1 An invitation to attend a workshop, meeting, conference or related event is not an automatic authorisation to attend such event. The authorisation/approval of attendance must still be obtained from the Mayor, Municipal Manager or Senior Manager before the trip is undertaken and the invitation thereon should accompany the claim.

a) Approval by the Mayor shall be for attendance by:

- Mayor
- Councillors

b) Approval by the Accounting Officer shall be for attendance by:

- Senior Managers / Directors

c) Approval by the Senior Managers/Directors shall be for attendance by:

- All other Employees in their respective departments

- 11.2 Council Representative to any conference, workshop, or meeting must ensure that they arrive on time and attend until the conclusion of such event.

Letsemeng Local Municipality Subsistence and Travel Policy

- 11.3 If the Representative fails to comply with the above, the Mayor, Municipal Manager or Senior Manager, as the case maybe, may recover all allowances and disbursements paid to enable such Representative to attend such event, provided that such a Representative is afforded the opportunity to submit reasons for not being able to be present from commencement till conclusion of such event.
- 11.4 If any Councillor or Employee is delegated to attend an official duty outside and has received the necessary allowances and for whatever circumstances is prevented from attending, all monies advanced shall be paid back immediately. Failing this, the monies shall be deducted from the monthly salary of the Employee / Councillor concerned. Should the Accounting Officer fail to recover such monies, such expenditure shall be classified and reported as fruitless expenditure.

12. UP KEEP OF POLICY

- 12.1 Adjustments to the policy shall take place under the following circumstances:

12.1.1 Should the Council's approach to the policy change.

12.1.2 Should new legislation by means of laws, ordinances and / or regulations require adjustments to the policy.

13. EXCEPTIONS

- 13.1 Any exception to the provisions of this policy shall be authorised by the Accounting Officer or his/her delegate.

14. THE ONLY TRAVEL AND SUBSISTENCE POLICY

- 14.1 This agreement contains the full agreement between the parties and any stipulations, provisions or conditions, whether specific or by implication not included in this agreement are excluded and any variation, change or addition to this agreement is null and void and bears no legal rights unless it is otherwise agreed and it is put in writing and signed by the parties to this agreement. This policy supersedes any Travelling and Subsistence Allowance Policy from the date of approval by Council.

**Letsemeng Local Municipality
Subsistence and Travel Policy**

15. PAYMENT OF THE SUBSISTANCE AND TRAVEL ALLOWANCE

- 15.1 For payments that need to be paid in advance on subsistence and travel allowance should be approved by the Municipal Manager only before such payment made
- 15.2 Travel reimbursements will be paid when the officials come back from the trip as actual kilometres need to be shown on the claim form.
- 15.2 No travelling reimbursements will be processed until all the invoices for all the money advanced are attached and a reconciliation of the advance, if any, is provided. This relates to the entire team's invoices, if there were more than one team travelling. Thus, for payments that were based on quotation(s), all the invoices must be brought and attached to the traveling claim forms. Failure to do so the travelling reimbursements will not be processed
- 15.4 In the event that there are no traveling claim reimbursements due to the officials, should the officials fail to produce invoices for all payments that were made based on quotations for a period of one month after returning, all such amounts not supported by invoices will be deducted from the official's salary for the next payroll period.

16. ADOPTION OF POLICY

Municipal Manager
LETSEMENG LOCAL MUNICIPALITY

Date

Mayor
LETSEMENG LOCAL MUNICIPALITY

Date

COUNCIL RESOLUTION NUMBER.....