

MAKHADO LOCAL MUNICIPALITY



DRAFT TRAVEL AND SUBSISTENCE POLICY

Date Approved:	COUNCIL RESOLUTION A.30.30.03.15
Date Implemented:	

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.

4.3 Entitlement to a subsistence and travel allowance

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

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

4.3.3 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.

4.3.4 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.

4.3.5 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.

4.4 Accommodation costs and subsistence allowance

- 4.4.1 Representatives who travel on the business of the municipality, where the business unavoidably entails three or more nights to be spent away from home, may stay in a 4-star hotel, motel, guesthouse or bed-and-breakfast establishment. Additional to this a 100km 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.
- 4.4.2 The actual cost of accommodation will be borne by the municipality, subject to a maximum of R1300, 00 (One Thousand Three Hundred Rands) per night for the accommodation itself in respect of domestic travel. Where such accommodation is unavailable the rate for a standard room will be payable at the consent of the Municipal Manager.
- 4.4.3 For the Mayor, Municipal Manager, Speaker and Chief Whip such a requirement may be relaxed and accommodation arranged as per each case's requirement where it is not practical to find accommodation of the stipulated amount or closest to the event being attended.
- 4.4.4 If the cost of accommodation includes, as it often does, the provision of breakfast, a subsistence allowance of R150, 00 (Two hundred 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.
- 4.4.5 Laundry costs will only be paid if the stay is longer than five days, or actual expenditure.
- 4.4.6 If a representative stays with a relative or friend, an accommodation allowance of R200, 00 (Three Hundred Rand) per night may be claimed, together with a subsistence allowance of R150,00 (Two Hundred and fifth Rand) per night.
- 4.4.7 The recoverable cost of accommodation for international travel may not exceed US\$300. The subsistence allowance will be US\$190 per day.
- 4.4.8 Where it is not necessary to stay overnight on any travel on municipal business, no accommodation costs will be paid.

- 4.4.9 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.
- 4.4.10 Representatives travelling internationally will be insured by the municipality to cover the following:-
- medical costs
 - personal liability
 - cancellation and curtailment
 - personal accident
 - baggage
- 4.4.11 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.
- 4.4.12 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.
- 4.4.13 Wherever possible, public transport must be used in international countries

4.5 Car rental and other travel costs

- 4.5.1 Only "B, C" or "D" 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).
- 4.5.2 A provision for The Mayor, Speaker, Chief whip and the municipal manager will be made for car bookings under Group D, E, F
- 4.5.3 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.

- 4.5.4 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.
- 4.5.5 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. If the total number of kilometers for which such reimbursement is received exceeds 8 000 km in any tax year, reimbursement for the excess kilometers over 8 000 km must be taxed for PAYE purposes.
- 4.5.6 All toll fee slips must be produced for travel purposes where there's evidence of toll gates to be passed. Parking fees will be reimbursed upon the production of receipts.
- 4.5.7 Where possible representatives must travel together, up to a maximum of two in a vehicle, to minimize travelling expenses. Municipal Insurance policy
- 4.5.8 Council will not provide any insurance cover for privately-owned vehicles used for official purposes.
- 4.5.9 The personal belongings of representatives will not be insured at the municipality's cost.

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 Authorisation

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 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 authorisation to attend such workshop or event. The required authorisation must still be obtained from the Municipal Manager or Mayor or Speaker, as the case may be.

4.7.3 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 Mayor, Speaker, 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. Submission of reasons do not exempt the delegate from reimbursing the Municipality, each case will be treated based on the merits. The standard rule stands that in an event the delegate fails to attend Council business and has been granted advance on S&T such will be recovered through the deduction of such amount from the delegate's salary in the next salary run.

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 no 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.
- 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 where possible) before payments are effected.