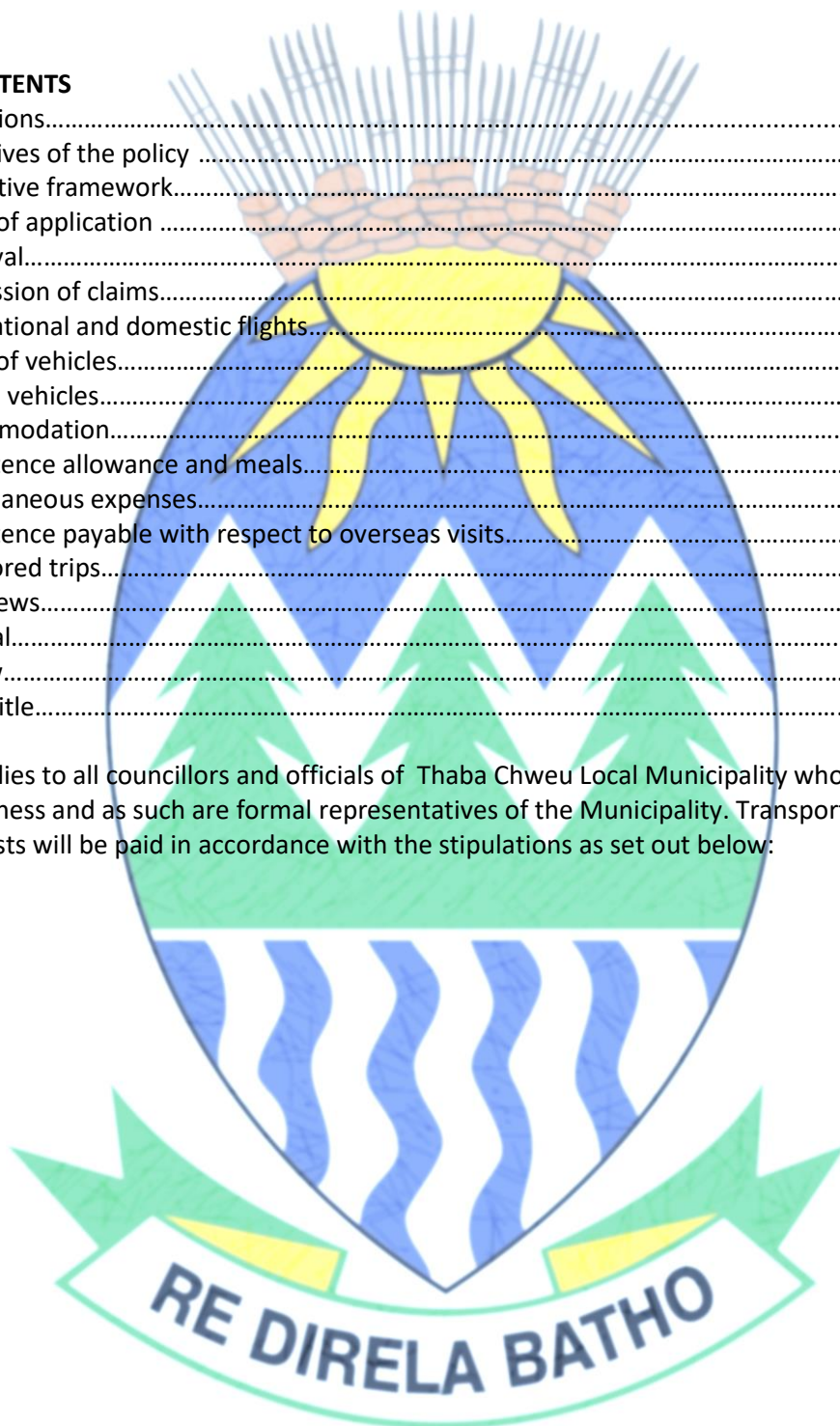


TRAVELLING AND SUBSISTENCE POLICY FOR OFFICIALS AND COUNCILLORS

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This policy applies to all councillors and officials of Thaba Chweu Local Municipality who are travelling on official business and as such are formal representatives of the Municipality. Transport and subsistence costs will be paid in accordance with the stipulations as set out below:



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1. DEFINITIONS

For the purposes of this policy, the words and expressions set out below will have the following meaning:

“applicable rate” means the rate paid as published by South African Rates for vehicles operating costs (fixed plus running costs).

“council” means the municipal council of Thaba Chweu Local Municipality municipal council.

“delegate” means any councillor or employee of Thaba Chweu Local Municipality that received permission to attend official municipal business.

“employee” means a person appointed in Thaba Chweu Local Municipality.

“travel allowance” means any amount paid to an employee who receives a fixed or running travelling allowance or structured travel allowance according to the vehicle allowance scheme and / or employment contract.

“fixed term employees” means the municipal manager and managers directly accountable to the municipal manager or any other director appointed by the municipal manager on a fixed term contract.

“municipal boundaries” means the area within 15 kilometer radius from the normal place of work.

“municipal area” means the area determined by the National Demarcation Board for the municipal area known as (MP321) THABA CHWEU.

“normal place of work” means the permanent work place / station of an employee to perform his / her duties.

“official municipal business” means approved events, meetings, seminars, congresses, workshops, training courses, or any other municipal arranged event that a delegate attends in his / her official capacity and includes the attendance of meetings of institutes as approved by council.

“Subsistence allowance” - is any allowance paid by the employer to the employee to cover accommodation, meals or incidentals costs where the employee is, by reason of the duties of his or her office or employment, obliged to spend at least one night away from his or her usual place of residence in the Republic.

“Negotiated Travelling Allowance”

-is the travelling allowance structured by incumbents employed on a fixed term performance contract as Municipal Manager or a Manager directly accountable to the Municipal Manager as part of their “all-inclusive annual remuneration package” in accordance with the Municipal Performance Regulations for Municipal Managers and Managers directly accountable to Municipal Managers.

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“Councillor Travelling Allowance” - is the portion of the total remuneration package allocated to a travelling allowance in terms of the regulations issued by the Department of Co-operative Governance and Traditional Affairs.

“Fixed travelling allowance” - is the allowance intended for permanently employed Senior Managers and Managers; these incumbents receive a monthly travelling allowance in terms of the vehicle allowance scheme as a perquisite; in other words, the allowance is seen as an additional income and a customary right or privilege applicable to incumbents in these posts. Those are incumbents on post level 0-4.

“Running travelling allowance” - is the allowance received by incumbents who do not receive a monthly allowance as a prerequisite; in other words, the allowance is not seen as an additional income or a customary right or privilege applicable to incumbents in these posts, but is regarded as an allowance to enable them to perform their duties from time to time, and is paid every time the incumbent has claimed after travelling and utilizing his/ her car for business purposes.

“Fixed average journey distance per month” means the distance in kilometers on which a monthly travelling allowance is based for a particular post. It starts running from 650km per month (minimum) to 1200km per month (maximum).

“Ad hoc travelling allowance” is the allowance payable to any official not receiving either a fixed, running or negotiated travelling allowance, but who are requested to use private transport in the execution of his/her duties. For e.g a secretary is requested to deliver documents within or outside the boundaries of Thaba Chweu Local Municipality.

“ Allowance to a holder of a public office” - is any allowance granted to the holder of a public office to cover expenditure incurred by him or her in connection with such office.

2. PURPOSE

The purpose of the policy is to provide the framework for officials and councillors for the payment of travelling and subsistence for the attendance of approved municipal events outside the municipal area or boundaries of Thaba Chweu Local Municipality.

3. OBJECTIVES OF THE POLICY

The objective of the policy are to:

- 3.1 Ensure that delegates adhere to procedures for travelling, accommodation and subsistence expenses.
- 3.2 Ensure that delegates are reimbursed for expenses incurred.
- 3.3 Ensure that payments made are for the actual cost incurred for official municipal business.

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4. LEGISLATIVE FRAMEWORK

The policy is developed and guided by the following:

- 4.1 Local Government Municipal Systems Act (Act 32 of 2000)
- 4.2 Local Government Municipal Finance Management Act (Act 56 of 2003)
- 4.3 South African Revenue Services (SARS)
- 4.4 Income Tax Act (Act 58 of 1962)
- 4.5 Motor Vehicle Allowance Scheme
- 4.6 Public Office Bearers Act, 1998 (Act 20 of 1998)

5. SCOPE OF APPLICATION

5.1 This policy is applicable to:

- a) All Councillors of Thaba Chweu Local Municipality; and
- b) All Employees appointed in Thaba Chweu Local Municipality.

6. APPROVAL

For the purpose of implementation of this policy:

- 6.1 Official municipal business to be undertaken by a councillor must be approved by the executive mayor or his / her delegate or the municipal manager provided sufficient funds are available on the budget.
- 6.2 Official municipal business to be undertaken by employees must be approved by the relevant director or his / her delegate.
- 6.3 Official municipal business to be undertaken by the director must be approved by the municipal manager and or his / her delegate according to the delegations framework provided sufficient funds are available on the budget.
- 6.4 Approved official municipal business in countries other than South Africa will be subject to the approval of the council.
- 6.5 Approval must be obtained prior the event by the delegate to travel for official municipal business outside the municipal area.

7. SUBMISSION OF CLAIMS

- 7.1 The purpose of the policy is to reimburse a delegate for travelling and subsistence expenditure incurred or deemed to be incurred for the attendance of official municipal business event and will not be regarded as conditions of employment.
- 7.2 Any delegate must have approval on a memorandum for the attendance of official municipal business for which reimbursement cost is claimed.
- 7.3 Any claim for reimbursement of expenses must be submitted on the official claim forms, i.e the Subsistence claim form and the Travelling claim form.

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- 7.4 The following documents must be submitted with the claim form:
- 7.4.1 Approval in the form of a memorandum by the director of the department of the event.
 - 7.4.2 Copy of invitation and attendance register. If not possible to obtain attendance register, a copy of the agenda will be sufficient
 - 7.4.3 Proof of expenditure / vouchers to claim specific expenses
- 7.5 Claims will only be reimbursed subject to sufficient funds on the budget.
- 7.6 An employee who uses private transport outside the municipal boundaries shall be reimbursed the actual cost per kilometre as per AA rates. (subject to change from time to time as per determination by the Minister)
- 7.7 Any claim containing false information will lead to financial misconduct and disciplinary steps being instituted. Payments made may be recovered from any money payable by the municipality to that official who submitted the claim.
- 7.8 A claim for travelling and subsistence cannot be made at the municipality as well as another institution for attending the same event. Such action shall lead to financial misconduct and disciplinary action.
8. **INTERNATIONAL AND DOMESTIC FLIGHTS**
- 8.1 Councillors, municipal manager, directors and officials as delegated shall by means of economy class at the best available fare to the airport closest to the authorized destination.
- 8.2 In the case of group bookings, scheduled and sponsored tours or travelling with delegations from National / Provincial Government, the South African Local Government Association (SALGA) or from any other government institution or private sector on official approved trips, such councillors and officials may travel by means of the same class as the members of the delegations which they accompany.
- 8.3 Preference will be given to airlines which operate direct flights to the destination.
- 8.4 In the case of time constraints and/or when economy class flights are not available or for physical and/or medical reasons (supported with evidence of medical condition) the executive mayor or municipal manager may utilize travel by means of business class for international flights only.
- 8.5 Amendments to flight bookings due to time constraints, operational requirements, logistic arrangements etc. will be subject to the prior approval of the municipal manager.
- 8.6 All requests for air travel must be made at the most appropriate rate applicable at the time of travel. To ensure that the most economical airfare is booked, officials are to finalize the relevant bookings where possible well in advance of the intended trip.

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9. HIRING OF VEHICLES

- 9.1 Hiring of vehicles may only be obtained for official municipal business events where air travel was involved or other modes of transport were not available.
- 9.2 Hiring of vehicles may not be used within the municipal area and for travel from and between municipal offices.
- 9.3 Prior approval must be obtained from the delegated director, municipal manager and / or the executive mayor.
- 9.4 Only travellers with a valid South African drivers' license may hire vehicles from the approved vehicle agency. Should the destination of the trip be outside of South Africa, the responsibility and related cost of obtaining an international driving permit rests with the delegate.
- 9.5 Only category or group "A" or "B" vehicles may be hired except when the number of representatives involved could justify the hire of a more expensive vehicle. Such request must be approved in advance by the municipal manager and / or executive mayor.
- 9.6 For the executive mayor a vehicle similar to the official mayoral vehicle or similar of the approved vehicle agency may be hired.
- 9.7 Chauffeur driven vehicles may not be used. Employees and / or councillors who are unable to drive must utilize either a shuttle service or public transport.
- 9.8 Hired vehicles must cover both super waiver damage and theft by the vehicle rental company.

10. PRIVATE VEHICLES

- 10.1 The municipal boundaries shall be used to determine reimbursements for approved official municipal business trips for delegates.
- 10.2 Employees in receipt of a travel allowance, travelling outside the municipal boundaries will be reimbursed for such travelling at the prevailing running cost kilometre tariff of the applicable rates calculated from their normal place of work.
- 10.3 Employees who are not in receipt of a travel allowance and use private transport outside the boundaries will be reimbursed for travelling according to the applicable AA rate per kilometer regardless of the value of the vehicle calculated from their normal place of work to the place of the approved official municipal business.
- 10.4 fixed term contract employees and councillors who use private transport outside the Municipal boundaries will be reimbursed for travelling according to the prescribed AA rates
- 10.5 A claim submitted by a delegate when travelling outside the municipal boundaries with private transport for official municipal business will be reimbursed subject to the following conditions:

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- i) That the trip / event was approved as an official municipal business event.
- ii) That no other municipal transport was made available for the event.
- iii) That the use of private transport for the event was approved by the relevant director, municipal manager and / or executive mayor.
- iv) The travelling expenses claim form is completed.

11. ACCOMMODATION

- 11.1 Accommodation expenses will be payable when travelling to a destination outside the municipal boundaries when it can reasonably be expected of a delegate to stay overnight during official municipal business where the distance to the venue exceeds 100 kilometers.
- 11.2 No accommodation will be payable for official visits within 100 kilometers of the Municipal boundaries. Any deviation from this provision must be motivated by the employee and / or councillor and be approved by the municipal manager prior to the date of departure.
- 11.3 Accommodation must, as far as possible, be arranged to be within 20 kilometer radius from the event. In instances where it is impractical pre-approval must be obtained from the municipal manager or relevant director, failing which no additional cost will be reimbursed for travelling expenses.
- 11.4 The actual cost of bed and breakfast will be borne by the municipality subject to a maximum of 4-star rating for the accommodation itself in respect of domestic travel. If no such accommodation is available, higher rating accommodation can be used subject to the prior approval of the municipal manager.
- 11.5 If a delegate is required to stay overnight and prefers to have dinner / lunch at the hotel or guesthouse, the cost can be paid prior to the delegates departure subjected to the following:
 - the lunch / dinner with one soft drink cost must be included on the quotation / pro forma invoice to be paid directly to the hotel/guesthouse
 - no other subsistence claims for meals or soft drinks will be considered
- 11.6 Any “extras” not provided for in the policy may not be booked against the room account and must be settled by the delegate prior to departure.

12. SUBSISTENCE ALLOWANCE AND MEALS

- 12.1.1 If a delegate stays overnight and lunch or dinner with soft drinks was booked with Accommodation, the daily subsistence allowance as determined will be paid subject to proof of expenditure.
- 12.1.2 If a delegate stays overnight a maximum of R350,00 per day will be paid for meals and soft drinks only which may not include alcoholic beverages but includes a service charge of up to 15% of the total bill subjected to the submission of documentary proof of expenditure incurred. This will not be applicable if 12.1.1 applies.

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12.1.3 No subsistence expenses will be payable for official municipal business events such as workshops or training within the municipal area / boundaries.

12.2 DAY SUBSISTENCE ALLOWANCE

A maximum of R109.00 per day for official municipal business events outside the municipal area will be payable for refreshments, meals and soft drinks, if delegate is away from his workplace longer than six (6) hours, but who does not stay overnight, upon submission of documentary proof of expenditure incurred.

12.3 A claim submitted by a delegate when travelling outside the municipal area for official municipal business will be reimbursed subject to the following conditions:

- i) That the trip/ event was approved as an official municipal business event.
- ii) The subsistence claim form is completed
- iii) Proof of expenditure is attached.

13. MISCELLANEOUS EXPENSES

13.1 Items that may be claimed where miscellaneous expenditure is incurred for official visits by councillors and officials outside the municipal boundaries subject to the submission of documentary proof of expenditure as follows:

- Parking fees
- Toll fees
- Bus fares/taxi fares subject to prior approval by the municipal manager or directors; and
- Incidental costs to a maximum of R109,00 per day. In such event where no proof can be provided by the delegate, such reimbursement must be motivated and certified by the municipal manager

13.2 No incidental costs will be reimbursed if the daily subsistence allowance of R109,00 per day has been exceeded.

14. SUBSISTENCE PAYABLE WITH RESPECT TO OVERSEAS VISITS

14.1 When travelling in countries other than South Africa the expenses actually incurred for accommodation and official transport will be payable.

14.2 The daily subsistence allowance for international travel will be paid in accordance with SARS foreign travel list of daily maximum amount of the country visited as amended from time to time from the first day of departure until the date of return. In the absence of the country's currency on the list, the equivalent to US Dollars will be paid.

14.3 The subsistence allowance for international travel will be paid in accordance with SARS foreign travel list of daily maximum amount of the country visited as amended from time to time from the first day of departure until the date of return. In the absence of the country's currency on the list, the equivalent to US Dollars will be paid.

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- 14.4 Accommodation for international travel must be the equivalent to hotel accommodation used by business travellers but in the case of attendance of conference the hotel may be used or the most convenient hotel nearest to the conference venue.

15. INSURANCE

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:

- medical expenses and assistance services,
- personal accident, including death and disability, as well as repatriation and evacuation,
- luggage,
- travel documents,
- personal liability, and
- cancellation, curtailment, and default on travel and accommodation.

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.

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

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

16. SPONSORED TRIPS

- 16.1 A trip shall be regarded as sponsored when the full /partial cost of the trip is borne by an institution or organization other than the municipality.
- 16.2 Such sponsored proportion of the total cost of the trip must be cleared in the application for the trip.
- 16.3 Travelling and subsistence payable by the municipality will be calculated as the difference between the amount payable per this policy less the monetary value of the sponsored amounts.

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17. INTERVIEWS

- 17.1 The following will be payable for invited applicants travelling to the Thaba Chweu Local Municipality for interviews:
- 17.1.1 Reimbursement travelling cost will be paid according to 50% of the SARS prescribed rate per kilometre calculated on the actual kilometre travelled from place of work or residence to the Thaba Chweu Local Municipality whichever is the most economical.
- 17.1.2 The actual accommodation cost for bed and breakfast to a maximum amount of R500,00 per night for one (1) night only, but can be extended to a maximum of two (2) nights prior approval by the municipal manager or delegated official.
- 17.1.3 No other incidental cost such as meal expenses, drinks or toll fees will be paid.
- 17.1.4 A person who uses private transport to attend an interview shall be paid the cash equivalent of most economical air ticket cost, which would have been applied in the event of air travel or actual cost per kilometre according to 50% of the SARS prescribed rate being the most economical.
- 17.1.5 The director corporate services must, based on the motivation or special circumstances, authorize the payment of accommodation for an interview candidate prior to the interview. Such accommodation arrangements must be arranged by the municipality. Should this not be practical the actual accommodation cost in paragraph 16.1.2 will only be paid subject to documentary proof of expenditure.

18. GENERAL

- 18.1 The reimbursement fees will be revised annually with the annual budget subject to the determinations by the SARS from time to time.
- 18.2 Any claim containing false information will be regarded as financial misconduct and be dealt with accordingly.
- 18.3 To save costs, if more than one (1) delegate attends a specific official occasion, they must as far as possible travel with one (1) vehicle subject to the internal arrangements of the municipal manager or director. Should more than one (1) official travel together, only the owner of the vehicle used will be eligible to receive reimbursement for the travelling costs.
- 18.4 When travel by road, the official distance to the designation will be paid. The official distance to the designation will be paid. Any kilometres travelled in excess of a 10% deviation will be for the account of the official.

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- 18.5 The daily subsistence/ allowance payable will only be reimbursed for expenditure incurred for the delegate on his / her official visit.
- 18.6 Any deviation from and ratification of minor breaches of the travelling and subsistence policy must be approved by the municipal manager but only-
- in an emergency
 - if such arrangements are not included in the policy; and /or
 - in the case of special circumstances and other exceptional cases where it is impractical to follow the travelling and subsistence policy.
- 18.7 The reason for any deviations in terms of paragraph 17.6 must be recorded and be reported to the next meeting of the Council.
- 18.8 Delegates who stay overnight must within five (5) working days from return submit the original invoices from the hotel and /or guest house to the expenditure section of the directorate financial services to confirm the attendance.
- 18.9 If proof of expenditure cannot be provided as required in terms of this policy the expenditure incurred by the relevant Municipal Manager, director, official or councillor will be for his own account.
- 18.10 Where council incurs costs due to delegates not booking into hotels, missing and / or cancelling pre-booked flights, such costs will be recovered from the individual concerned and regarded as financial misconduct.
19. **REVIEW**
This policy will be reviewed annually to ensure that it complies with changes in applicable legislation and the operating requirements of the municipality.
20. **SHORT TITLE**
This policy shall be called the Travelling and Subsistence Policy of the Thaba Chweu Local Municipality.

