

1. OBJECT OF SUBSISTENCE AND TRAVELLING POLICY

The object of this policy is to:

- | clearly define the Subsistence and Travelling related expenses that may be funded from Ngwathe Local Municipality's funds;
- | set out the conditions and approval required;
- | set uniform guidelines for councilors and officials of Ngwathe Local Municipality; and
- | clarify the various related processes and responsibilities

2. LEGISLATIVE CONTEXT

In terms of the Income Tax Act (No.58 of 1962) councilors and employees travelling to other destinations for official business purposes need be granted travel and subsistence allowance. Ngwathe Local Municipality's subsistence and travel policy is therefore positioned within the context of the South African Revenue Services (SARS) definitions and ruling on subsistence and travel.

3. DEFINITIONS

Councilor: as defined in terms of the Municipal Structures Act (Act 117 of 1998)

Day allowance: is equivalent to the total allowance granted for meals and incidental cost for a 24-hour period portion thereof to a minimum of 8 hours after the first 24 hours.

Delegate: includes any employee who is delegated by the Council to attend seminars and congresses, or who is delegated by the Municipal Manager to attend meetings, workshops and work outside the municipal area.

Councillor: any member of Ngwathe Local Municipality's council

Incidental cost: expenses, which are not necessarily incurred in performing the duties of employment whilst away on business (e.g. telephone cost, laundry cost, drinks, tips etc.)

Meals: any food / refreshment that an employee is entitled to whilst on official Council business away from the workplace.

Municipal official: An employee of a municipality or person contracted by a municipality otherwise than as an employee.

Official duty: approved official council business / activities

Official transport: vehicles of Ngwathe Local Municipality, regarded as suitable by the Accounting Officer for the circumstances and trip to be undertaken.

4. GENERAL CONDITIONS

- a) Monies provided for subsistence and travel shall only be used for officially approved official duty.
- b) An application for subsistence and travel funds (allowance or advance) shall not be considered or processed where:
 - | all required documents have not been attached to the application; or
 - | staff have not cleared a previous advance; or
- c) Allowance and advances will **not** be paid in cash, but shall be transferred / deposited directly into the applicant's bank account.
- d) After the trip, a staff member cannot claim a travel allowance, but can be reimbursed for actual expenditure incurred.
- e) All slips for travel allowances need to be retained for Income Tax purposes.
- f) All Officials / Councillors shall be allowed to join the frequent flyer programs and they will receive the benefits of the program.
- g) Excess luggage costs will be borne by the Official/Councillor concerned.
- h) Officials/ Councillors must disclose to their insurers that they use their privately owned vehicles for business purposes from time to time as Ngwathe Local Municipality shall not be held liable for any damage that might occur to the property of the Officials / Councillor whilst on official business trip.

5. TRAVELLING ALLOWANCE

In all cases, a travelling authorization document must be completed and approved before a trip

to a dedicated destination to carry out official duty is undertaken in order for councillors and officials to qualify for reimbursement.

5.1 For Councillors

Councillors shall be paid travel allowance in terms of the government gazette regulating the payment of kilometer tariffs to councillors, and subject to the following stipulations:

- a) The travels were for the purposes of official approved official duty;
- b) In the case of more than one councillors traveling together, only one claim per trip/ group of councilors traveling together shall be accepted;
- c) Such allowances are taxable at the rate as prescribed by the Income Tax Act (no 58 of 1962) as annually promulgated by the Minister of Finance.

5.2 For Officials

- a) Any municipal official receiving a travel allowance, included in their remuneration package, and who travels outside of the Ngwathe Local Municipality's area with private transport on official duty, will be reimbursed at AA rates per kilometer travelled on official duty subject to the following stipulations:

- | Claim shall be based on the actual amount of kilometers traveled from the departure point in the Ngwathe Local Municipality area to the destination and back.
- | Employees staying outside the municipal area, will be reimbursed for the cost from the departure point to the destination and back to his / her place of residence, and/ or workplace subject to the conditions:

- b) Any other officials who do not receive a travel allowance included in their remuneration package, but uses private transport for official municipal business, in and outside of the boundaries of Ngwathe Local Municipality area, will be reimbursed at a rate of R 2.30 per kilometer based subject to the following stipulations:

- | Claim shall be based on the actual amount of kilometers traveled from the departure

point in the Ngwathe Local Municipality area to the destination and back.

- | A prior approval was granted by the Accounting Officer to use private vehicle.
- | That no other municipal transport was available at the time of the travel.

- c) In the case of more than one official travel together or accompanied each other, when traveling by private vehicle, the allowance payable will only be applicable to the person who supplies the motor vehicle.

6. AIR FARES AND RELATED COSTS

In the case of air travel, officials and councillors shall use economy class air travel to all for domestic destinations and business air travel for overseas trips subject to availability of funds.

Transport to and from the airport will be borne by Ngwathe Local Municipality.

7. USE OF ALTERNATIVE TRANSPORT

In the case where an official or councillor opts to drive in his own private vehicle instead of flying to the destination and where using flight is more cost effective than to drive, *and vice versa*, with the prior approval of the Accounting Officer, an official / councillor would be reimbursed for:

- a) An amount equivalent to the cost of the economy class air ticket (as SAA tariffs) at the time of the event
- b) In the event of the aforementioned leading to additional days at the destination, the individual would not be eligible for an added accommodation- and or day allowance.

No official or councillor may claim for travel between home and the office or *visa versa*, as such journeys are regarded for tax purposes as private and any reimbursement will be taxable

8. HIRING OF VEHICLES

Should an employee or councillor have to attend an official duty away from the Ngwathe Local Municipality's area and travels by air, train or bus to the destination, a vehicle may be hired from a vehicle hire company for official journeys for furthering the official duty, subject to the following conditions:

- a) The cylinder capacity of the vehicle may not exceed 1 600 cm³.
- b) If there are more than four delegates, not more than two vehicles or a microbus, may be hired.
- c) If a microbus is hired, the cylinder capacity may exceed 2 000 cm³.
- d) A log sheet shall be kept for all journeys with the hired vehicle. Private journeys exceeding the free kilometers/day as provided by the hiring company will be for the account of the delegate(s) utilizing the vehicle.
- e) All accounts for hired vehicles shall be certified as correct by the delegate hiring the vehicle before submitting it to the Finance Department for payment.

9. ACCOMODATION

9.1 Councillors and Officials

Where an official or a councillor is away from his normal place of work for official duty and sleeps over at the destination and is provided with accommodation, the following shall apply:

- a) Officials and Councillors shall be allowed to stay in an accommodation that is equal to a maximum amount of R 1 000 per night within the Free State Province and R1 500 per night outside the Free State Province and for any accommodation that exceeds these limits, approval should be received from the Accounting Officer.
- b) They would receive a day allowance for each 24-hour period or portion thereof to a minimum period of 8 hours after the first 24 hours.
- c) The period will be calculated from the time of leaving leave their place of residence until

they return to their place of residence.

- d) Official and Councillors would only be allowed to claim for accommodation, or stay over if the destination is beyond a radius of 100 kilometers single trip, or if specifically authorised by the Mayor in the case of Accounting Officer and Councillors and the Accounting Officer in the case of officials.

10. MEALS AND INCIDENTAL COSTS

Where the accommodation to which the allowance or advance relates is in the Republic, for a period of 24 hours or portion thereof to a minimum of 8 hours after the first 24 hours away from usual place of residence, an official or councillor shall be entitled to a claim for the following allowances, subject to the limits as follows:

- | Only incidental costs- R80
- | Meals only - R 130
- | Meals and incidental costs- R210

In cases where breakfast and supper are served at the occasion or are included in the accommodation package, an official or councillor will not be allowed to claim for meals.

In cases where an official or councillor is away on official duty for a period exceeding 6 hours, but does not sleep over, they will be reimbursed for the actual cost incurred for meals to a maximum of R 80, 00 and must provide proof of expenditure before reimbursement.

If a delegate is for any reason not in a financial position to bear the costs as indicated above out of his or her pocket, an advance to a maximum of R 210 per day may be requested subject to the following conditions:

- a) The necessary invoices, receipts or payment vouchers must be submitted to the Finance Department as proof of expenses incurred within seven days of return after the trip.
- b) In cases of failure to submit the necessary receipts, invoices or proof of expenses incurred within seven days of return by delegates, or the total advance not being

reimbursed to council within the same period, the total or portion of amount of advance shall be deducted from the delegate's salary in full on the next payroll run.

The above shall be effected without further notification or correspondence to the delegate in this regard.

11. PARKING AND TOLL FEES

The cost of parking and toll fees will be reimbursed on actual cost incurred after proof of cost incurred has been furnished.

12. TRAVEL AND SUBSISTENCE ALLOWANCES FOR APPLICANTS INVITED FOR INTERVIEWS

Traveling costs at AA tariff per kilometer may be paid if the applicant has to travel more than 100km in radius;

Air tickets and booking of accommodation for applicants, shall be arranged by Corporate Services Department, in accordance with the approved Supply Chain Management Policy as well as the stipulations and limits as prescribed in this policy

Booking of rental vehicles on behalf of applicants, as well as claims for reimbursement by applicants in relation thereto, is strictly prohibited.

A daily subsistence allowance of R 200 per night will only be applicable where the interview necessitates a night or more away from home for the applicant.

13. INTERNATIONAL TRAVEL

In cases of international travel, the municipality shall bear the actual cost of business class air ticket and the quoted price of accommodation as at the date of final confirmation.

Advance to defray meals and incidental costs shall vary depending of the exchange rate, but shall not exceed US \$215 per day and shall not be less than US \$50 per day.

14. ACCOUNTABILITY

If any official or councillor is delegated to attend an official duty outside and has received the necessary allowances and for whatever circumstances is prevented from attending, all monies advanced shall be paid back immediately. Failing this, the monies shall be deducted from the monthly salary of the official / councilor concerned.

Should the Accounting Officer fail to recover such monies, such expenditure shall be classified and reported as fruitless expenditure.

Representatives to any official duty (e.g conference, workshop or meeting must ensure that they arrive on time and attend until the conclusion of such event, failing which the Council will take the necessary steps to recover all expenses incurred by the Council, to enable such representative of council to attend, provided that such representative be afforded an opportunity to submit reasons to the Accounting Officer (in the case of Accounting Officer and Councillors, to the Mayor) for not being able to be present from commencement to conclusion of such an event.

15. EXCEPTIONS

Any exception to the provisions of this policy shall be authorised by the Accounting Officer or his delegate.

16. APPROVALS

In accordance with the delegated powers framework of the municipality, the approval of the attendance of meetings is vested in the Mayor, Accounting Officer / Municipal Manager and Directors for workshops, seminars, conferences, congresses and similar events and special visits which are in the interest of the council, provided that the necessary funds are available.

a) Approval by the Mayor shall be for attendance by:

- | Mayor
- | Councillors
- | Accounting Officer / Municipal Manager

b) Approval by the Accounting Officer shall be for attendance by:

- | Directors

c) Approval by the Directors shall be for attendance by:

- | All other officials in their respective departments

17. ANNEXTURE: Checklist of what is Included / Excluded from Subsistence and Travelling Allowance

Expense Item	Included in S&T		Notes
	Yes	No	
Flight (and related) costs		✓	
Conference fees		✓	
Accommodation costs (excl. meals)		✓	
Passport and visa expenses		✓	
Breakfast, lunch & dinner cost if included in accommodation		✓	
Breakfast, lunch & dinner cost if not included in accommodation	✓		
Telephone, laundry or other expenses which is part of hotel bill	✓		A
Parking at airport	✓		
Taxi cost to/from airport	✓		
Taxi cost in foreign country	✓		
Working Breakfast, Lunch, Dinner	✓		
Medical Insurance	✓		B
Medical costs while abroad	✓		C
Newspapers, batteries, items of a personal nature not packed but needed.	✓		
NOTES			
A	Staff claiming hotel costs in addition to the S&T allowance should provide a DETAILED invoice so that costs for telephone, laundry, etc can be identified and deducted.		
B	This cost will be an option taken by the traveller. If within SA, costs will be covered by the traveller’s medical aid. If abroad, these should be covered by the traveller’s medical aid or by a complimentary policy that should form part of the flight costs.		
C	Incidental costs for medication while abroad may be recovered from the S&T allowance.		