



SUBSISTENCE AND TRAVELLING (S&T) POLICY

1. PURPOSE

The purpose of this policy is to regulate how traveling and subsistence costs are paid to staff members and Councilors required to undertake approved Council business which involves incurring expenses for travel, lodging, meals and other costs for attending conferences, meetings, seminars, training and conducting other Council business.

- 1.1 This policy sets out the basis for the payment of a subsistence and travel allowance for the purposes of such official traveling.
- 1.2 The policy assumes a mutual trust between Emalahleni Municipality and its employees and councilors.
- 1.3 The Municipality is expected to reimburse employees/councilors for all reasonable costs the employee/councillors may incur on behalf of the Municipality.
- 1.4 The employee/councillor is expected to use good judgement in the expenditure of public funds, which he/she has been entrusted with.
- 1.5 In all areas, not just in economic pricing, the employee/councilor is responsible for exercising good judgement in requesting, arranging and making a trip. It should be thoroughly planned well in advance. Personal business should not be mixed with official business if it will result in additional cost to the municipality or lost time, or if it will harm the Municipality's interest in any way.

2. DEFINITIONS

- 2.1 For the purposes of a subsistence allowance, a **representative** shall mean:
 - 2.1.1 Mayor,
 - 2.1.2 Speaker
 - 2.1.3 Members of the executive committee
 - 2.1.4 Other Councillors specifically authorized to represent the municipality on a particular occasion
 - 2.1.5 Municipal manager
 - 2.1.6 Directors
 - 2.1.7 Any other official specifically authorized to represent the municipality on a particular occasion
 - 2.1.8 Any official who is a member of a recognized professional institution and is granted permission to attend meetings and conferences of such institution.
 - 2.1.9 Any other person who is granted permission to attend meetings, conferences, or
 - 2.1.10 A subsistence and travel allowance is an amount of money paid by the municipality to a representative
- 2.2 For purposes of this policy, **domestic travel** shall mean travel within South Africa and **international travel** shall mean travel to any country other than South Africa.
- 2.3 **Normal workplace** means the town where the employee is stationed/required to perform his or her duties.

- 2.4 **Local travel** shall mean official travel performed within jurisdiction of Emalaheni Municipality and accomplished within one day. No travel approval form is needed.
- 2.5 **Non-local travel** shall mean official travel involving at least one overnight absence from the Municipality or to a location over 160 kilometers from the normal workplace. A travel approval form must be submitted to the relevant Head of Department.
- 2.6 **Boundaries** of the municipality shall mean the municipal area as indicated in the Demarcation Act and shall include the town in which the applicable district municipality is situated.
- 2.7 **Applicable tariff per kilometer** shall mean the tariff as per the approved Department of Roads and Transport monthly tariff schedule per vehicle schedule.

3. RESPONSIBILITIES OF REPRESENTATIVES WHO TRAVEL ON BUSINESS OF THE MUNICIPALITY

- 3.1 Every representative who travels on the business of the municipality must comply with this policy.
- 3.2 Representatives who travel on the business of the municipality must have prior approval and shall submit a report to the Council./ Municipal Manager/Director
- 3.3 Council delegates or representatives to any conference, workshop or meeting must ensure that they arrive on time and attend until the conclusion of such event.

4. SUBSISTENCE AND TRAVEL ALLOWANCE

- 4.1 All journeys undertaken must contribute to the Council's business of developing, obtaining or transferring of knowledge or to communicate and promote or administer the Council's interest.
- 4.2 The objective of a journey is to justify the cost; therefore all journeys and mode of transport must be motivated.
- 4.3 Compensation for business journeys is designed to cover the reasonable costs by representatives for expenditure incurred as the result of the journey undertaken.
- 4.4 Journeys must be planned thoroughly in order to complete it in the most efficient and cost effective manner.
- 4.5 Authorization
- 4.5.1 All journeys must be authorized prior to them occurring. An application to attend a meeting/workshop/seminar/training course, shall be made to the Municipal Manager in the case of Directors and all other employees shall apply to the Director, in a prescribed form

- 4.5.2 Only the Municipal Manager shall authorize any travel to be undertaken by the Directors
- 4.5.3 Only the Corporate Services Manager shall, in consultation with the Municipal Manager, authorize payments to be made for persons invited for interviews.
- 4.5.4 Only the Director of the Directorate shall authorize any travel to be undertaken by officials in his/her Directorate.
- 4.5.5 The approval is subjected to the provision of funding for expenses incurred on the approved budget of the relevant department.
- 4.5.6 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 relevant authorized entity, as the case may be.
- 4.5.7 Any delegate / representative who does not arrive on time and/or attend the workshop / event for its duration, the Mayor or the Municipal Manager, as the case may be, may recover all allowances and disbursements paid to enable such delegate or representative to attend such event, provided that such delegate or representative is afforded the opportunity not being able to be present from the commencement to conclusion of such events.
- 4.5.8 Travelling and subsistence will not be paid in cases where the costs are covered by the entity issuing the invitation.
- 4.5.9 All Representatives must submit a full and detailed summary of the matters discussed at the meeting attended within 7 (seven) days of their return. The report shall be tabled to the relevant standing committee.

4.3 Loss or damage

- 4.3.1 Loss or damage which includes unauthorized payments or fruitless expenditure caused by Representatives will be brought under the attention of the Mayor or Municipal Manager for further investigation and action.

4.4 Nature

- 4.4.1 The following type of expenses may result from performing official duties away from the normal workplace:

- 4.4.1.1 Accommodation
- 4.4.1.2 Meals and drinks
- 4.4.1.3 Toll gate fees
- 4.4.1.4 Travel expenses
- 4.4.1.5 Parking fees
- 4.4.1.6 Hire of motor vehicle
- 4.4.1.7 Bank charges payable for the exchange of foreign currency
- 4.4.1.8 Laundry costs for international travel

4.4.2 A subsistence allowance does not cover any personal recreation, such as visits to a cinema, theater or nightclubs, sightseeing or incidentals such as refreshments, snacks, drinks and newspapers/magazines or tips.

4.5 Compensation

4.5.1 Accommodation

Representatives 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, guest house or bed and breakfast or self-catering establishment.

The actual cost of accommodation will be borne by the municipality, subject to a maximum of the tariff charged by a four star graded hotel, motel, guest house or bed and breakfast or self catering establishment. Claims exceeding this are subject to proper motivation to the Municipal Manager for authorization. The payments for overnight accommodation will be paid directly through bookings to the place of accommodation.

Requests for payment of reservation must be submitted at least 3 days before departure to enable the administration to process the payment.

Where such accommodation is available, the rate for a single room will be payable.

If a representative travelling outside the municipal boundary on municipal business stays with a relative or friend, no accommodation allowance may be claimed, but the representative may claim an amount as prescribed by SARS from time to time per day.

Where an event starts on or before 9h00 on the first day, accommodation can be arranged for the previous night when a delegate has to travel for more than 250 km.

Where an event concludes after 16h00, delegates can arrange for accommodation when a delegate has to travel 250 km or more to reach his/her place of residence.

4.5.2 Day rate

Where it is not necessary to stay overnight on any travel for municipal business **outside the boundaries** of Emalahleni Municipality (only for longer than 4 hours away from your normal place of work), no accommodation costs will be paid, but subsistence allowance, as prescribed by SARS from time to time, may be claimed.

Where it is necessary to stay overnight, on any travel for municipal business **outside the boundaries** of Emalahleni Municipality, a subsistence allowance, as prescribed by SARS from time to time, may be claimed.

Where it is necessary to travel on municipal business **inside the boundaries** of Emalahleni Municipality and the representative is longer than 4 hours away from the normal place of work, a subsistence allowance, as prescribed by SARS from time to time, may be claimed irrespective of the number of trips undertaken. This does not apply to representatives who are required to travel inside the boundaries of the Emalahleni Municipality to perform their duties as per their job descriptions/appointment letters.

4.5.3 Meals

- 4.5.3.1 If the cost of accommodation paid excludes the provision of breakfast, a meal subsistence **allowance**, as prescribed by SARS from time to time, will apply in respect of domestic travel, subject to the submission of an invoice or receipt for the cost of the accommodation and the cost of the meal. A meal subsistence **allowance** is not applicable when a representative claims the amount of a day trip.
- 4.5.3.3 No meal subsistence allowance will be payable when **actual costs** for accommodation and meals are paid directly to the establishment (hotel, etc).
- 4.5.3.4 If the costs of accommodation paid exclude the provision for dinner, an amount prescribed by SARS will apply. The allowance is not applicable when a representative claims the amount for a day trip.
- 4.5.3.5 If the costs for accommodation paid exclude provision for lunch, an amount prescribed by SARS will apply in respect of domestic travel.

4.6 Entitlement

- 4.6.1 All claims submitted must be supported by corroborating documentation.
- 4.6.2 A representative may claim a daily subsistence allowance provided in this policy with the understanding that all authorized personal expenses are covered by the subsistence allowance. No further expenses, with the exception of allowances provided herein certain business expenses (see below), may be claimed.
- 4.6.3 The daily subsistence allowance may be claimed without the representative having to furnish proof of expenses but meal invoices must be submitted.
- 4.6.5 On returning an employee can submit additional invoices which will then be reimbursed after approval.
- 4.6.6 No subsistence allowance will be paid, and no representative will be entitled to a subsistence allowance, if the trip or travel is not related to the official business of the municipality.

5. **CAR RENTAL**

- 5.1 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).
- 5.2 Car rental must be approved as part of the travel package before the trip is embarked on.
- 5.3 A representative who rents a vehicle whilst traveling on the business of the municipality without having received prior authorization will only be reimbursed for the cost of the vehicle rental if proof of expenditure can be produced and the representative can demonstrate that vehicle rental was reasonably but unexpectedly necessitated by the circumstances.

6. SUBSISTENCE AND TRAVEL ALLOWANCES FOR PERSONS INVITED FOR INTERVIEWS

- 6.1 No subsistence costs will be paid to an external candidate invited for an interview
- 6.2 Travelling costs at DOT tariffs per kilometer may be paid if the candidate has to travel more than 100km to attend the interview. 50% of the calculated claim will be paid disbursed to the candidate on proof of ownership of the vehicle.
- 6.3 No subsistence costs will be paid to an internal candidate invited for an interview, but traveling costs at DOT tariffs per kilometer (private transport) may be paid if the candidate has to travel more than 50km to attend the interview. 50% of the calculated claim will be paid disbursed to the candidate on proof of ownership of the vehicle (verify with NATIS Dordrecht or Indwe).
- 6.4 The most cost effective transport must be utilized and the cheapest form of transport will be paid for.

7. DAILY ALLOWANCE IN RESPECT OF MEALS AND INCIDENTAL COSTS

- 7.1 The following daily allowances shall be paid in rands (calculated at the current prevailing rate) to an official or councillor when required to visit a destination outside of South Africa.
- 7.1.1 60 US\$ where three meals are included in hotel costs
 - 7.1.2 80 US\$ where two meals are included in hotel costs
 - 7.1.3 100 US\$ where one meal is included in hotel costs
 - 7.1.4 180 US\$ where no meals are included in hotel costs

8. LEGAL REQUIREMENTS

In terms of Section 66 of the Municipal Finance Management Act No. 56 of 2003 the accounting officer of the municipality must report to the council, in the format and for the periods prescribed, all expenses relating to staff salaries, allowances and benefits, separately disclosing, *inter alia*, travel, subsistence and accommodation allowances paid.