

GREATER LETABA MUNICIPALITY



GLM SUBSISTENCE AND TRAVELLING ALLOWANCE POLICY

1. PREAMBLE

The Municipality acknowledges the fact that employees and councillors require transport to effectively carry out duties assigned to them, and thereby provide travel allowance to facilitate their work.

2. PURPOSE

2.1. To create uniform standards across the Municipality to regulate the travel allowance

for employees and councillors who qualify and utilize the benefit.

- 2.1. To provide guidelines for the payment of subsistence and travelling allowances or costs for the attendance of approved events outside the municipal area.
- 2.2. To provide for the circumstances under which claims can be lodged for accommodation, subsistence and travelling.
- 2.3. To provide the amount that can be claimed and the relevant categories of employees and councillors thereof.

3. SCOPE OF APPLICATION

This policy applies to employees and councillors of the Municipality.

4. DEFINITIONS

All terminology used in this policy shall bear the same meaning as in the Regulations or applicable legislation, or as defined and / or explained in the Glossary of Terminology in the Human Resources Policies Manual.

5. PROBLEM STATEMENT

Employees and Councillors requires transport to effectively carry out duties assigned to them, and thereby provide travel allowance to facilitate their work.

6. POLICY PROVISIONS

- 6.1. The contents of this policy will not be regarded as conditions of employment but as a reimbursement for travelling and subsistence expenditure incurred or deemed to be incurred for the attendance of events for official purposes.
- 6.2. The Councillors shall have the approval from the Mayor for the attendance of events for which compensation is claimed.
- 6.3. Employees shall have the approval from the Accounting Officer for the attendance of events for which compensation is claimed.
- 6.4. A claim for subsistence and travelling cannot be made at the municipality as well as another institution for attending the same event.

7. Travel allowance for employees and councillors.
 - 7.1. All councillors and Senior managers receive a total remuneration package that includes a transport allowance of not more than twenty-five percent (25%) of the annual total remuneration package. A Councillor or senior manager has the discretion and may include a transport allowance in the total remuneration package.
 - 7.2. Employees at Level 2 and 3 shall qualify to receive a transport allowance of up to twenty- five percent (25%) of their annual salary, for the purchase of a private vehicle to use in official duties, as per their job descriptions.
 - 7.3. A Councillor or senior manager that chooses to include a transport allowance within the total remuneration package structure, or an employee who receives a transport allowance, shall meet the following requirements:
 - 7.3.1. At all times provide motor vehicle of suitable type and condition for the proper discharge of duties.
 - 7.3.2. A logbook acceptable to the South African Revenue Service (SARS) shall be kept recording the official and private kilometres travelled.
 - 7.3.3. The travel allowance shall be included in the IRP5 for purposes of accounting to SARS.
 - 7.4. Councillors and employees shall be reimbursed for actual kilometers incurred for the Municipality's business travel purposes.
 - 7.5. The official distances travelled shall be reimbursed in accordance with the applicable tariffs prescribed by the South African Revenue Services from time to time.
 - 7.6. Representatives who travel on the business of the municipality, where the business unavoidably entails one or more nights to be spent away from home, shall stay in an overnight accommodation.
 - 7.7. The actual cost of accommodation shall be paid by the municipality, subject to a maximum amount as determined by National Treasury circulars.
 - 7.8. Where such accommodation is available, the rate for a single room will be payable.
 - 7.9. Where breakfast and lunch is excluded, the subsistence allowance shall be to a maximum determined by SARS rates, on production of a receipt/ invoice.
 - 7.10.** If a representative stays with a relative or friend, or no accommodation allowance may be claimed, but an employee shall claim a subsistence allowance as determined by SARS rates.
 - 7.11. The recoverable cost of accommodation for international travel shall

not exceed the amount stipulated by SARS Circulars per day as per the exchange rate of that country.

- 7.12. The subsistence allowance in respect of foreign travel shall be paid as per SARS directive (Subsistence Allowance Foreign Travel) determined by the Minister of Finance.
- 7.13. Where it is not necessary to stay overnight on any travel on municipal business, no accommodation costs will be paid, but a business allowance as determined as per SARS guidelines.
- 7.14. An overnight stay shall be authorized for all travels with a single trip of more than one day, if the meeting starts before 09H00, or if the place is distance of more than 150 kilometers, an allowance as determined by SARS guidelines per night shall be paid.
- 7.15. The tariffs shall be annually updated as per SARS guidelines.
- 7.16. An overnight stay shall be authorized for official trips of less than 150 km, if the employee is attending for more than a day.
- 7.17. In the case of both domestic and international travel, the day of departure and the day of return each qualify for a subsistence allowance.
- 7.18. For purpose of this policy, domestic travel shall mean travel within South Africa, and international travel shall mean travel to any country other than South Africa.
- 7.19. Subsistence allowance cannot be paid more than once irrespective of the number of trips undertaken per day.

8. Official business travel

- 8.1. Full-time councillors who are allocated offices at the Municipal precinct shall have their ordinary place of business at the Municipal precinct.
- 8.2. Part-time Proportional Representative Councillors shall similarly have ordinary place of business at the municipal precinct, unless deployed to a specific ward.
- 8.3. Part-time Proportional Representative Councillors deployed to a specific ward shall have their ordinary place of business in that ward.
- 8.4. Part-time Ward Councillors shall have their ordinary place of business at their respective wards (ward office/home).
- 8.5. The threshold for the kilometers travelled by Councillors shall not exceed 2600 km per month subject to approval by the Mayor.
- 8.6. Should a councillor exceed the threshold permission should be sought from the Mayor.

9. Qualification requirements to a reimbursement for travel

- 9.1. All travel on business of the Municipality shall be approved before councillors and employees are entitled to claim for the reimbursive travel allowance.
- 9.2. No travel claim shall be paid if not related to official business of the Municipality.

10. Control measures on councillors and employees receiving travel allowance.

- 10.1. Employees are to provide proof of availability of suitable vehicles on the request of the HRM Unit. If not, the affected employees' travel allowance shall be stopped until such vehicle is available and provided.
- 10.2. In the event that it can be shown that the employee has received the travel allowance without having the requisite vehicle available, the overpayment of the allowance for the identified non-qualifying period shall be recovered from the employee 's salary
- 10.3. Employees shall inform their Senior Managers immediately if they do not have a vehicle available.
- 10.4. Furthermore, the employee shall face disciplinary action and / or incapacity proceedings relating to their non-compliance with this provision and inability to perform their duties due to them not having the requisite vehicle.
- 10.5. Where the employee continued to receive the allowance without complying with the above qualifying requirements, they shall be charged with fraud.
- 10.6. Employees who are in receipt of existing travel allowances which they enjoyed from their previous post and who are appointed to promotional posts that do not have travel allowances attached to them shall have their existing travel allowance discontinued from the time that they take up the duties of the new promotional post.

11. CAR RENTAL AND OTHER TRAVEL COSTS

- 11.1. Category "B" and "C" vehicles may be rented, unless it is more cost-effective to hire a more expensive vehicle.
- 11.2. Car rental must be approved as part of the travel package before the trip is embarked on.
- 11.3. An employee 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 an employee can demonstrate that vehicle rental was reasonably but unexpectedly necessitated by the circumstances.

12. ALLOWANCES

- 12.1. Allowances paid to other persons invited by the municipality.
 - (a) The following shall be paid to all persons that are invited by the municipality.
 - (i) Accommodation (people staying more than 500 km return trip from Greater Letaba Municipality).
 - (ii) The municipality shall carry the costs of accommodation for invited persons.
 - (iii) The traveling costs shall be paid at the same tariff as per the municipal policy.

(i) All persons invited by the municipality for the purpose of disciplinary processes shall be reimbursed using SALGA tariffs.

12.2. Subsistence and travel benefits for persons invited for interviews

12.2.1. No subsistence expenses will be paid to any candidate invited for an interview but travelling expenses at applicable tariffs may be paid if the candidate has to travel more than fifty (50) km to attend the interview.

12.3. Allowances paid to appear as a witness.

(a) Employees attending hearing as witnesses in their official capacity are regarded to be at work.

13. GRANTING OF FUNDS (ADVANCES)

13.1. The Accounting Officer shall grant an advance in respect of the costs mentioned in the application.

13.2. The employee granted the advance payment shall submit proof of expenses incurred upon arrival back at office.

13.3. Surplus funds should be paid in at the cashier or deducted from the salary.

13.4. Should approved additional expenses be incurred, a claim for shortfall shall be submitted for reimbursement.

14. OUT OF POCKET EXPENSES

14.1. (a) Councillors and employees shall be reimbursed for reasonable and actual out of pocket expenses incurred during the execution of official and ceremonial duties as follows:

(i) Parking and bus fares

(ii) Toll fees

(iii) Taxi fare

(b) All the above are subjected to documentary proof.

15. DELEGATES

15.1. Municipal delegates to any event shall ensure that they arrive on time and attend until the conclusion of such event.

15.2. The delegate shall be afforded the opportunity to submit reasons for not being able to attend from the commencement to conclusion of the event.

1. Measures for claiming travel reimbursement

1.1.1. The duly prescribed claim form shall be fully completed by a councillors and employees.

1.1.2. The duly prescribed form (S&T) claim shall be submitted and paid twice, on the 15th and 30th of every month.

1.1.3. All kilometer travel claims shall be paid with the next salary of such a councilor, employee.

1.1.4. For kilometers travelled and not claimed for more than two consecutive

months a motivation shall be made to the Accounting Officer for approval.

1.1.5. A claim for a travel reimbursement shall be supported by:

1.1.5.1. A logbook /log sheet acceptable to SARS, recording the official kilometres travelled in a defined month.

1.1.5.2. Approved invitation and attendance register and any other relevant document.

2. Roles and responsibilities

2.1.1. The Accounting Officer or his / her delegated assignee(s) accepts overall responsibility for the implementation and monitoring of the policy.

2.1.2. The financial implications related to implementing this policy shall be qualified and quantified by Corporate Services in consultation with the Budget and Treasury Office.

3. POLICY MONITORING AND EVALUATION

3.1.1. This policy shall be implemented and effectively approved by Council.

A handwritten signature in black ink, appearing to read 'A. Prasad', with a stylized circular mark above the first part of the name.