



**NGQUSHWA LOCAL
MUNICIPALITY**

FINAL SUBSISTENCE AND TRAVELLING

POLICY

2024/2025

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Related Legislation/Applicable Section of Legislation	Municipal Finance Management Act of 2003
Related Policies, Procedures, Guidelines, Standards, Frameworks	SARS Guidelines National Treasury MFMA circulars Department of Transport Rates
Replaces/ Repeals (whichever is relevant, if any)	Subsistence and Traveling Policy 2023/ 2024
Policy Officer (Name/Position)	Expenditure Manager
Policy Officer (Phone)	040 6733 095
Policy Sponsor (Name/Position)	N/A
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TABLE OF CONTENTS

NO.	CONTENTS	PAGE NOS
1.	Introduction	3
2.	Legislative framework	3
3.	Objectives	3
4.	Travelling expense	4
5.	Car rental	5
6.	Domestic international air travel	5
7.	Accommodation and subsistence	5
8.	Hotel accommodation (Domestic)	6 - 8
9.	Private accommodation	8
10.	Claims for less than 24 hours	8
11.	Payment of S&T for interviews and DC participants	9
12.	Procedure for submission of subsistence and travelling claim	9
13.	International travel	10
14.	Calculation of subsistence	10
15.	Parking/tollgate fees	10
16.	General	10
17.	Monitoring, evaluation and reporting	11
18.	Communication	11
19.	Review of the policy	11
19.	Adoption and approval of the policy by Council	11

1. INTRODUCTION

The demarcation of new municipal boundaries has adjusted the boundaries of various municipalities drastically. Travelling within and outside the local municipality has created an extra burden on subsistence and traveling costs. The role of local municipalities in Municipal International Relations necessitates honoring by such municipalities of the international obligations.

The travelling and subsistence of both municipal employees and Councillors either internationally or domestically needs to be regulated. In payment of subsistence and travelling allowance the principle is to ensure the safety and convenience of both the municipal staff and Councillors in the execution of their official tasks. The purpose of the policy is to set out the basis for the payment of subsistence and travel allowance when municipal representatives are on official municipal duty.

2. LEGISLATIVE FRAMEWORK

2.1 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 for the period prescribed, all expenses relating to staff salaries, allowances and benefits, separately disclosing *inter alia* travel, subsistence and accommodation allowances paid.

2.2 Remuneration of Public Office Bearers Act, 1998 Act No20. of 1998 determine the upper limits of salaries, allowances and benefits of the different members of Municipal Councils.

2.3 All Collective Agreements relevant to the application of this

2.4 Policy will apply.

3. OBJECTIVES

3.1 To ensure reimbursement of expenses incurred by Councilors, traditional leaders and officials in their execution of tasks.

3.2 To ensure that the reimbursement exercise is accounted for and transparent.

3.3 To safeguard the interests of Officials, traditional leaders Councilors and the Ngqushwa Local Municipality.

4. TRAVELING EXPENSES

When Councilors / officials make use of their own transport for official travel, the following will be applicable:

4.1 Councilors, Officials Receiving Travel Allowance and Section 56 Managers

- Officials elected to receive Travelling allowance as a benefit, (and amount thereof) will be determined by processes managed by Corporate Services, documented in the Travelling Allowance Policy.
- Officials will only be reimbursed for authorized official trips from Ngqushwa Local Municipality to the destination point, after a reaching 300km's each month for official trips. The compensation will be calculated at current applicable rates based on Department of Transport tariffs.
- Official travel will only be reimbursed upon approval by the HOD; supported by appropriate proof of undertaking of the official trip. No travel may be claimed in excess of 1000 kms after reaching the minimum 300 kms.

4.2 Councilors and Officials Not Receiving Travel Allowance

- Officials and Councilors will be reimbursed on authorized official trips for kilometers travelled from Ngqushwa Local Municipality office (office of operation) to destinations outside their point of operations. The compensation will be calculated at current applicable rate based on Department of Transport tariffs.
- The use of official's motor vehicle must be approved by the Municipal Manager/HOD prior the use of own vehicle. (The HOD must first approve the actual travelling). No travel may be claimed in excess of 1000 kilometres.
- Where possible representatives must travel together up to a maximum of four in a vehicle to minimize travelling expenses.
- A Councilor may utilize a Council owned vehicle when Performing Ceremonial functions.

5. CAR RENTAL

- 5.1 Council encourages the use of shuttle services for all officials and councilors if the cost of such a service is below the cost of hiring a vehicle.
- 5.2 Hiring of vehicles for all officials and council members will be from a category below Group B (Sedan or 5 seater) or an equivalent class. Employees may only accept an up-graded hired vehicle if such an upgrade is offered for free or at a lower charge than Group B, after approval by the Accounting Officer.

6. DOMESTIC AND INTERNATIONAL AIR TRAVEL

- 6.1 The Mayor, Speaker and EXCO may travel on the Business class on international air travel and economy class on domestic air travel.
- 6.2 All other Councilors and officials must travel in the Economy class for domestic air travel purposes.
- 6.3 Should a delegate need to travel to the airport to embark on a flight, the chauffeur service of the Council should be utilized to transport the delegate to the airport. Should the chauffeur service not be available, a delegate may use his own vehicle and will be compensated in accordance with the applicable Department of Transport tariffs. The cost of parking tickets to leave the vehicle at the airport and may be claimed from Council upon submission of original receipts.

7. ACCOMMODATION AND SUBSISTENCE

- 7.1 Actual cost of accommodation and meals shall be paid by the Council for the duration of the stay at such institution. Accommodation will be provided for the previous night only where a meeting to be attended starts before 09h00 provided that the venue is at least 100 km away from Peddie. Accommodation will also be provided for the night of such meeting where it ended after 16:00 provided that the venue is at least 200 km away from Peddie. Weather conditions and nature of the roads to be traveled will be considered in certain circumstances.
- 7.2 Subsistence payments- Overnight allowance of R120.00 per day shall be paid when travelling outside the Ngqushwa Local Municipality's area of jurisdiction for an overnight trip.

8. HOTEL ACCOMMODATION (DOMESTIC)

- 8.1 Actual cost limited to an amount as determined by MFMA Circular 97 per night to cover the cost of bed and breakfast.
- 8.2 Ngqushwa Municipality to be invoiced for accommodation by travelling agency on hotel groups / guests houses, before departure.
- 8.3 A daily allowance as determined by SARS guidelines for incidental expenses and meals as determined by MFMA Circular 97 will be paid by the Ngqushwa Municipality for traveling outside the area of jurisdiction. This allowance will be calculated from the date of departure up to and including the date of arrival back to Ngqushwa Municipality.
- 8.4 The Accounting Officer must ensure that costs incurred for domestic accommodation and meals are in accordance with the maximum allowable rates for domestic accommodation and meals as communicated from time to time by the National Treasury through a notice.
- 8.5 Meals may be taken elsewhere if the hotel does not provide for such service or where it is necessary.
- 8.6 When meals are not included in the hotel accommodation the following maximum amounts are payable: -
- Dinner – R180 (including tea/coffee soft drinks)
 - Lunch – R160.00 (including tea/coffee soft drinks)
 - Breakfast – R110.00 (including tea/coffee soft drinks)
- 8.7 No claims without receipts will be entertained. Only in those circumstances where receipts are not readily granted e.g. rural areas, informal business etc. will a written memo of expenditure be accepted. The claims should not exceed the respective amounts for meals and will be based on what was actually paid.
- 8.8 Where a flight arrives, after 17h00, at a destination outside the Ngqushwa Local Municipality's jurisdiction, provided that such destination is at least 120 km away from Peddie, hotel accommodation may be provided.
- 8.9 National Treasury has established maximum allowable rates for domestic accommodation. When sourcing accommodation for officials, municipalities and municipal entities should find options that are equal to or lower than the rates in Table 1, as contained in Annexure A to MFMA Circular 97, depending on the allowable star grading and the band. Competition and cost effectiveness must remain a key principle.

TABLE 1: RATES SET FOR DOMESTIC HOTEL ACCOMMODATION

Voucher Includes	BAND 1	BAND 2	BAND 3
	Room Only	Bed & Breakfast	Dinner, Bed and Breakfast
	Tourism Levy	Tourism Levy	Tourism Levy
	VAT	VAT	VAT
			2 x soft Drinks at Dinner

Graded Hotel, Boutique Hotel, Lodge or Resort

	BAND 1	BAND 2	BAND 3
1 Star	R 590	R 730	R 855
2 Star	R 920	R 1 050	R 1 230
3 Star	R 1 120	R 1 230	R 1 400
4 Star	R 1 275	R 1 380	R 1 550
5 Star	R 2 140	R 2 250	R 2 500

Bed & Breakfast, Country House or Guest house

	BAND 1	BAND 2	BAND 3
1 Star	R 3350	R 495	R 630
2 Star	R 510	R 670	R 830
3 Star	R 920	R 1 080	R 1 230
4 Star	R 1 020	R 1 180	R 1 330
5 Star	R 1 225	R 1 385	R 1 530

Self-Catering*

	BAND 1	BAND 2	BAND 3
1 Star	R 590		
2 Star	R 920		
3 Star	R 1 120		
4 Star	R 1 275		
5 Star	R 1 475		

Meals**

	BAND 1	BAND 2	BAND 3
Breakfast	R 110	R -	R -
Lunch	R 160	R 160R 160 Dinner	R 180
	R 180	R -	
Total	R 4500	R 340	R 160

Accommodation costs are assumed to be inclusive of Parking and Wi-Fi (if available), and exclusive of Laundry expenses.

*Including Exclusive and Shared Facilities. Exclusive facilities offer travellers a sole occupancy unit consisting of one or more bedrooms and self-contained public areas e.g. kitchen, dining area and lounge.

Shared Facilities consisting of one or more bedrooms and self-contained shared public areas e.g. kitchen, dining area and lounge.

**Maximum amounts that can be claimed for meals. The claim for the actual amounts must be supported by a receipt.

8.10 If a negotiated rate for a specific star grading is equivalent to or lower than the rate for the lower star grading, the official may be accommodated in the establishment with the higher star grading. This means that an official may be accommodated in a four-star establishment if the rate at the four-star establishment is the same as or lower than a three-star establishment.

8.11 Where there is an alternative star grading indicated in Table 1 (i.e. 4/5 or 3/4), the maximum allowable rate of the lower star grading will be the benchmark. The higher star grading can only be booked if:

- a) The higher star graded facility is the only available option due to location and availability; or
- b) The municipality has negotiated lower rates with the higher star graded facility.

9. PRIVATE ACCOMMODATION

9.1 If the individual utilizes private accommodation, such official / Councilor will be entitled to R600.00 per day to cater for costs incurred. (Exceptional cases will be catered for.)

9.2 Private sleeping arrangements whenever they are allowed shall not inconvenience the Council work.

9.3 Prior utilizing such accommodation individuals should seek permission from their respective supervisors

10. CLAIMS FOR LESS THAN 24 HOURS

The following criteria shall apply for claims less than 24 hours:-

- In order to claim for breakfast the claimant shall have left for official business before 06h00.
- For dinner claim the claimant shall have returned from official business after 19h00.
- If breakfast, lunch or dinner is served during official business, then Officials and Councilors should not claim for the above.
- For lunch the claimant shall have returned from official trip after 17h00.

11. PAYMENT OF TRAVELLING AND SUBSISTENCE ALLOWANCE TO CANDIDATES ATTENDING INTERVIEWS FOR VACANT POSITIONS AND EXTERNAL PARTICIPANTS FOR DISCIPLINARY HEARINGS.

- 11.1 Accommodation costs will be payable at 100% and Travelling costs will be payable at 100% of the Department of Transport tariffs to candidates/external participants who have to travel more than 200kms to attend interviews/disciplinary hearings and travel back again to their home/places of work. In the case of public transport, the actual costs incurred will be payable.
- 11.2 Travelling by air will only be allowed in exceptional cases after approval by the Municipal Manager. If a candidate/external participant on his/her own account do travel by air for an interview/disciplinary hearing and he/she has to rent a car to travel to NLM and back to the airport the payment for the latter will only be effected as per the stipulation of clause 12.1.
- 11.3 Payment of the above mentioned travelling costs will be subject to budget availability.

12. PROCEDURE FOR THE SUBMISSION OF SUBSISTENCE AND TRAVELING CLAIMS.

- 12.1 All claims with supporting documents attached shall be submitted to the Finance Directorate as soon as possible after the official/Councilor has returned from official business. S&T claims older than 2 months (60 days) will not be accepted for payment as it will represent irregular expenditure.
- 12.2 All claims shall be submitted on the official claim forms obtained from the relevant secretaries.
- 12.3 All claims shall be accompanied by the following supporting documents:
- a) Invitation for a meeting or conference or training
 - b) Attendance register or memo signed by HOD and MM or confirmation letter that you attended from the institution or school.
 - c) Pre-approval letter by the HOD/MM for the use of own motor vehicle
 - d) Department of Transport Rates
 - e) ENATIS document

13.INTERNATIONAL TRAVEL

Where a Councilor/Official is required to visit an international destination the following shall apply: -

13.1 Where the accommodation to which the allowance or advance relates, is outside the Republic, an amount equal to the prescribed amount applicable to the relevant country is deemed to be expended for each day or part of a day in the period during which the employee is absent from his/her usual place of residence in accordance with the table for the country in which that accommodation is located. Refer to PAYE-GEN-01-G03-A02: Subsistence allowance- foreign travel-external annexure

13.2 Payment to be made in rands to enable the traveler to purchase the equivalent of the forecasted currency that applies in that country.

13.2 The allowance is also claimable in advance of travel in the case of traveling outside South Africa.

13.3 In the case of International travel, the day of departure from South Africa and the day of return to South Africa each qualify for a subsistence allowance.

13.4 No advances on vehicle rental will be made available. A certified invoice from a traveling agency issued by a vehicle rental agency must be submitted to the Council for payment.

14.CALCULATION OF SUBSISTENCE ALLOWANCE

14.1 Allowances shall be based on the shortest reasonable time lapsed and the shortest reasonable distance to travel from the point of departure to the authorized destination and back to the original point of departure.

15.PARKING/ TOLLGATE FEES

Claims for reimbursement for parking and tollgate fees will only be considered when Councilors and officials have produced cash slips or receipts.

16.GENERAL

All Officials and Councilors must comply with the policy in its entirety. The policy may be reviewed annually due to changes in government policy and or relevant legislation, based on the decisions of the Council and the powers delegated to the Municipal Manager.

17. MONITORING, EVALUATION AND REPORTING

A report detailing the progress with the implementation of subsistence and travelling Policy with specific reference to achievement of this policy has to be compiled every year by the person with the responsibility for implementation and monitoring. The policy must be made available to all consulting parties for perusal and comment and must be circulated to all staff members by means of circulars, notices and notice boards.

18. COMMUNICATION

Circulars, messages and notices on notice boards will be utilized in order to inform all employees of the availability of the policy. Copies of the policy will also be distributed to the parties that took part in the consultation process

19. REVIEW OF POLICY

It will be the responsibility of the Corporate Services Department to consider the provisions of this policy on annual basis.

20. APPROVAL OF POLICY

This Policy is approved by Council and shall be effective from the date of approval

APPROVED BY COUNCIL ON 31 MAY 2024


MUNICIPAL MANAGER


MAYOR OF COUNCIL