

BITOU MUNICIPALITY



SUBSISTENCE AND TRAVEL ALLOWANCE POLICY

2024/25

**POLICY TITLE: SUBSISTENCE AND TRAVEL
ALLOWANCE POLICY**

FINANCIAL YEAR: 2024/25

Status: Policy was approved under resolution C/2/210/05/24 on 24 May 2024

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.
- 1.6 The purpose of this policy is also to regulate how travelling and subsistence costs are paid to external candidates attending job interviews at the municipality as well as invitees as Presiding Officers, Initiators or witnesses for internal disciplinary hearings and investigations. This will also apply to official guests invited for conferences, meetings, seminars, training and/or other business at 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 Departmental Directors,
- 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:-
 - 4.2.1 Executive Mayor; in the case where Speaker being the traveller or Speaker in the case where Executive Mayor being the traveller, is required;
 - 4.2.2 Executive Mayor; in the case where the Municipal Manager being the traveller, is required;
 - 4.2.3 Municipal Manager; in the case where the Departmental Director and/or Manager: Office of the Executive Mayor and/or Manager: Office of the Speaker and/or Manager: Office of the Deputy Executive Mayor being the traveller(s), is required;

- 4.2.4 Departmental Director; in the case where the Divisional Manager and/or any other personnel within the designated department being the traveller, is required.
- 4.3 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, Speaker, Departmental Director or as the case may be. If any representative fails to do so, or leave the event before its conclusion, the Executive Mayor and Speaker, the Municipal Manager, or the Departmental Director, 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.
- 4.4 Councillors will be paid according to the prescribed SALGA circular.
- 4.5 Officials travelling outside the municipal boundaries will be remunerated on the Department of Transport tariffs.
- 4.6 Municipal guests such as Presiding Officer and/or Initiators for disciplinary matters, investigators, assessors, facilitators, and any other person deemed to be falling under this category will be remunerated on the South African Revenue Services (SARS) tariffs.
- 4.7 Candidates invited for job interviews will be remunerated on the tariff as determined by Council, which will be reviewed on annual basis.
- 4.8 Travelling and subsistence will not be paid in cases where it is being paid for by the host or person who extended the invitation.
- 4.9 The Councillors and officials must abide with the report back policy in terms of submission of report when attending official businesses of Council.
- 4.10 The processing of Subsistence and Travelling claims will be limited to a 2150cc engine capacity.

5 GUIDELINES FOR APPROVAL OF OVERNIGHT ALLOWANCE

Table 1

Travel Distance	Time-frames of Event	Comment
Bitou to Destination >200km	Starting time: 10h00	No overnight allowance approved prior the event.
Bitou to Destination >200km	Starting time: 08h00	Overnight allowance approved prior the event.
Destination to Bitou <400km	Ending time: 15h00	No overnight allowance approved after the event.
Destination to Bitou >450km	Ending time: 15h00	Overnight allowance approved after the event.
Bitou to Destination <>100km	Starting time: 08h00 Ending time: 16h00	Overnight allowance will be approved if travelling will occur in three consecutive days.

6 RESPONSIBILITIES OF REPRESENTATIVES

- 6.1 Every representative who travels on the business of the municipality must comply with this policy.
- 6.2 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.
- 6.3 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 the Departmental Directors.
- 6.4 Council delegates or representatives to any conference, workshop or meeting must ensure that they arrive on time and attend until the conclusion.
- 6.5 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.

7 HOTEL ACCOMMODATION - COUNCILLORS AND STAFF

- 7.1 When booking accommodation, an enquiry must be made at the establishment for a government rate of accommodation.
- 7.2 Actual cost of a **3 Star hotel on a bed and breakfast basis** to the maximum amount of **R1 800 (VAT inclusive) per person per day**, with prior approval by Municipal Manager or delegated official can be incurred.
- 7.3 Where a 3 Star hotel is not available and/or the hotel with the threshold as per 7.2, a hotel of similar or higher grading may be used with prior approval by the Departmental Director and/or Municipal Manager.
- 7.4 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 grading venue may be accepted from the Departmental Director and/or Municipal Manager.
- 7.5 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 Departmental Director and/or Municipal Manager.
- 7.6 Should a delegate elect to arrange his/her own accommodation at relatives or friends, an allowance be paid to him/her calculated as follows:
 - 7.6.1 **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 (**R548.00 for 2025**).
 - 7.6.2 An **overnight allowance for R1 200.00 per night** will serve as an allowance for accommodation, where after the municipality will have no further obligation towards the delegate for accommodation or any kind of financial assistance.
 - 7.6.3 No additional kilometre will be remunerated between meeting venue and hotel in the event where the traveller opted to stay with relatives, family or friends.

8 SUBSISTENCE ALLOWANCE - COUNCILLORS AND STAFF

- 8.1 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.

- 8.2 Exceeding 6 hours outside Bitou Municipality: **Incidental costs** in the amount equal to the annual determination for incidental cost that are deemed to have been expended by the South African Revenue Services (**R169.00 for 2025**) per day.
- 8.3 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 (**R400.00 for 2024**) per day.
- 8.4 Where a booking for accommodation is done on a dinner, bed and breakfast basis; either by the host or Bitou Municipality, 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 (**R169.00 for 2025**) per day will be payable.
- 8.5 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.

9 HOTEL ACCOMMODATION – OFFICIAL MUNICIPAL GUESTS

- 9.1 When booking accommodation for official guests for the municipality; such as Presiding Officers, Initiators or witnesses for internal disciplinary hearings and investigators, an enquiry for accommodation must be made at the establishment with a government rate on accommodations.
- 9.2 Actual cost of a **3 Star hotel on a bed and breakfast basis** to the maximum amount of **R1 800 (VAT inclusive) per person per day**, with prior approval by Municipal Manager or delegated official can be incurred.
- 9.3 Where a 3 Star hotel is not available and/or the hotel with the threshold as per 9.2, a hotel of similar or higher grading may be used with prior approval by the Departmental Director and/or Municipal Manager.
- 9.4 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 grading venue may be accepted from the Departmental Director and/or Municipal Manager.
- 9.5 In the event where the meeting has been scheduled for two (2) or more consecutive days, starting at 08h00, the municipality may allow accommodation for guests, even if the travel distance is about 100km “from-base-to-Bitou” on a “one-way trip”. Such an overnight approval will be applicable to the first day after the event and limited to the last day of the event.
- 9.6 The guest will be allowed **overnight meals to the maximum amount of R250.00 per night**.

- 9.7 The municipality will not allow for any alcohol beverages; as a result, the cost to such consumables will be on the guest account.

10 REIMBURSEMENT OF TRAVEL COSTS – OFFICIAL MUNICIPAL GUESTS

- 10.1 The municipality will reimburse the guests' travel costs based on the actual distance travelled at **R4.84 per kilometer, regardless of the value and engine capacity of the vehicle as per SARS schedules for 2024.**
- 10.2 The municipality will reimburse the travel costs "from-base-to-Bitou" and no additional kilometers will be remunerated thereafter unless approved by the Departmental Director and/or Municipal Manager
- 10.3 The claimant must complete the official travel claim form of the municipality, approved by the Departmental Director and/or Municipal Manager prior to the claim being processed.

11 ENTERTAINMENT OF OTHER PERSONS

- 11.1 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 of the Municipal Manager where applicable).
- 11.2 **Only the Executive Mayor, Deputy Executive Mayor, Speaker and Municipal Manager will be allowed to entertain external business associates or contacts or other parties. Prior arrangements must be made with the preferred local restaurant(s) and a reasonable costs for meals and non-alcoholic beverages only will be paid by the municipality. No alcohol beverages will be paid from municipal funds.**

12 AIR TRAVEL

- 12.1 Economic air travel.
- 12.2 For travelling to and from the airport, the normal travelling policy will apply.

13 ROAD IN STEAD OF AIR TRAVEL

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

- 13.2 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.
- 13.3 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.
- 13.4 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 8.2).
- 13.5 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.

14 SHORT-TERM VEHICLE RENTAL

- 14.1 The municipality must follow the below guidelines, as per Table 2, for the short-term rental of vehicles:

Table 2

KM to be travelled	Drivers' position	Minimum Vehicles' Group Allowed
<150	<T13	Group B
<150	T14 – T18	Group C
<150	HOD – Cllrs	Group F
151 - 600	<T13	Group C
151 - 600	T14 – T18	Group F
151 - 600	HOD – Cllrs	Group G
>601	<T13	Group F
>601	T14 – T18	Group G
>601	HOD – Cllrs	Group H

- 14.2 An official "Vehicle Rental Requisition" must be completed by the requestor/driver and approved by the Departmental Director and/or Municipal Manager. Once approval has been granted, the Expenditure Management will process the application and issue the requestor/driver with a Vehicle Rental Voucher.
- 14.3 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.
- 14.4 Where more than four delegates are involved, a seven (7) or eight (8) seater minibus must be considered.

14.5 Maximum kilometer allowance of 200km per day may be included in the daily rental amount. However, in the event where the travel distance will be in excess of the daily 200km; the municipality may opt to “unlimited kilometers” to curbing on kilometers costs.

14.6 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.

15 INSURANCE

All vehicle rentals will be made on Super-Waiver Insurance.

16 TRAFFIC FINES

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

16.2 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

17 AIR TRAVEL

17.1 Economy class airfare.

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

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

18 ACCOMMODATION

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

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

19 DAILY ALLOWANCE

19.1 A daily allowance of US\$250.00 for meals, refreshments and incidental expenses, where the accommodation is paid by the municipality.

19.2 Where accommodation is paid by the municipality or any sponsoring institution/body/organisation, the daily allowance will be reduced to 50% of the

allowance in 19.1 and be applicable for every night a councillor or official spends outside the borders of the republic of South-Africa.

20 TRAVELLING COSTS

20.1 Only one vehicle per delegation.

20.2 A maximum of 250km per day.

20.3 International telecommunication cost incurred for official purposes will be paid to representatives on a reimbursement 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.

21 IMPLEMENTATION OF POLICY

The Subsistence and Travel Claim Policy of Bitou Municipality shall be implemented as follows:-

	Activity	Date of Implementation
21.1	<ul style="list-style-type: none">Meals and incidental costs as determined by the Commissioner of South African Revenue Services (SARS), refer to –<ul style="list-style-type: none">✓ Sec 7.6.1,✓ Sec 8.2,✓ Sec 8.3,✓ Sec 8.4,Travel costs claimed by the municipal guests as determined by the Commissioner of South African Revenue Services (SARS), as per Sec. 10.1	01 March of each year after the National Minister of Finance has delivered the Budget Speech
21.2	<ul style="list-style-type: none">Overnight allowances as per Sec 7.6.2,Overnight meals as per Sec 9.6,Entertainment allowances of Executive Mayor, Deputy Executive Mayor and Speaker as per Sec 11.2	01 July of each year after Council has approved the Annual Municipal Budget

22 REVIEW OF POLICY

22.1 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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FINANCIAL YEAR: 2024/25

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