

MAKHADO LOCAL MUNICIPALITY



TRAVEL AND SUBSISTENCE POLICY 2018/2019



Date Approved:	31 MAY 2018
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Council Resolution:	A.57.31.05.18

1. DEFINITIONS

2. INTRODUCTION

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 organization's 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.

3. OBJECTIVES

The objective of this policy is to set out the basis for the payment of subsistence and travel allowance for the purposes of such official travelling.

4. PRINCIPLES

4.1 Responsibilities of representatives who travel on business of the municipality

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

4.1.2 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 interest 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.

4.2 Subsistence and travel allowance

4.2.1 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
- all business-related travel.

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

4.2.3 Acceptable proof of expenditure shall include the following:-

- a handwritten receipt of payment on a printed format clearly indicating the name and business address of the establishment on whose behalf the receipt is issued;
- a handwritten receipt of payment on a piece of paper on which the name and business address of the establishment on whose behalf the receipt is issued has been stamped in indelible stamp pad ink.

4.2.4 No room service charges or gratuities will be paid for.

Entitlement to a subsistence and travel allowance

4.2.5 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, with the exception of certain business expenses (see below), may be claimed.

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

4.2.7 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.

4.2.8 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.

4.2.9 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 Department
- Any other official specifically authorised to represent the municipality on a particular occasion.

4.3 Accommodation costs and subsistence allowance

4.3.1 Accounting officers must ensure that overnight accommodation is limited to instances where the distance travelled by road by the employee exceeds 400 kilometers to and from the destination (return journey).

Additional to this a 500 km radius from the official premises of the Municipality will be a guiding factor in determining whether accommodation must be arranged for the representative. The decision of the Municipal manager around this issue will be guided by the cost analysis, convenience etc.

4.3.2 The actual cost of accommodation will be borne by the municipality, subject a determinable rate in line with National treasury guidance on circular 82.

4.3.3 Where such accommodation is unavailable the rate for a standard room will be payable at the consent of the Municipal Manager.

Rates set for Domestic Hotel Accommodation as guidance to be utilised where practical

Accommodation Grid			
Vouch	BAND 1	BAND 2	BAND 3
	Room Only Tourism Levv VAT	Bed & Breakfast Tourism Levv VAT	Dinner, Bed and Breakfast Tourism Levv VAT 2 x Soft Drink at Dinner
Grade	BAND 1	BAND 2	BAND 3
1	R580.00	R710.00	R855.00
2	R900.00	R1 030.00	R1 230.00
3	R1,100.00	R1,200.00	R1,400.00
4	R1,250.00	R1,350.00	R1,550.00
5	R2,100.00	R2,200.00	R2,500.00
Bed &	BAND 1	BAND 2	BAND 3
1	-	R180.00	R270.00
2	-	R250.00	R350.00
3	-	R400.00	R520.00
4	-	R600.00	R750.00
5	-	R800.00	R975.00

- 4.3.4** If the cost of accommodation includes, as it often does, the provision of breakfast and dinner, a subsistence allowance of R180,00 (One Hundred and eighty Rand) per night will apply in respect of domestic travel. In the light of this allowance, no bookings or arrangements for the other meals should be done. This allowance may be paid in advanced if the representative so request.
- 4.3.5** If there is municipal trips without lunch/supper provision, a subsistence claim of R120 can be made on submission of proof of purchase (slip)
- 4.3.6** Laundry costs will only be paid if the stay is longer than five days, or actual expenditure.
- 4.3.7** If a representative stays with a relative or friend, an accommodation allowance of R220,00 (Two Hundred and Twenty Rand) per night may be claimed, together with a subsistence allowance of R180,00 (One Hundred and eighty Rand) per night.
- 4.3.8** The recoverable cost of accommodation for international travel may not exceed US\$300 (Three Hundred US Dollars). The subsistence allowance will be US\$180 (One Hundred and eighty US Dollars) per day.
- 4.3.9** Where it is not necessary to stay overnight on any travel on municipal business, no accommodation costs will be paid.
- 4.3.10** 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.
- 4.3.11** Representatives travelling internationally will be insured by the municipality to cover the following:-
- medical costs
 - personal liability
 - cancellation and curtailment
 - personal accident
 - baggage
- 4.3.12** 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.

- 4.3.13** Representatives intending to travel to any SADEC country may request the Mayor 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.
- 4.3.14** Wherever possible, public transport must be used in international countries

4.4 Car rental and other travel costs

- 4.4.1** Only "B" or similar" 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).
- 4.4.2** 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 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.
- 4.4.3** All flights by representatives of the municipality shall be in economy class, unless another class of travel is specifically authorized by the Mayor or Municipal Manager, as the case may be.
- 4.4.4** 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 rate per kilometer as per the Department of Transport or any other 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
- 4.4.5** All toll fees must be produced where evidence of toll gates is evident and parking fees for claims processing.
- 4.4.6** Where possible representatives must travel together, up to a maximum of two in a vehicle, to minimize travelling expenses. Municipal Insurance policy

4.4.7 Council will not provide any insurance cover for privately-owned vehicles used for official purposes other than specified in line with councilors insurance cover for personal property

4.4.8 The personal belongings of representatives will not be insured at the municipality's cost.

4.5 Municipal vehicle usage for councilors

Councilors on discretions may use council vehicles where deemed necessary

Mayor and Speaker will be subsidized with purchased council vehicles on approved budget

4.6 Subsistence and travel allowances for persons invited for interviews

4.6.1 Subsistence, travel or any other costs (related to travel) will be paid to any candidate who resides outside the Municipal jurisdiction invited for an interview. This is however applicable a person resides outside the radius of 100km from the business premises of the Municipality. Payment of S&T in this case will be done in terms of the Department of Transport rate. This clause is only confined to travel related costs for candidates.

4.7 Authorization

4.7.1 For purposes of implementing this policy:-

- only the Municipal Manager or delegated officials may authorize any travel to be undertaken by officials, subject thereto that the expenses to be incurred are on the approved budget of the relevant department;
- Only the Mayor or Speaker, may authorise any travel to be undertaken by the any Councillor, subject thereto that the expenses to be incurred are on the approved budget of the municipality, and where the travel/meeting is for more than one day.

4.7.2 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 Mayor or Speaker, as the case may be.

4.8 Legal requirements

- 4.8.1** In terms of section 66 of the Local Government : Municipal Finance Management Act, 2003 (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. (This is done through the Annual Financial Report)
- 4.8.2** Representatives will be held liable for any unauthorized expenses as well as expenditure where there is not acceptable documentary proof. In addition to that disciplinary steps will be taken against the employee.
- 4.8.3** No payment will be made for subsistence and travel, without submission of acceptable required documentary proof ,example toll slips ,e-toll.
- 4.8.4** The Finance Department must request the representative to submit all signed forms authorizing the trip together with any other proof (attendance register, travel toll gate slips where possible) before payments are affected.