



**SUBSISTENCE AND TRAVELLING POLICY
2018/2019**

Summary

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. The objectives of this policy is to enable the Municipality to implement standard and reasonable measures for international and local travelling and to set out the basis for the payment of subsistence and travel allowance for the purposes of such official travelling. 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.

Publication Date	01 July 2018
Review Date	February 2018
Related Legislation/Applicable Section of Legislation	Municipal Finance Management Act no. 56 of 2003- Section 66
Related Policies, Procedures, Guidelines, Standards, Frameworks	Ngqushwa Local Municipality Expenditure Procedure Manual SARS PAYE GEN-01-G03-A02 Department of Transport Tariffs and Rates of Reimbursement
Replaces/ Repeals (whichever is relevant, if any)	Subsistence & Travel Policy 2017/2018
Policy Officer (Name/Position)	Manager Expenditure & Payroll
Policy Officer (Phone)	040 6733 095
Policy Sponsor (Name/Position)	N/A
Department Responsible	Budget and Treasury Office
Unit responsible	Expenditure & Payroll Unit
Applies to	All Ngqushwa Local Municipality Employees and Councillors.
Key Words	Subsistence Expenditure- Means the expenditure in respect of accommodation, meals (including non-alcoholic beverages with meals), dry cleaning and laundering.

Status	Reviewed
Council approval date	30 May 2018
Version	Version 1

REVISION RECORD

Date	Version	Revision Description
May 2018	Version 1	Subsistence & Travel Policy

DEFINITIONS AND ABBREVIATIONS

Term	Meaning
HOD	Head of Departments
CFO	Chief Financial Officer
MM	Municipal Manager
S&T	Subsistence and Allowance

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1. PURPOSE

- To ensure reimbursement of expenses incurred by Councillors, traditional leaders and officials in their execution of tasks.
- To ensure that the reimbursement exercise is accounted for and transparent.
- To safeguard the interests of officials, traditional leaders, councillors and the Ngqushwa Local Municipality.

2. LEGISLATIVE FRAMEWORK

- 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.
- 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
- All Collective Agreements, National Treasury Circulars relevant to the application of this policy will apply.

3. SCOPE

This policy applies to the following:

- Mayor
- Speaker
- Councillors
- Traditional leaders
- Municipal Manager

- Heads of Departments
- All other municipal officials

4. PROCEDURE DETAILS - TRAVELLING EXPENSES

This provision excludes the Mayor and Speaker, as they are provided council owned vehicles, and the running and maintenance cost thereof, for official and private use.

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

4.1 Officials Receiving Travel Allowance and Section 56 Manager

Officials elected to receive Travelling allowance, (and amount thereof) will be determined by processes managed by Corporate Services

Officials will be only be reimbursed for authorized official trips, using Department of Transport rates after the attainment of the following kilometres for each month

4.1.1 Field workers – 320kms

4.1.2 Office based officials and Section 56 Managers - 500kms

Travel will be reimbursed upon approval by the HOD; supported by appropriate proof of undertaking of the official trip. The official will only be reimbursed for kilometres from Ngqushwa Local Municipality office (office of operation) to the destination point. The compensation will be calculated at current applicable rates based on Department of Transport tariffs.

4.2 Councillors and Officials Not Receiving Travel Allowance

Officials and Councillors will be reimbursed on authorized official trips for kilometres 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 Municipal Manager/HOD shall approve such claims. (The actual travelling must first be approved by the HOD)

- 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

4.3 CAR RENTAL

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

4.4 DOMESTIC AND INTERNATIONAL AIR TRAVEL

- The Mayor, Speaker and EXCO may travel on the Business class on international air travel and economy class on domestic air travel.
- All other Councillors and officials must travel in the Economy class for domestic air travel purposes.

4.5 ACCOMMODATION AND SUBSISTENCE

- Officials and Councillors on official trips may be accommodated in the following: - Hotel, bed and breakfast and private accommodation.
- Junior level staff and middle management and councillors are encouraged to be accommodated at a three-star establishment with the below applicable thresholds, except in cases deemed impractical, which must be approved by the accounting officer.
- Senior management and EXCO members may be accommodated at a four and five-star establishment. Acknowledging that accommodation depends on availability, locality and rates, municipal officials are required to be economical. Competition and cost effectiveness must remain a key principle.

Table 1: Rates set for Domestic Hotel Accommodation Grid			
	BAND 1	BAND 2	BAND 3
Room Only Tourism Levy VAT		Bed & Breakfast Tourism Levy VAT	Dinner, Bed and Breakfast Tourism Levy VAT 2 x soft Drink at Dinner
Graded Hotel	BAND 1	BAND 2	BAND 3
1 Star property	R580.00	R710.00	R810.00
2 Star property	R650.00	R800.00	R925.00
3 Star property	R1,100.00	R1,200.00	R1,400.00
4 Star property	R1,250.00	R1,350.00	R1,550.00
5 Star property	R2,100.00	R2,200.00	R2,500.00
Bed & Breakfast or Guest House	BAND 1	BAND 2	BAND 3
1 Star property	-	R180.00	R270.00
2 Star property	-	R250.00	R350.00
3 Star property	-	R400.00	R520.00
4 Star property	-	R600.00	R750.00
5 Star property	-	R800.00	R975.00
S&T Allowance	BAND 1	BAND 2	BAND 3
Breakfast	R120.00	R120.00	-
Lunch	R120.00	R150.00	-
Dinner	R150.00		-
Total as per TP	R390.00	R270.00	-

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 17h00. Weather conditions and nature of the roads to be travelled will be considered in certain circumstances.

Subsistence payments- Overnight allowance of R94.00 per day shall be paid when travelling outside the Ngqushwa Local Municipality's area of jurisdiction for an overnight trip, for each night spent.

4.6 HOTEL ACCOMMODATION WITH NO SERVICES

Meals may be taken elsewhere if the hotel does not provide for such service or where it is necessary.

- When meals are not included in the hotel accommodation the following maximum amounts are payable: -
 - Dinner – R150 (including tea/coffee soft drinks)
 - Lunch – R120.00 (including tea/coffee soft drinks)
 - Breakfast – R120.00 (including tea/coffee soft drinks)
- 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.
- 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.

4.7 PRIVATE ACCOMMODATION

- If the individual utilizes private accommodation, such official /Councillor will be entitled to R450.00 per day to cater for costs incurred. (Exceptional cases will be catered for.)

- Private sleeping arrangements whenever they are allowed shall not inconvenience the Council work.
- Prior utilizing such accommodation individuals should seek permission from their respective supervisors

4.8 CLAIMS FOR LESS THAN 24 HOUR TRIP

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.

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

- 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.
- All claims shall be submitted on the official claim forms obtained from the relevant secretaries.

6. INTERNATIONAL TRAVEL

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

- Where the accommodation to which the allowance or advance relates is outside of the Republic, an amount equal to 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 table for the country in which that accommodation is located, please refer to PAYE-GEN-01-G03-A02- Subsistence allowance- foreign travel- external annexure.

- The amounts laid down in the respect of travelling abroad will only apply to employees who are ordinarily resident in the Republic in respect of continuous periods spent outside the Republic

7. CALCULATION OF SUBSISTENCE ALLOWANCE

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.

8. 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.

9. GENERAL

All Officials and Councillors must comply with the policy in its entirety. The policy would have to be reviewed annually due to changes in government policy, based on the decisions of the Council and the powers delegated to the Municipal Manager

10. ROLES AND RESPONSIBILITIES

Role	Authority
All Claimants	Obtain preapproval Submit S&T claim with relevant documentation, i.e. Invitation Letter, Attendance Register, Itinerary

Fleet Manager	Approval of use of council owned vehicles and alternative use of official's own vehicle for junior level staff
HODS /Middle Manager/Project Manager	Preapproval of authorized Trips
CFO	Approval of S&T claims
MM	Approval of S&T claims

11. MONITORING, EVALUATION AND REVIEW

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.

12. 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

13. REVIEWAL OF THE POLICY

It will be the responsibility of the Corporate Services Department to consider the provisions of this policy on annual basis. The Corporate Services Department shall request all Departments to submit their proposed changes for submission to Council for approval.

14. ADOPTION AND APPROVAL OF THE POLICY BY COUNCIL

This policy is adopted and approved by the full Ngqushwa Local Municipality Council for implementation

Effective from 1 July 2018

Approved by Resolution Number 6.3 on this day 30 of May 2018.

