

BITOU MUNICIPALITY



SUBSISTENCE AND TRAVEL ALLOWANCE POLICY

AS PREVIOUSLY APPROVED BY COUNCIL ON 31 MAY 2017 PER RESOLUTION
C/2/45/05/17

1. PURPOSE

- 1.1. It is essential for representatives of the municipality to travel from time to time to other cities and towns in order to establish and maintain links and relationships with other municipalities, government bodies, and other parties, institutions and organizations operating in or interacting with the sphere of local government.
- 1.2. It is also important for representatives of the municipality to broaden their knowledge and understanding of and compare local experiences in local government transformation, innovation and changes 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.
- 1.3. The purpose of this policy is to regulate how travelling and subsistence costs are paid to staff member and Councillors required to undertake approved council business which involves incurring expenses for travel, lodging, meal and other costs for attending conferences, meetings, seminars, training and conducting other council business.
- 1.4. This policy sets out the basis for the payment of a subsistence and travel allowance for the purpose of such official travelling.
- 1.5. The Travelling and Subsistence allowance policy needs to be updated from time to time in order to ensure that prevailing economic circumstances such as fuel prices, interest rates and cost of living are taken into account in the payment of allowances. It is also necessary that the policy be tailored to suit the operational requirements of the municipality.

2. PRINCIPLES

When considering a policy for the reimbursement for travelling and subsistence cost to councillors and officials, one must first and foremost acknowledge the purpose of the policy and that is to be reimbursive; secondly, the principle of fairness needs to be applied; and, thirdly; the affordability must be addressed.

3. DEFINITIONS

For the purpose of a subsistence allowance, a representative shall mean:

- 3.1 Executive Mayor,
- 3.2 Deputy Executive Mayor,
- 3.3 Speaker,
- 3.4 Members of Mayoral Committee,
- 3.5 Other Councillors specifically authorized to represent the municipality on a particular occasion,
- 3.6 Municipal Manager,
- 3.7 Heads of Department,
- 3.8 Divisional Managers,
- 3.9 Any other official specifically authorized to represent the municipality on a particular occasion,
- 3.10 Any official who is a member of a recognized professional institution and is granted permission to attend meetings and conferences of such institution,
- 3.11 Any other person who is granted permission to attend meetings, conferences by the Municipality Manager,
- 3.12 A subsistence and travel allowance is an amount of money paid by the municipality to a representative,
- 3.13 Government rates: rates charge by hotels for government institutions which are lower than the normal rates charged,
- 3.14 For the purposes of this policy, domestic travel shall mean travel within South Africa,
- 3.15 International travel shall mean travel to any country other than South Africa,
- 3.16 Normal workplace means the town where the employee is stationed/required to perform his or her duties,
- 3.17 A day is calculated as a single 24 hour period, which commences at time of departure from the normal workplace.

4. AUTHORIZATION

4.1 All journeys must be authorized beforehand.

4.2 The approval of claims for personnel travelling outside the municipal geographical boundaries and/or payments thereof will be as follows:

The approval of the:-

- 4.1.1. Executive Mayor in the case where Speaker being the traveller or Speaker in the case where Executive Mayor being the traveller is required,
- 4.1.2. Executive Mayor in the case where the Municipal Manager being the traveller is required,
- 4.1.3. Municipal Manager in the case where the Head of Department and/or Manager: Office of the Executive Mayor being the traveller(s) is required,
- 4.1.4. Head of Department in the case where the Divisional Manager and/or any other personnel within the designated department being the traveller is required.
- 4.1.5. Manager: Office of the Executive Mayor in the case where the Manager: Office of the Speaker and/or Manager: Office of the Deputy Executive Mayor being the traveller(s) is required.

4.2 An invitation to attend a workshop, meeting or related event is not an automatic authorization to attend such workshop or event. Prior required authorization must still be obtained from the Municipal Manager, Executive Mayor or Speaker as the case may be. If any representative fails to do so, or leave the event before its conclusion, the Executive Mayor and Speaker or the Municipal Manager, as the case may be, may recover all allowances and disbursement paid to such delegate or representative, provided that such delegate or representative is afforded the opportunity to submit reasons for not getting prior approval and /or not being able to be present from the commencement to conclusion of such event.

4.3 Councillors will be paid according to the prescribed SALGA circular.

4.4 Travelling and subsistence will not be paid in cases where it is being paid for by the host or person who extended the invitation.

4.5 The Councillors and officials must abide with the report back policy in terms of submission of report when attending official businesses of Council.

4.6 Travelling and subsistence will not be paid in cases where it is being paid for by the host or person who extended the invitation.

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4.7 The Councillors and officials must abide with the report back policy in terms of submission of report when attending official businesses of Council.

4.8 The processing of Subsistence and Travelling claims will be limited 2200cc engine capacity.

5. RESPONSIBILITIES OF REPRESENTATIVES

5.1 Every representative who travels on the business of the municipality must comply with this policy.

5.2 Representatives who travel on 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.

5.3 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. The Municipal manager may delegate this to Heads of Departments.

5.4 Council delegates or representatives to any conference, workshop or meeting must ensure that they arrive on time and attend until the conclusion.

5.5 Any council funds which were appropriated for the purposes of the subsistence and travel requirements of an individual and which are not fully utilized by that individual MUST be paid back to Council within 48 hours of returning. Failure to adhere to this requirement may result in disciplinary and criminal proceedings being undertaken by Council.

6. HOTEL ACCOMMODATION

6.1 When booking accommodation, an enquiry must be made at the establishment for a government rate of accommodation.

6.2 Actual cost of a 3 Star hotel on a bed and breakfast basis to the maximum amount of R1 500 (VAT inclusive) per person per day, with prior approval by Municipal Manager or delegated official can be incurred.

6.3 Where a 3 Star hotel is not available and/or the hotel with the threshold as per 6.2, a hotel of similar or higher grading may be used with prior approval by the Head of Department and/or Municipal Manager.

6.4 Where a rate of a hotel, guest house or accommodation of a higher grading proves to be cheaper than that of a 3 Star accommodation, the accommodation at a higher

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grading venue may be accepted from the Head of Department and/or Municipal Manager.

6.5 Where the location of conference, symposium, workshop, or training venue necessitates that accommodation be used of a higher grade than that of a 3 Star hotel, prior approval must be obtained from the Head of Department and/or Municipal Manager.

6.6 Should a delegate elect to arrange his/her own accommodation at relatives or friends, an allowance be paid to him/her calculated as follows:

6.6.1 Meals and incidental cost in amount equal to annual determination for meals and incidental cost that are deemed to have been expected by South African Revenue Services (R416.00 for 2018).

6.6.2 An overnight allowance for accommodation in the amount of R500.00 per night of accommodation will serve as an allowance for accommodation, where-after the municipality will have no further obligation towards the delegate for accommodation.

7. SUBSISTENCE ALLOWANCE

7.1 The purpose of subsistence allowance is to reimburse for any expenditure incurred relating to beverages and any incidental expenditure, not included in the bed and breakfast tariff of the hotel/guest house where the employee/Councillor is accommodated.

7.2 Exceeding 6 hours outside Bitou Municipality: Incidental costs in the amount equal to the annual determination for meals and incidental cost that are deemed to have been expended by the South African Revenue Services (R128.00 for 2018) per day.

7.3 Exceeding 24 daily hours (overnight): Meals and incidental costs in the amount equal to the annual determination for meals and incidental cost that are deemed to have been expended by South African Revenue Services (R350.00 for 2018) per day.

7.4 Where a booking for accommodation is done on a dinner, bed and breakfast basis, an allowance for incidental costs in the amount equal to the annual determination for incidental costs that are deemed to have been expended by the South African Revenue Services (R128.00 for 2018) per day will be payable.

7.5 For the purpose of calculating the allowance, both the day of departure and the day of return shall qualify for the payment of subsistence allowance.

7.6 An overnight allowance shall be paid in respect of attendance in line with the actual practical requirements of attendance plus minimum of three days for the

meeting/conference/seminar is scheduled for a full day (Starting before 08:00 and finishing after 16:00) if the one way travelling is less than 200 kilometers.

7.7 Delegates are to be allowed to book accommodation the night before a workshop, meeting, conference, training, symposium commence; if (i) such workshop, meeting, conference, training or symposium start before 08:00 AM, and/or (ii) the one way travelling distance exceeds 200 kilometers.

7.8 If accommodation is required for the night prior to a meeting, conference, training or symposium other than stipulated in 7.6 and 7.7 above, the explicit approval from the municipality manager must be obtained prior to any arrangements being made.

8. ENTERTAINMENT OF OTHER PERSONS

8.1 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 separately be reimbursed (subject to prior approval where applicable).

8.2 If a representative of municipality has an entertainment allowance, this entertainment of external business associates or contacts or other parties must be claimed against the entertainment allowance.

8.3 A single meal cannot be reimbursed as **BOTH** entertainment and subsistence, i.e. if there is an entertainment at supper, a delegate cannot also claim supper allowance.

9. AIR TRAVEL

9.1 Economic air travel.

9.2 For travelling to and from the airport, the normal travelling policy will apply.

10. ROAD IN STEAD OF AIR TRAVEL

10.1 Where air travel is available and the delegate wishes to travel by road the following will apply: -

10.1.1 Quotations where for economy air travel to the intended destination must be submitted to the Head of Department; afterwards, an amount equal to lowest of the quotations will be paid to the delegate as travelling expenses.

10.1.2 In addition to the above, the delegate will only be reimbursed for actual kilometers travelled between the venue of the conference and the place of accommodation.

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10.1.3 The delegate will receive a subsistence allowance for one day travelling time irrespective the actual travelling time if this option is chosen (refer to par 6.6).

10.1.4 Where the cost of renting a vehicle as a travelling medium is determined to be more cost effective than either travelling with own transport or travelling by air, the Municipal Manager in agreement with the respective Head of Department and the Chief Finance Officer may elect to rent a vehicle for travelling purposes for the designated official.

11. VEHICLE RENTAL

11.1. Payment of car rental related expenses of a Group B or C or C+ vehicle, on submission of documentary proof.

11.2. The approval of: -

11.2.1. Executive Mayor in the case where Speaker being the traveller or Speaker in the case where Executive Mayor being the traveller is required,

11.2.2. Executive Mayor in the case where the Municipal Manager being the traveller is required,

11.2.3. Municipal Manager in the case where the Head of Department and/or Manager: Office of the Executive Mayor being the traveller(s) is required,

11.2.4. Head of Department in the case where the Divisional Manager and/or any other personnel within the designated department being the traveller is required.

11.2.5. Manager: Office of the Executive Mayor in the case where the Manager: Office of the Speaker and/or Manager: Office of the Deputy Executive Mayor being the traveller(s) is required.

11.3. Only one vehicle per delegate except if circumstances dictate otherwise and prior approval is granted by the Municipal Manager and/or delegated Head of Department upon submission of a detailed motivation.

11.4. Where more than four delegates are involved, a seven (7) or eight (8) seater mini-bus must be considered.

11.5. Maximum engine capacity of any hired vehicle should be 2000cc (excluding mini-bus).

11.6. Maximum kilometer allowance of 200km per day may be included in the daily rental amount. However, if it anticipated that the maximum daily kilometer allowed will be exceeded the prior approval by the Municipal Manager is required.

- 11.7. Prior authorization will be required on all vehicle rentals. No personnel will be allowed to rent a vehicle without prior approval. All expenses relating to such rental will be for the renter's account.

12. INSURANCE

12.1. Official Transport

- 12.1.1. Accident with official transport must be reported to the Municipal Manager and the Insurance Section. All such accident must be immediately investigated.

- 12.1.2. Disciplinary action will be based on the outcome of the investigation.

12.2. Private Transport

- 12.2.1 Accidents with private transport will be covered by the owner of the vehicle. Council will not responsible for any a payment thereof.

13. TRANSPORT OF PRIVATE PERSONS

- 13.1. The use of municipal vehicles to transporting private persons is strictly forbidden.

- 13.2. Subsistence and Travel allowance for persons invited for interview will be paid by Council, where the Department of Transport tariffs will be applied. Such calculations will be limited to a 2000cc engine capacity vehicles.

14. TRAFFIC FINES

- 14.1. The driver of the official and/or rented vehicle - at the time of an offence - is responsible for the payment of the fine.

- 14.2. The costs of such fine as well as all the related admin fees will be recovered from the driver (employee) through salary deductions without prior consultation.

INTERNATIONAL TRAVEL AND SUBSISTANCE

15. AIR TRAVEL

- 15.1. Economy class air-fare.

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15.2. Airport Tax - Actual cost on presentation of receipt if not included in the airfare.

15.3. Airport Transfers – Actual cost on presentation of receipt if not included in the land arrangements.

16. **ACCOMMODATION**

16.1. Actual cost of a three or presentation hotel on bed and breakfast basis.

16.2. Hotel taxes on presentation of receipt if not included in the room rate.

17. **DAILY ALLOWANCE**

17.1. A daily allowance of US\$ 200.00 for meals, refreshments and incidental expenses, where the accommodation is paid by the municipality.

18. **TRAVELLING COSTS**

18.1. Payment of car rental related expenses of a Group B or C or C+ vehicle, on submission of documentary proof.

18.2. Only one vehicle per delegation.

18.3. A maximum of 250km per day.

18.4. International telecommunication cost incurred for official purposes will be paid to representatives on a reimbursive basis upon submission of documentary proof to the accounting officer. Reasonable private calls will be allowed but may not exceed R200 per day for the period of travel outside the country.

19. **REVIEW OF POLICY**

This Subsistence and Travel Policy is the sole policy governing the subsistence and travel in the Bitou Municipality and this policy will be reviewed annually by the Bitou Council.

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