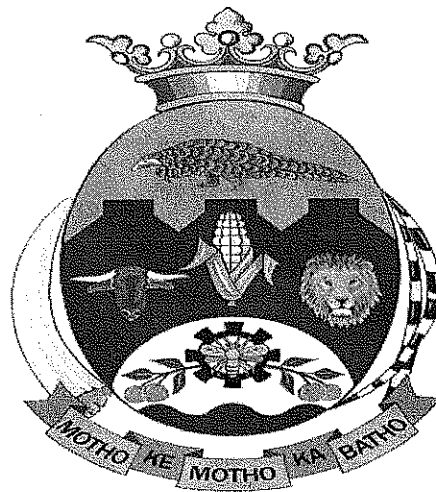


# **LEPELLE-NKUMPI MUNICIPALITY**



## **SUBSISTENCE AND TRAVEL POLICY**

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## 1. PREAMBLE

It is essential that representatives of the municipality from time to time travel to other cities and towns in order to establish and maintain links and relationships with other municipalities, government bodies, and other parties, institutions and organizations operating in the sphere of local government. It is important for representatives to broaden their knowledge and understanding of and compare local experiences in local government transformation, innovation and change in the rest of the country, and this can effectively be done only through the medium of personal contact with a wide range of local government stakeholders.

This policy sets out the basis for the payment of a subsistence and travel allowance for the purposes of such official travelling.

## 2. PURPOSE

2.1 The purpose of the policy is to regulate the payment of subsistence and travel allowance for all delegates and representatives of the Lepelle-Nkumpi Municipality.

## 3. OBJECTIVES

- 3.1 To encourage a culture of saving costs for the Municipality
- 3.2 To regulate the attendance of workshops and meetings by Councillors and officials on behalf of the Municipality
- 3.3 To avoid fruitless and wasteful expenditures
- 3.4 To set out the basis for the payment of accommodation, subsistence and travel allowance for the purpose of official travelling and to maintain control over travel and accommodation expenses and to maximize travel service

## 4. LEGISLATIVE FRAMEWORK

Municipal Systems Act,  
Municipal Structures Act  
Basic Conditions of Employment Act  
Labour Relations Act,  
Employment Equity Act  
Lepelle-Nkumpi Policy on Delegations of Powers

## 5. SCOPE OF APPLICATION

This policy shall apply to all Councillors, officials and representatives of the municipality.



## 6. RESPONSIBILITIES OF REPRESENTATIVES

- 6.1 Every representative who travels on the business of the municipality must comply with this policy in letter and in spirit.
- 6.2 Representatives who travel on the business of the municipality must appreciate, at all times, that they are ambassadors for the municipality, that their actions, conduct and statements must be in the best interests of the municipality, and that they must comply with any specific mandates they have been given.

## 7. SUBSISTENCE AND TRAVEL ALLOWANCE

- 7.1 A subsistence and travel allowance is an amount of money paid by the municipality to a representative to cover meals (including reasonable gratuities);
- 7.2 A subsistence allowance does not cover any personal recreation, such as visits to a cinema, theatre or nightclubs, or sightseeing.
- 7.3 All travel and subsistence allowances will be reimbursed monthly and shall be included in the employee's salary.

## 8. ENTITLEMENT TO A SUBSISTENCE AND TRAVEL ALLOWANCE

- 8.1 A representative may claim a daily subsistence allowance as provided in this policy with the understanding that all authorised personal expenses are covered by the subsistence allowance.
- 8.2 Entertainment of external business associates or contacts or clients or potential investors or potential clients falls outside the scope of the subsistence allowance and will be separately reimbursed (subject to prior approval where applicable). If a representative of the municipality has an entertainment allowance, the entertainment of external business associates or contacts or other parties must be claimed against the entertainment allowance.
- 8.3 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. All travel on business of the municipality must be approved as such before a representative is entitled to a subsistence allowance.

- 8.4 For the purposes of a subsistence allowance, a representative shall mean:

- I. mayor or executive mayor, as the case may be
- II. speaker
- III. members of the executive committee, as the case may be
- IV. other councillors specifically authorised to represent the municipality on a particular occasion
- V. municipal manager
- VI. heads of departments
- VII. Audit Committee members
- VIII. any other official specifically authorised to represent the municipality on a *particular occasion*
- IX. any official who is a member of a recognised professional institution and is granted permission to attend meetings and conferences of such institution.

## 9 ACCOMMODATION COSTS AND SUBSISTENCE ALLOWANCE

- 9.1 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 at least a minimum three star hotel, motel, guesthouse or bed and breakfast establishment. An amount as determined by SARS rates will be payable for sleep out.
- 9.2 The actual cost of accommodation will be borne by the municipality, subject inclusive of breakfast for the accommodation itself in respect of domestic travel.
- 9.3 Any additional costs will be to the account of the municipal representative and must be paid upon checking out failure of which the amount will be deducted from the representative's salary.
- 9.4 If the cost of accommodation does not include breakfast, a subsistence allowance of R200 per day will be payable.
- 9.5 The recoverable cost of accommodation for international travel and subsistence allowance will be limited to the tax free allowances for international travel as determined by the Income Tax Act.
- 9.6 In the case of both domestic and international travel, the day of departure and the day of return each qualify for a subsistence allowance.
- 9.7 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
- 9.8 Point of departure for the payment of travel allowance is the employee workstation



## **10 CAR RENTAL AND OTHER TRAVEL COSTS**

- 10.1 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).
- 10.2 Car rental must be approved as part of the travel package before the trip is embarked on. A representative who rents a vehicle whilst travelling on the business of the municipality without having received prior authorisation 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.
- 10.3 All flights by representatives of the municipality shall be in **economy class**, unless another class of travel is specifically authorised by the mayor or executive committee, as the case may be.
- 10.4 If a representative has to utilise his or her personal motor vehicle outside the boundaries demarcated for the municipality he or she will be reimbursed at an amount prescribed from time to time by the Department of Transport. The distance to which the reimbursement applies, must be the shortest distance between the municipality's offices and the location where the official business is to be transacted. If the total number of kilometres for which such reimbursement is received exceeds 8 000 in any tax year, reimbursement for the excess kilometres over 8 000 must be taxed for PAYE purposes.

## **11 SUBSISTENCE AND TRAVEL ALLOWANCES FOR A REPRESENTATIVE NOT ON THE CAR ALLOWANCE SCHEME (UTILISING OWN CAR FOR OFFICIAL BUSINESS)**

- 11.1 Prior approval must be obtained from the Municipal Manager or head of the department before a representative can utilise own vehicle for official business. Such representative shall be reimbursed at an amount prescribed from time to time by the Department of Transport.

## **12. AUTHORISATION**

For purposes of implementing this policy:

- 12.1 Only the municipal manager and head of the departments may authorise any travel to be undertaken by officials or payments to be made, provided the expenses to be incurred are on the approved budget of the relevant department.

12.2 An invitation to attend a workshop, meeting or related event is not an automatic authorisation to attend such workshop or event. The required authorisation must still be obtained from the municipal manager or head of the department, as the case may be.

12.3 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. If any representative fails to do so, the municipal manager may recover all allowances and disbursements paid to enable such delegate or representative. A delegate or representative will be afforded the opportunity to submit reasons for not being able to attend such event."

### 13. LEGAL REQUIREMENTS

13.1 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 and for the periods prescribed, all expenses relating to staff salaries, allowances and benefits, separately disclosing (inter alia) travel, subsistence and accommodation allowances paid.

### 14. EFFECTIVE DATE

This policy shall come into effect from the date of approval by Council.

### 15. AMENDMENT OF THE POLICY

This policy shall be reviewed and amended if necessary at the end of every financial year to cater for legislative requirements.

**Document Name: TRAVEL AND SUBSISTENCE POLICY**

**Recommended by Portfolio: Corporate Services**

  
\_\_\_\_\_ Date: 2014-05-30  
**CHAIRPERSON**

**Approved by Council**

  
\_\_\_\_\_ Date: 30-05-2014  
**SPEAKER**

**RESOLUTION NUMBER:** 7.19.03/2014