



# **TRAVEL & SUBSISTENCE POLICY 2020-21**

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## 1. DEFINITIONS

### **“Accounting Officer”**

The person appointed by the Council as Municipal Manager in terms of section 82 of the Municipal Structures Act, 1998 (Act 117 of 1998) and as defined in the Municipal Finance Management Act, 2003 (Act 56 of 2003), including any person acting in that position or to whom authority is delegated;

**“Chief Financial Officer”** The person appointed in terms of section 80(2) (a) of the MFMA and includes any person acting in that position or to whom authority is delegated;

**“Council”** The municipal council, as referred to in section 157 of the Constitution of the Republic of South Africa, 1996; and section 18 (3) of the Municipal Structures Act, 1998 (Act 117 of 1998).

**“Councillor”** A member of the Kai !Garib Municipal Council.

### **“Executive Management Team”**

Officials appointed in terms of Section 82 of the Local Government Structures Act, 1998 (Act 117 of 1998) (Structures Act) and section 56 of the Local Government Municipal Systems Act, 2000 (Act 32 of 2000).

**“Executive Mayor”** The Executive Mayor of the Kai !Garib Municipality elected in terms of section 55 of Municipal Structures Act, 1998 (Act 117 of 1998).

**“Director”** An official appointed by the Council in terms of section 56 of the Municipal Systems Act, 2000 (Act 32 of 2000) to head a Directorate of the municipality.

**“Municipality”** Kai !Garib Municipality, established in terms of sections 12 and 14 of the Structures Act.

**“Traveller”** Any councillor or official travelling away from his or her normal place of domicile and employment on the official business of the Kai !Garib Municipality.

**“Subsistence allowance”** A subsistence allowance is an amount of money paid by the municipality to a traveller for expenditure incurred in respect of personal subsistence and incidental costs (for example refreshments, snacks, drinks and newspapers but excludes any personal recreation, such as visits to a cinema, theatre or nightclubs or sight-seeing).

**“Travel Allowance”** A travel allowance is any amount paid to an employee in respect of travelling expenses for business purpose.

**“Partial sponsored trip”** Where a portion of the total cost is sponsored by a donor or third party. (For the purposes of this policy such proportion of the total cost of the trip to be included in the application forms).

## 2. PURPOSE

The purpose of this policy is to set out general rules for the payment of subsistence and travelling allowances or costs for the attendance of approved events **outside the municipal area of Kai !Garib.**

### **3. OBJECTIVES**

The objectives of this policy are as follows:

3.1 Ensure that municipal employees and Councillors adhere to procedures when arranging for travel, lodging, meals and other expenses;

3.2 Ensure that municipal employees and Councillors are reimbursed for reasonable expenses incurred for travel, conferences, meetings and meals as a result of conducting authorized municipal business;

3.3 Ensure that payments made by the municipality are for the actual and necessary expenses incurred for municipal business; and

3.4 Ensure that municipal employees and Councillors will receive reimbursements in a timely manner.

### **4. GENERAL**

4.1 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.

4.2 Any councillor must have the approval of the Mayor or his/*her* delegate for the attendance of events for which compensation is claimed. Any staff member must have the approval of the Director or his/*her* delegate and any Director must have the approval of the Municipal Manager or his/*her* delegate for the attendance of events for which compensation is claimed. Claims are only payable if sufficient provision is made for it on the budget.

4.3 Any claim must be submitted on the official claim form with the necessary vouchers where specific expenses are claimed.

4.4 Any claim containing false information will lead to disciplinary steps being instituted and payments thus made may be recovered from any money payable by the municipality to the person who submitted the claim.

4.5 All efforts should be made to minimize the costs for the municipality i.e. by travelling together in one vehicle, minimizing overnight stay where possible, etc.

**a)** Where several employees attend approved events, inclusive of meetings, they must make arrangements for up to four (4) people to travel together in one vehicle.

**b)** Any deviation from paragraph (a) must be approved in writing by the **Director**, prior to the date of departure, based on valid reasons as motivated in a submission.

4.6 A claim for subsistence and travelling cannot be made at the municipality as well as another institution for attending the same event. Such action shall lead to disciplinary action.

4.7 Sufficient documentation must be attached to the application for the trip e.g. official invitation, agenda or programme, itinerary, details of sponsor and amount, etc.

## **5. REFERENCE**

This Policy must be read in conjunction with any of the Municipality's approved related policies, practices and standard operating procedures addressing specific issues essential for a full understanding of this Policy and which are not dealt with adequately herein.

## **6. LEGAL FRAMEWORK**

This policy is developed and guided by the following:

6.1 South African Revenue Services (SARS)

6.2 Municipal Finance Management Act, 2003 (Act No. 56 of 2003)

6.3 South African Local Government Association (SALGA)

6.4 Remuneration of Public Office Bearers Act, 1998 (Act No. 20 of 1998)

6.5 Income Tax Act, 1962 (Act No. 58 of 1962).

## **7. SCOPE OF APPLICATION**

7.1 This Policy is applicable to –

7.1.1 all councillors of the Kai !Garib Municipality, and

7.1.2 all officials of the Kai !Garib Municipality, travelling on official business and as such are formal travellers of the Kai !Garib Municipality.

## **8. USE OF AIRLINES**

a) Cost Containment Measures as contained in the MFMA Circular 82 must be implemented.

## **9. USE OF VEHICLES**

### **9.1 Hired Vehicles**

9.1.1 Shall be applied for, quantified and paid for by the Municipality.

9.1.2 May only be obtained when the employee and / or Councillor is on official municipal business where air travel was involved and other modes of transport are not available, too costly or impractical.

9.1.3 Requires prior approval from the Responsible Official for employees and the Mayor / Speaker for Councillors.

9.1.4 May not be used for travel from the municipal offices.

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9.1.5 Only travellers with a valid South African driver's licence may hire vehicles; where the traveller who hires a vehicle, is not in possession of such licence, he or she may be held personally liable for all damages and may be subject to disciplinary action by Council; the responsibility and related costs of obtaining an international driving permit, where required, rests with the traveller.

9.1.6 Only "A" or "B" 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, for groups of 5 (five) or more travellers. The latter to be approved in advance by the Municipal Manager, according to the provisions as provided for in 4.2.

9.1.7 For physically handicapped travellers who are only able to drive a particular type of vehicle and those in possession of a driver's license restricted to automatic vehicles: the most suitable vehicle.

9.1.8 Chauffeur driven vehicles may not be used. Employees and / or Councillors who are unable to drive must utilize either a shuttle service or another mode of public transport.

## **9.2 Private Vehicles**

9.2.1 The boundaries of the Kai !Garib Municipality shall be used to determine payment for travel outside such boundaries by means of private transport for officials who are in receipt of a fixed transportation allowance, or where such an allowance has been factored into the total cost of employment package of the official concerned. In such cases, only the applicable cost per kilometer will be paid as updated from time to time. Should the destination of the trip be outside the boundaries of the Municipality, the distance for the cost per kilometer will be measured from place of residence or place of work, whichever is relevant.

9.2.2 Employees in receipt of a fixed transportation allowance, travelling on official municipal business outside the boundaries of the Kai !Garib Municipality, will be reimbursed for such travelling at the Department of Transport tariff, calculated from their normal place of work. Travelling inside the municipal boundaries will be calculated as a percentage of the monthly increase/decrease of the Department of Transport tariff.

9.2.3 Those employees who are not in receipt of a travel allowance shall be reimbursed according to the latest prescribed SARS km tariff calculated from their place of work or residence, which-ever is the nearest to the place of the approved event.

9.2.4 Those employees who are in receipt of an Essential User Transportation Allowance shall be reimbursed in accordance with the applicable Scheme. The travelling distance shall be calculated from their place of residence.

9.2.5 Councillors using private transport outside the boundaries of the Kai !Garib Municipality will be reimbursed according to the guidelines issued by the relevant National Department as updated from time to time.

## 10. DOMESTIC TRAVEL, SUBSISTENCE AND ACCOMMODATION

When travelling to a destination outside the boundaries of the Kai !Garib Municipality in circumstances requiring absence from the office for longer than 24 hours, the following may be utilised and claimed: (the time of departure from residence or office up until the time of arrival back at residence or office shall be used for purposes of calculating the length of absence):

### 10.1 Accommodation

10.1.1 Travellers 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;

- a) Overnight accommodation may only be booked where the return trip exceeds 500 kilometers.
- b) Any deviation from paragraph (a) must be motivated in writing by the employee and must be approved in writing by the **Municipal Manager**, prior to the date of departure, based on valid reasons.

10.1.2 When the actual cost of accommodation are borne by the municipality, it will be subjected to a maximum of 4-star rating for the accommodation itself in respect of domestic travel. Where such accommodation is available, the rate for a single room will be payable.

10.1.3 If no such accommodation is available, higher rating accommodation can be used subject to the prior approval of the **Municipal Manager**.

10.1.4 If a traveler provides his or her own accommodation an accommodation allowance of R900 within the provincial boundaries and R1 100 outside the provincial boundaries will be applicable per night.

10.1.5 The location of the accommodation should not be more than 20 km from the venue of the event, unless approved by the Municipal Manager.

### 10.2 Subsistence Allowance and Meals

#### 10.2.1 Subsistence Allowance

As per definition, Section 1 of this Policy.

#### 10.2.2 Entitlement to a Subsistence Allowance

10.2.2.1 A traveller may claim a daily subsistence allowance as provided for 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.

10.2.2.2 A daily subsistence allowance will only be applicable where-

- (i) official business unavoidably entails **one or more nights to be spent away from home**, a subsistence allowance as amended by SARS annually will apply in respect of domestic travel; or

(ii) where the traveller will be on official business for a **period exceeding 8 hours, without being away from home for one or more nights**, an allowance as amended by SARS annually will apply in respect of domestic travel;

10.2.2.3 A traveller of the municipality must obtain approval for his or her subsistence allowance, as provided for in this policy, before embarking on any official trip.

10.2.2.4 No subsistence allowance will be paid, and no traveller 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 traveller is entitled to a subsistence allowance.

10.2.3 Claims for meals for official entertainment of guests by full-time councillors and the executive management team are to be dealt with as claims against the relevant “entertainment allowance” provision of the relevant Cost Centre.

Where special circumstances exist which necessitate a deviation from the above restrictions, the prior approval of the **Municipal Manager**, as applicable, or their nominees are to be obtained.

## **11. MISCELLANEOUS EXPENSES**

Items that may be considered for approval, where expenditure is incurred within the boundaries of the Republic of South Africa during a period of absence is as follows:

11.1 Parking / Bus fares: Subject to proof of payment being provided;

11.2 Toll fees: Subject to proof of payment being provided;

11.3 Taxi fare: Subject to proof of payment being provided.

## **12. INTERNATIONAL TRAVEL, SUBSISTENCE AND ACCOMODATION**

12.1 When traveling in countries other than in South Africa on specially authorised Municipal business, the expenses actually incurred for accommodation and official transport will be payable.

12.2 The daily subsistence allowance is to cover all meals, transport for private use and other incidental costs, this subsistence allowance for international travel will be in accordance with SARS Foreign Travel 1.1 List of Daily Maximum amount per Country, as amended by SARS from time to time.

12.3 No additional claim in respect of such costs will therefore be paid, except for entertainment by full-time Councillors or the Executive Management Team, of official guests, clients, potential clients, investors or potential investors which is to be dealt with as “entertainment allowance” claims.



## **13. SPONSORED TRIPS**

### **13.1 LOCAL SPONSORED TRIPS**

13.1.1 A trip shall be regarded as sponsored when the full/ partial cost of the trip is borne by an institution other than the Kai !Garib Municipality. Such sponsored proportion of the total cost of the trip must be declared in the application for the trip.

13.1.2 Travelling and Subsistence payable by the Kai !Garib Municipality will be calculated as the difference between the amounts claimable per this policy less the monetary value of the sponsored amounts.

### **13.2 INTERNATIONAL SPONSORED TRIPS**

13.2.1 A trip shall be regarded as sponsored when the full / partial cost of the trip is borne by an institution other than the Kai !Garib Municipality. Such sponsored proportion of the total cost of the trip must be declared in the application for the trip.

13.2.2 Travelling and Subsistence payable by the Kai !Garib Municipality will be calculated as the difference between the amounts claimable per this policy less the monetary value of the sponsored amounts.

## **14. INSURANCE**

14.1 Travellers, where the necessary travel and special leave forms have been duly authorised by the delegated official, will be insured by the municipality in terms of its current approved policies, practices and standard operating procedures.

The insurance shall cover, *inter alia*, the following:

14.1.1 medical expenses and assistance services;

14.1.2 personal accident, including death and disability, as well as repatriation and evacuation;

14.1.3 luggage;

14.1.4 travel documents;

14.1.5 personal liability; and

14.1.6 cancellation, curtailment, and default on travel and accommodation.

14.2 Insurance cover is only for the period that the traveller is away from home or place of work on a trip relating to municipal business.

14.3 Private vehicles and contents thereof will not be covered under this Policy.

14.4 Hired vehicles are automatically covered for both Super Waiver Damage and Theft by the vehicle rental company.

## 15. GIFTS AND PROMOTIONAL GOODS

15.1 Where appropriate, the traveller may give gifts.

15.2 The gifts in question shall be provided by the municipality, through the appropriate department.

15.3 Suitable promotional and marketing products shall be supplied, on request, by the appropriate department of the Municipality.

## 16. AUTHORISATION

16.1 For purposes of implementing this policy:

16.1.1 **Only the Municipal Manager** may authorize any travel to be undertaken by Councillors and Directors, provided the expenses to be incurred are on the approved budget of the relevant department.

16.1.2 **Only the Mayor** may authorize any travel to be undertaken by the Municipal Manager, provided the expenses to be incurred are on the approved budget of the municipality.

16.1.3 **Only Directors** may authorize any travel to be undertaken by employees in the respective Directorate, provided the expenses to be incurred are on the approved budget of the municipality.

16.1.4 Authorization as per paragraph 16.1.1, 16.1.2 and 16.1.3, must be obtained prior to an occasion by any traveller who travels on the business of the municipality.

16.2 An invitation to attend a workshop, meeting or related event is not an automatic authorization to attend such workshop or event. The required authorization must still be obtained from the Municipal Manager or Executive Mayor or Director as the case may be.

## 17. COUNCIL DELEGATES

Municipal delegates or travellers to any conference, workshop or meeting must ensure that they arrive on time and attend until the conclusion of such event. If any traveller fails to do so, the Mayor, the Municipal Manager or Director, as the case may be, may recover all allowances and disbursements paid to enable such delegate or traveller to attend such event, provided that such delegate or traveller is afforded the opportunity to submit reasons for not being able to be present from the commencement to conclusion of such event.

## 18. OTHER

18.1 Accommodation, flights and vehicle rental arrangements will be based on the most cost effective option in relation to the proximity of the venue, traffic, availability and other cost factors. Due to impracticality, the stipulations of the Supply Chain Policy may be disregarded in this matter, based on compliance to before-mentioned most cost effective considerations.

18.2 In the event of payments made by officials for traveling and accommodation, refunds will only be made on condition that the expense was pre-approved in accordance with the stipulations of this policy and that all aspects of this policy have been complied with.

## 19. AUTHORITY

Any deviation from this policy for whatsoever reason must be authorized by the **Municipal Manager**.

## 20. TRAVEL AND SUBSISTENCE ALLOWANCE CLAIM FORM

The official Travel and Subsistence Allowance claim form, as prescribed by Chief Financial Officer must be used with regard to Travel and Subsistence Allowance applications.

## 21. SHORT TITLE

This is the Travelling and Subsistence Policy of Kai !Garib Local Municipality.

<b>DOCUMENT APPROVAL</b>				
<b>Policy Review Date</b>	<b>Council Resolution No</b>	<b>Date</b>	<b>Effective Date</b>	<b>Chairman signature</b>
22 June 2020	REF:XXXXXX	30 June 2020	01 July 2020	XXXXXXXXXX