

MOPANI DISTRICT MUNICIPALITY



SUBSISTENCE AND TRAVEL POLICY

TABLE OF CONTENTS

ITEM	DESCRIPTION	PAGES
1.	Preamble	3
2.	Purpose / Objective	3
3.	Scope of the policy	3
4.	Definitions	3
5.	Legal Mandate	4
6.	Administration of the policy	4
7.	Policy Content (Body of the policy)	4
7.1.	Authorisation of trips	4
7.2.	Local travel	4
7.2.1	Qualification of substance claims	4
7.2.2.	Meals	
7.3	Accommodation	5
7.4.	Parking and toll gates	5
7.5	Hired cars	5
7.6	Road Transportation	6
7.7	Air Transport	6
7.8	International Destination	6
7.9	Travel and substance Allowance for Internal Destinations	7
7.10	Limitations on the number of visits	7
7.11.	Official travel costs reimbursement	7
7.12.	Claim procedure	8
7.13.	Limitations of officials reimbursement	8
7.14	Payment of travel allowance	8
8.	Subsistence and Travel Allowance Increase	8
9.	Formula for reimbursement	
10.	Default	9
11.	Availability of the Policy	9
12.	Inceptive date	9
13.	Policy review	9
14.	Inceptive date	9

15.	Adoption by the Council	9
16.	Authority	9

1. PREAMBLE

Mopani District Municipality shall provide for reasonable recovery of travelling costs incurred by officials and Councillors in pursuit of municipality interests at places other than the official place of work.

The Policy thus provides guidelines on travel and substance arrangements for municipal officials and councillors. It is envisaged that from time to time officials and Councillors will be required to perform duties away from their normal place of work.

2. OBJECTIVES

The objective of Subsistence and Travel allowance policy is to provide for:

- 2.1. The circumstances under which claims can be lodged for accommodation, subsistence and travelling.
- 2.2. The amounts that can be claimed and other incidental matters
- 2.3. Conditions and authorizations required for traveling.
- 2.4. Encouraging a culture of saving costs to Council.

3. SCOPE OF THE POLICY

- 3.1. This policy applies to all officials, Councillors and prospective employees of Mopani District Municipality subject to any legislation, regulations or agreements.
- 3.2. Any aspect that is concurrently provided for in this policy and any Legislation/regulation/agreement shall take precedent over provision of such policy

4. DEFINITIONS

“MDM” Mopani District Municipality

“Employee” An individual who works permanent or on contract of employment, where oral or written and has recognised rights and duties.

"" **KM**" Kilometre

"Relocation" refer to the change in the Physical location of a business or an individual.

"Furniture removal" refers to the relocation of business of household equipment from one place to the other.

"Transfer" Moving from one place to another.

5. LEGAL MANDATE

- I. *Constitution of the Republic of South Africa 108 (Act 108 of 1996)*
- II. *Basic Condition of Employment Act (75 of 1997)*
- III. *Labour Relation Act (66 of 1995)*
- IV. *Municipal System Act 2000 32 (Act 32 of 2000)*
- V. *Municipal Finance Management Act 2003 (Act 56 of 2003)*
- VI. *Income Tax Act 1962 (Act 58 of 1962)*
- VII. *SALGBC Collective agreements (wage and salary agreements)*

6. ADMINISTRATION OF POLICY

- a. Responsibility and authority to implement this Policy is with the Municipal Manager or his / her delegated official/s.
- b. This responsibility includes communication of the Policy and related procedures.
- c. Any questions should be directed to the office of the Director Corporate Services.

7. POLICY CONTENT

7.1. AUTHORISATION OF TRIPS

1. The Executive Mayor will generally approve the Municipal Manager's travel engagements. However, the following exceptions will apply:

- II. For any travel within the Municipality's jurisdiction which is obviously and directly related to the business of the Municipality no pre-authorisation is required; the Municipal Manager will however inform the Executive Mayor.
- III. For any travel to other parts of South Africa, which is obviously and directly related to the business of the Municipality, no permission is required; the Municipal Manager will however inform the Executive Mayor.
- IV. Approval to undertake a trip for which any other employee will make a subsistence and travel claim is to be granted by a Senior Manager responsible for the particular Directorate in which the employee is employed.
- V. All employees log books may be required by the Accounting officer from time to time for Audit purposes

LOCAL TRAVEL

QUALIFICATION FOR SUBSISTENCE CLAIMS

All claims procedures to be made in line with the National Treasury Regulations and take into consideration of the Cost Containment Policy. An employee shall be entitled to an amount of R169.00 per night for inconvenience which excludes meals and is only paid if the employee stays overnight regardless of whether the accommodation was booked by Council or not. No receipts are required.

b. ACCOMMODATION

- I. The cost of hiring a hotel or lodge accommodation shall be borne by the municipality for all council employees on official business; should the occasion warrant or require more than the prescribed standard, the Municipal Manager shall be required to authorise it and report it to the next council meeting.
- II. Employees will be entitled to accommodation if the business is outside the jurisdiction of the municipality, for more than one (1) day and for the employee to reach the destination of the business they will have to leave before 06:00.

- III. The business is scheduled to be concluded such that the employee would arrive back to their home or destination after 19:00 provided that where business concludes after 17:00 the distance to the employee's home or destination should be more than 200km
- IV. Where no accommodation is booked for the employee, an amount as prescribed in the National Treasury Regulations will be paid to an employee for own accommodation.

7.4.5 Interviewees, who have to sleep overnight for attending interviews because of distance, shall be provided with dinner and accommodation.

7.3. PARKING AND TOLLGATES

- 7.4.1 Parking and tollgate costs are reimbursable and the employee has to supply the proof of expenses or original receipts to Budget and Treasury when submitting a claim.
- 7.4.2. Claims not accompanied by the relevant proof of payment or original receipts will be regarded as unauthorized and will not be paid.

7.5. HIRED CARS (LOCAL, NATIONAL AND INTERNATIONAL)

- 7.5.1. The category of vehicle hired for travelling must take into account the level of seniority in the Municipality.
- 7.5.2. Employees who use air transport but are attending the same function will be entitled to one (1) hired car, with rental classification of Group C.
- 7.5.3. Only the Municipal Manager may waive this provision under justifiable circumstances.
- 7.5.4. When an employee travels outside the country, a hotel shuttle or pre-arranged transport agency will be used (whichever is cheaper)
- 7.5.5. An employee may be allowed to use a pre-hired car to travel to national destinations, provided that the cost is not more than air transport. The employee concerned must make such a request in advance.
- 7.5.6. The municipality takes up full insurance for all hired vehicles.

National: Hotel/Guest House:	Not higher than a 4 star Hotel, lodge or B&B
International	The equivalent of a South African Four (4) Star Hotel/Guest House

7.6. ROAD TRANSPORTATION

- 7.6.1. In a situation where a private vehicle is used, a claim for the actual kilometres travelled shall be paid in accordance with the current municipal tariff structure prescribed by the Dept. of Transport regulations.
- 7.6.2 A number of council employees who attend the same function shall at all times attempt to reduce the cost to Council by using one vehicle **(travelling in company)** where circumstances permit, provided that the institution takes cognisance of the need to manage the risk to institution for capacity
- 7.6.3 In a situation where a municipal vehicle is used, no claim shall be paid, except for unforeseen incidental cost such as breakdowns, re-fuelling, parking and tollgate fees
- 7.6.4 No traffic offence ticket would be paid for unless it can be proven that there is no negligence on the part of the driver.
- 7.6.5 The Municipal Manager or the relevant Senior Manager shall make all attempts to make a municipality vehicle available to council employees to reduce the costs to Council before employees can be permitted to use private vehicle(s).

7.7 AIR TRANSPORT

- 7.7.1. Every attempt shall be made to reduce travel costs by comparing the cost advantage of using alternative transport modes.
- 7.7.2 The choice of flight has to place emphasis on Safety and to air travel reasonable comfort and make reasonable provision for disabled employees.

7.7.3 Council employees should at all times be booked into economic class, however due regard will be made to the Municipal Manager to travel using business class in exceptional circumstances.

7.8 INTERNATIONAL DESTINATIONS

7.8.1. AUTHORISATION

7.8.1.1 Approval to undertake an international trip for by the Municipal Manager is to be granted by the Executive Mayor.

7.8.1.2 The Municipal Manager may authorize travelling on an international trip and the payment of their Subsistence and Travel by Managers Directly Accountable to the Municipal Manager. This is on condition that the expenses to be incurred are on the approved budget of the relevant Directorate;

7.8.1.3 Senior Managers may authorise travelling by officials within their directorates provided the expenses to be incurred are on the approved budget of the relevant Directorate;

7.9 TRAVEL AND SUBSISTENCE ALLOWANCE FOR INTERNATIONAL DESTINATIONS

7.9.1. A council employee authorised to undertake an international trip will be entitled to an international subsistence allowance consistent with the minimum daily amounts in respect of meals and incidental costs provided for in the *Determination of the Daily Amount In Respect of Meals and Incidental Costs for Purposes of Section 8 (1) of the Income Tax Act1, 1962 (Act 58 Of 1962*

7.10 LIMITATIONS ON THE NUMBER OF VISITS

7.10.1. It is imperative that council employees attend the conferences, seminars meetings, workshops, etc. that have relevance to their own portfolios.

7.10.2. Payment of Subsistence and Traveling allowance for repetitive attendance of workshops, conferences and training sessions of the same content or nature within one financial year will not be allowed.

7.11. OFFICIAL TRAVEL COSTS REIMBURSEMENT

- 7.11.1. Employees are to be compensated for official travel costs for travel of distance of more than 15 non-consecutive kilometres as per nature of the employee's job. The maximum KM travelled per month should not exceed 3500.
- 7.11.2. To claim travelling within the district municipality the employee must, prior to undertake any such official travel, submit their weekly work plan to the Senior Manager responsible for the Directorate with completed prescribed pre-trip authorization form for approval.
- 7.11.3. All official travel outside the jurisdiction of the municipality shall be approved by the Senior Manager responsible for the directorate to which an employee is attached for all employees, on the prescribed Pre-Trip Authorisation Form (Annexure A), and documentary proof of the relevance of the travel shall be attached to the form.
- 7.11.4. All travel within the jurisdiction of the municipality by Senior Managers appointed in terms of S56 of Municipal Systems Act, 32 of 2000 and Managers reporting directly to the Municipal Managers shall be approved by the Municipal Manager.
- 7.11.5. All official travel by the Municipal Manager shall generally be approved by the Executive Mayor. However, the following exceptions will apply:
 - 7.11.5.1 For any travel within the Municipality's jurisdiction which is obviously and directly related to the business of the Municipality no pre-authorisation is required. The Municipal Manager will however inform the Executive Mayor.
 - 7.11.5.2 For any travel outside the jurisdiction of the municipality, which is obviously and directly related to the business of the Municipality, no permission is required. The Municipal Manager will however inform the Executive Mayor and formal trip authorisation shall be completed later.

7.11.6. Reimbursement for travel costs shall be calculated using the tariffs published by National Department of Transport.

7.12. CLAIM PROCEDURES FOR REIMBURSEMENTS

7.12.1. All claims for reimbursement for official travel costs must be approved for submission for payment by Senior Manager of the directorate to which the claimant is attached, and by the Municipal Manager for Senior Managers employed in terms of S56 of MSA, No. 32 of 2000 and other employees reporting directly to the Municipal Manager.

7.12.2. All claims for reimbursement for official travel costs incurred by the municipal manager must be approved by the Executive Mayor.

7.12.3. Claims for all approved official travel shall be submitted by the claimant to the designated official in the Budget and Treasury office for processing no later than the date set in the salary payment schedule published at the beginning of each financial year. Any late payments shall be processed in the next round of payment of reimbursement for official travel claims.

7.12.4. Google maps will be used as a measuring tool to monitor distance travelled.

7.13. LIMITATIONS TO OFFICIALS TRAVEL REIMBURSEMENT.

7.13.1. All claims for reimbursement for official travel shall be submitted to the designated official in the Budget and Treasury Office

7.13.3. Any claim for reimbursement for official travel not claimed within Four (4) months of the official travel being undertaken shall be deemed to have prescribed. Claimants will not be entitled to payment for prescribed travel reimbursement claims.

7.14. PAYMENT OF TRAVEL ALLOWANCE

7.14.1. If employees who occupy posts that are not entitled to car allowance, and for whatever reason recommended by their line Senior Managers, subject to approval by the Municipal Manager, utilise their private vehicle for official

travel shall be reimbursed in accordance with AA rates, taking into account engine capacity as prescribed in transport allowance policy.

- 7.14.2. The money claimed must be paid within 30 working days.
- 7.14.3. Allowances must be redefined and a breakdown must be clear.
- 7.14.4. All attachments (Proof of payment) must accompany the claim made.

8 SUBSISTENCE AND TRAVELING ALLOWANCE INCREASES

- 8.1. Subsistence and traveling allowances shall increase annually by a percentage as determined and agreed upon by the South African Local Government Bargaining Council

9.FORMULA FOR REIMBURSEMENT

- 9.1. The Municipality uses AA rates when reimbursing employees for official kilometres travelled.
- 9.2. The formula for paying employees for official kilometres travelled is as follows:

Kilometres travelled X Rate (cc or engine capacity)

10. DEFAULT

- 10.1. Disciplinary measures will be applied to any official who fail to comply with the contents of the policy.
- 10.2. Any dispute arising from this policy due to interpretation of wording or phrasing must be referred to the Local Labour Forum for adjudication and the resolution from the Local Labour Forum must be incorporated into the policy.

11. AVAILABILITY OF THE POLICY

This policy shall be put on Mopani District Municipality's website and policy workshop for all employees shall be conducted annually after the policy has been reviewed

12. INCEPTION DATE

This policy will come into effect on the date of adoption by the council

13. REVIEW OF THE POLICY

The policy shall be reviewed annually or as an when the need arises.


14. POLICIES REPEALED

All other subsistence and traveling policies approved before this one are hereby repealed


15. ADOPTION BY COUNCIL:

Resolution NO: SCD/16/2024	Approved Date: 16 May 2024
Effective Date: 01 July 2024	Review Date: ANNUALLY

16. AUTHORITY



MUNICIPAL MANAGER
MR T.J MOGANO



COUNCIL SPEAKER
CLL N.M MASWANGANYI