"People's power in action"

MOQHAKA LOCAL MUNICIPALITY

TRAVEL AND SUBSISTENCE POLICY

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1. OBJECTIVE

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 relationship with other municipalities, government bodies, and other parties, institutions and organisations 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.

1.2 This policy sets out the basis for the payment of a subsistence and travel allowance for the purpose of such official travelling.

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

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

2.2 Representative 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.

2.3 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.

3. SUBSISTENCE AND TRAVEL ALLOWANCE

3.1 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 refreshment, snacks, drinks and newspaper; and
- All business-related travel.

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

4. ENTITLEMENT TO A SUBSISTENCE AND TRAVEL ALLOWANCE

4.1 A representative may claim a daily subsistence allowance as provided in this policy with the understanding that all authorised personal expenses are covered by the subsistence allowance. No further expenses, with the exception of certain business expenses (see 4.3 below), may be claimed.

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

4.3 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 contact or other parties must be claimed against the entertainment allowance.

4.4 A representative of the municipality must claim his or her subsistence allowance, as provided in this policy, before embarking on any official trip. **The subsistence allowance must, in order to facilitate its timeous payment, be claimed at least three (3) working days before the planned trip, except where an invite is received late and its paramount that the municipality is represented accordingly.**

4.5 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.

4.6 **For the purpose of a subsistence allowance, representatives shall mean one or more of the following:**

- Executive Mayor
- Speaker
- Council Whip
- Members of the executive committee
- Other councillors specifically authorised to represent the municipality on a particular occasion
- Municipal manager
- Heads of departments
- Any other official specifically authorised to represent the municipality on a particular occasion.
- Any other official who is a member of a recognised professional institution and is granted permission to attend meetings and conferences of such institution.

5. ACCOMODATION COSTS AND SUBSISTENCE ALLOWANCE

5.1 Representatives who travel on the business of the municipality, where the business unavoidably entails one or more nights to be spent away from home, may stay in a hotel, motel, guesthouse or bed and breakfast establishment.

5.2 Overnight accommodation may only be booked where the return trip exceeds 500 kilometres.

5.3 All municipal representatives are to be accommodated in a (maximum) four (4) star hotels, guest house, lodge or Bed and Breakfast with breakfast included and dinner at the request of an employee. **In the case where accommodation referred to in this paragraph is secured, the lowest category shall be preferred.**

5.4 In the case where the five or more stars' hotel, guest house, lodge or Bed and Breakfast is the closest and/ or available than the overnight accommodation facilities referred to above, the employee can be accommodated in such overnight accommodation. It is the responsibility of the respective office to ensure that the necessary paperwork is submitted with the S&T claim.

5.5 If the cost of accommodation includes, as it often does, the provision of breakfast, a subsistence allowance of R370 per day will apply in respect of domestic travel. Where breakfast is excluded the subsistence allowance will be R435 per day.

5.6 If a representative stay with a relative or friend, no accommodation allowance may be claimed, but the representative may claim a subsistence allowance of R600 per day.

5.7 The recoverable cost of accommodation for international travel may not exceed US$350 per day. The subsistence allowance will be US$200 per day.

5.8 In the case of both domestic and international travel, the day of departure and the day of return each quality for a subsistence allowance.

5.9 For purpose of this policy, domestic travel shall mean travel in South Africa, and international travel shall mean travel to any country other than South Africa.

6. SUBSISTENCE ALLOWANCE IF TRAVEL IS FOR A DAY OR PART OF A DAY WITH NO OVERNIGHT STAY

6.1 If a representative travel on the business of the municipality for a day or part of a day, a subsistence allowance of R200,00 per day or part of a day is payable. No more than R200,00 shall be payable per day, irrespective of the number of trips undertaken.

7. CAR RENTAL AND OTHER TRAVEL COSTS

7.1 Only "B" or "C" or equivalent class/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). Category "D" vehicles may be rented provided that there are no vehicles available under category "B" and "C", which might be the cases in some instances.

7.2 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 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 reasonable but unexpectedly necessitated by the circumstances.

7.3 All flights by representative of the municipality shall be in economy class, unless when a business class is authorised by the municipal manager in an instance where a single flight time exceeds 5 hours. This paragraph is also applicable to international flights.

7.4 A representative who misses their flights, without acceptable reasons, at the discretion of the Municipal Manager, will be responsible for paying for additional costs incurred in rebooking their tickets.

7.5 If a representative has to utilise his or her personal motor vehicle outside the boundaries demarcated for the municipality, he or she will be reimbursed at a rate that is determined from time to time by the South African Revenue Services. The SARS rate referred to in this paragraph shall be the rate that is applicable at the beginning of the following financial period of the municipality, and shall apply for that entire financial period, and the representative shall not be entitled to any retrospective rate variance reimbursement.

7.6 The following categories of representatives will be reimbursed for utilisation of their personal motor vehicles in carrying out municipal business in terms of the rate as determined by the Department of Transport from time to time;

- Executive Mayor,
- Speaker,
- Council Whip,
- Members of the executive committee,
- Other councillors specifically authorised to represent the municipality on a particular occasion,
- Municipal Manager,
- Heads of Departments,

7.7 The distance to which the reimbursement applies, shall be the shortest distance between the municipality office and the location where the official business is to be transacted. If the total number of kilometres for which such reimbursement is received exceed over 8 000 kilometres in any tax year, reimbursement for the excess kilometres over 8 000 must be taxed for Pay-As-You-Earn (PAYE) purpose in line with the South African Income Tax Act.

7.8 The maintenance of a log book for tax purposes for the distance travelled for business purposes remains the responsibility of the representative in their individual capacity, as this log book will be utilised by SARS to determine the costs which may be claimed against a travelling allowance where applicable.

7.9 Where possible representatives may travel together, up to a maximum of four in a vehicle, to minimise travelling expenses. However, safety protocols must be adhered to at all times and travelling in a group should be avoided.

8. SUBSISTENCE AND TRAVEL ALLOWANCE FOR PERSON INVITED FOR INTERVIEWS

8.1 No subsistence costs will be paid to any candidate invited for an interview, but travelling costs at a rate as determined in paragraph 7.4, may be paid if the candidate has to travel more than 50 Km from outside the municipal jurisdiction to attend the interview.

9. AUTHORISATION

9.1 Only the Municipal Manager may authorize travelling and the payment of S&T by Senior Managers directly accountable to the Municipal Manager, provided the expenses to be incurred are on the approved budget of the relevant directorate.

9.2 Senior Managers may authorise travelling by officials within their directorates provided the expenses to be incurred are on the approved budget of the relevant directorate.

9.3 Only the municipal manager may authorise any travel to be undertaken by the Executive Mayor, Speaker, Council Whip, any councillor, or the Executive Mayor in the case of the Municipal Manager, provided the expenses to be incurred are on the approved budget of the municipality.

9.4 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 executive committee, as the case may be.

9.5 Council delegate or representative 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 Executive Mayor, as the case may be, may recover all allowance and disbursement paid to enable such delegate or representative to attend such event, provided that such delegates or representative is afforded the opportunity to submit reason for not being able to be present from the commencement to conclusion of such event.

9.6 A copy of the attendance register should also be provided by the delegate/representative of the council as proof of his/her attendance of the conference, workshop or meeting. Except in extreme circumstances where the representative is unable to obtain such register for the event (s) in question.

10. LEGAL REQUIREMENTS

10.1 In terms of Section 66 of the Municipal Finance Management 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 benefit, separately disclosing (inter alia) travel, subsistence and accommodation allowance paid.

11. AUTHORITY

Formulation of Policy : Director Corporate Services & Finance

Ownership & Maintenance Manager: Human Resources Management & Finance