

EMTHANJENI MUNICIPALITY



SUBSISTENCE ALLOWANCE AND TRAVEL POLICY

DRAFT BUDGET 2021/2022 FINANCIAL YEAR

TRAVEL AND SUBSISTENCE ALLOWANCES POLICY

All expenditure referred to in this policy is against Public Funds. Councillors and Officials are requested to be prudent when incurring any subsistence and travel expenditure

A: NATIONAL TRAVEL WITHIN THE BOUNDARIES OF THE REPUBLIC OF SOUTH AFRICA

1. APPROVAL

In accordance with the delegated powers, the approval of the attendance of meetings is vested in the Municipal Manager and Chief Financial Officer for workshop, seminars, conferences, congresses and similar events and special visits which are in the interest of the Council, provided that the necessary funds are available.

(i) Approval by Municipal Manager

For attendance by:

Mayor
Councillors
Directors

(ii) Approval by Chief Financial Officer

For attendance by Municipal Manager and officials in the finance directorate. If the Municipal Manager is absent the Chief Financial Officer will sign forms on his/her behalf.

(iii) Approval by Directors

For attendance by officials in the directorate

2. ALLOWANCES

2.1 Subsistence Allowances

(a) Allowances Payable:

	Overnight Subsistence Allowances per day or part thereof	Day allowances (no overnight) per day or part thereof
(i) Mayor, Speaker, Councillors, Municipal Manager, Directors, Senior Managers	R452.00	R139.00
(ii) All other officials	R452.00	R139.00
(iii) Prospective applicants who were invited for interviews for vacant positions will only be assisted in: (a) Over night accomodation (b) Re-imbursive travel claim © The Municipal Manager will determine and approve such claims as it occur from time to time and the rates as per policy will be paid to Shortlisted Candidates	Accomodation costs R3.82 per kilometre	R0
*Breakfast=R80(leaving before 6h15 am); Lunch = R93 and Supper =R140 (returning after 18h00 pm)		

- (b) That where expenses are supported by documentary proof, the actual costs be payable in all instances under (a)
- (c) that expenses shall consist of the cost in respect of accommodation, meals, parking and tollgate fees (an approved route must be submitted), excluding expenses for alcoholic beverages, private telephone calls and entertainment;
- (d) That subject to submission of documentary proof and attached to the application for subsistence allowance before departure, payments shall be made directly to a hotel or travel agency for accommodation costs. Further approved expenses incurred by a delegate may be claimed for reimbursement on return;
- (e) That in the event that the Mayor, Speaker, Councillors, Municipal Manager and Directors have to attend emergency meetings on behalf of the municipality, where proof is not immediately available the Municipal Manager or his designate must approved such trips or claims. **All other trips should be substantiated with all the**

necessary supporting documentation before the Municipal Manager or Directors can approve such trips or claims.

- (f) **All claim forms to be submitted seven (7) days before the actual trip, to the Director for finance or his/her nominee. Payment must be done via EFT.**
- (g) For private lodging (staying with family, etc.) a maximum amount of R450.00 will be paid.
- (h) All Councillors, Municipal Manager, Directors and officials must be encourage to stay overnight in Guest Houses to ensure cost effectiveness. A maximum amount of R1200 per night should be paid for accommodation within the Northern Cape Province.
- (i) Accommodation outside the NC province should be in consultation with the Office of the Municipal Manager.
- (j) No Re-imbursive Travel and DAILY allowance will be paid to *any Councillor or Official* for traveling costs on any visits within the Emthanjeni Municipality boundaries.
- (k) Claiming of Lunch fees:

Lunch fees will not be claimed unless it is explicitly stated that no lunch will be served at meeting, workshops, briefing sessions, etc.

In the event where a councillor or official is unable to make use of the meals provided due to religious convictions, circumstances beyond their control, etc., the reimbursement for alternative meals shall be dealt with on an *ad hoc* basis with the authorization of the Municipal Manager or his/her delegated authority. Proof of payment vouchers must be submitted before payment will be made.

- (l) Miscellaneous Expenses – National

The following expenses incurred are regarded as miscellaneous and may be

claimed within the boundaries of the Republic of South Africa on production of proof of expenditure only when the councillor or official are away for more than five days:

- Laundry
- Parking fees while travelling
- Toll fees
- Public transport costs
- Any additional reasonable claim

- (m) 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.

- (n) All allowances are subjected to the annual SARS increment limits as publish on the official website of the South African Revenue Services (SARS)

2.2 Travelling Cost

(a) Travelling

(i) Mayor, Speaker, Councillors, Municipal Manager, Directors, Senior Managers (Air Travelling)	Actual costs of an economy class air tickets of SAA or applicable other airline payable to the stipulations under paragraph (b). SAA being the preferred airline.
(ii) Other officials	As above or travelling method as approved by the Chief Financial Officer.
(iii) Where <u>private motor vehicle is used for re-imbursive travel</u> (a) when a monthly transport allowance is receive. (b) when a monthly transport allowance is not received.	<p>Tariff as determined by SARS (non-taxable SARS limit)</p> <p>Tariff as determined by SARS (non-taxable SARS limit) Currently <u>R3.82c @ km</u></p> <p>(n) All allowances are subjected to the annual SARS increment limits as publish on the official website of the South African Revenue Services (SARS).</p>
(iv) If persons in paragraph (i) and (ii) are accompanied by each other, when travelling by private vehicle, the allowance payable will only be applicable to the person who supplies the motor vehicle.	

- (b) that all airfare be in the account of the Emthanjeni Local Municipality. An account for this purpose be opened at a travel agency and the following procedure for air travel, be followed, namely.

- (i) Municipal Manager and Directors within the delegated powers;
- (ii) an official airfare order form will be requested by the relevant Departments and issued by the Department of the Director for Finance;

- (iii) bookings will be done by Departments and the order form will be submitted to the travel agency as authorization;
- (iv) an invoice will be issued by the travel agency for payment.
- (v) Or alternatively bookings may be made directly with the airline.
- (vi) **2.3 Nomination by a Third Party or Institution**

The abovementioned will be applicable (points 2.1, 2.2 and 2)

(c) COUNCILLORS OR OFFICIALS TRAVELLING FOR THE SAME EVENT

When Councillors or Officials representing Emthanjeni municipality should ensure that all times the travelling arrangements must be efficient and cost effective.

- (i) Maximum of four persons should be travelling with one vehicle. No travel claim will be reimbursed for two vehicles where only two representatives of Emthanjeni Municipality will attend. Only one vehicle's travel claim will be paid for the event.
- (ii) In the case where the Mayor and Municipal Manager must attend the same meeting, then separate vehicle may be used to travel to the venue of the meeting, where possible.
- (iii) In the case where the Mayor and Councillor must attend the same meeting, then one vehicle should be used to travel to the venue of the meeting.
- (iv) In the case where the Municipal Manager and Director must attend the same meeting, then one vehicle should be used to travel to the venue of the meeting.
- (v) In the case where the Director and Manager must attend the same meeting, then one vehicle should be used to travel to the venue of the meeting.
- (vi) When a Councillor must accompany the Mayor, then the Councillor must travel with the Mayor to the event.
- (vii) When a Director or official must accompany the Municipal Manager, then the Director or official must travel with the Municipal Manager or with one vehicle to the event.
- (vii) When an official must accompany the Director, then the official must travel with the Director or with one vehicle to the event.
- (ix) Managers and Officials below Managers level must utilise the pool vehicles when attending workshops, training, seminars, etc. as far as possible.
- (x) Prior written approval from the Accounting Officer must be obtained in order to deviate from the above.

(d)Time of travelling

During summer, when a meeting takes place less than 300km outside De Aar and starts at 09h00, Councillors or Officials should not overnight and are expected to travel in the morning of when the event starts and the return time must not be after 18h00.

Prior written approval from the Accounting Officer must be obtain in order to deviate from the above.

2.3 CAR RENTAL

- (a) The following category vehicles are approved for car rental from airports:

Category B - Mayor, Speaker and Municipal
Manager
Directors and Councillors

- (b) All reservations for car rentals will be done by the office of the Chief Financial Officer at a car rental agency or the relevant travel agency, on a quotation basis and be arranged prior to departure.

B. INTERNATIONAL TRAVEL

1. Approval of Foreign Visits (Approved by the Council)

- (i) Approval by Municipal Manager

For attendance by:

- Mayor
- Councillors
- Directors

- (ii) Approval by chief Financial Officer

For attendance by Municipal Manager and officials in the finance directorate. If the Municipal Manager is absent the Chief Financial Officer will sign forms on his/her behalf.

- (iii) Approval by Directors

For attendance by officials in the directorate

2. ALLOWANCES

Mayor, Speaker, Councillors, Municipal Manager, Directors, Senior Managers and officials:

2.1 Nomination by Council to represent the Emthanjeni Local Municipality

(i) Where a delegate is responsible for his own cost in respect of accommodation

- Fixed amount for incidental expenses @ US\$350
- Allowance @ US\$ 190 per day or part thereof
- Airfare

(i) Mayor, Speaker, Councillors, Municipal Manager, Directors, Senior Managers	Actual cost of business class air ticket when travelling time is more than ten hours, payable to a travel agency for the account of Emthanjeni Local Municipality
(i) Other officials	Actual cost of economy class air ticket payable to a travel agency for the account of Emthanjeni Local Municipality. Business class must be specially motivated to Municipal Manager

(ii) Where all cost in respect of accommodation, transport, etc. is payable by Council

- Fixed amount for incidental expenses
- Allowance
- Airfare

(i) Mayor, Speaker, Councillors, Municipal Manager, Directors, Senior Managers	Actual cost of business class air ticket when travelling time is more than ten hours, payable to a travel agency for the account of Emthanjeni Local Municipality
(ii) All other officials	Actual cost of economy class air ticket payable to a travel agency for the account of Emthanjeni Local Municipality. Business class must be especially motivated to Municipal Manager.

2.4 Nomination by a Third Party or Institution

Subject to written confirmation of tariffs payable by the third party or institution concerned, the following policy will be applied:

- (i) *Where Council is requested to bear all cost in respect of accommodation, transport, etc.*
 - The policy as reflected in 2.1 (i) or (ii) above, will be applied
- (ii) *When only part of the cost in respect of accommodation and travel is borne by the third party or institution, and Council is requested to subsidize part of the costs.*
 - The difference between the allowances payable by the institutions and the tariffs as reflected in 2.1 above.
- (iii) *Where the third party or institution is responsible for all cost in respect of accommodation and transport and not further subsistence allowances are paid to delegates.*
 - Fixed amount for incidental expenses @ US\$ 350
 - Allowance @ US\$ 30 per day or part thereof.
- (iv) *If all cost is borne by the third party or institution and additional subsistence allowance are paid to the nominees*
 - Fixed amount for incidental expenses @ US\$350

2.5 Payment of Accommodation Claims

Accommodation cost must be paid immediately to the Service Provider only after confirmation of accommodation booking and when all substantive supporting documentation has been obtained.

2.6.1 Payment of Subsistence and Travel Claims

- (i) The payment of subsistence and travel (km's) claims should be done with the next salary run.
- (ii) All subsistence and travel claims will accumulate and claims up to the 20th of the month will be paid in specific month of the salary payment.
- (iii) Subsistence and Travel claims after the 20th of the month will be paid the month following the salary payment month.

The policy will be implemented on the 01 July 2021.