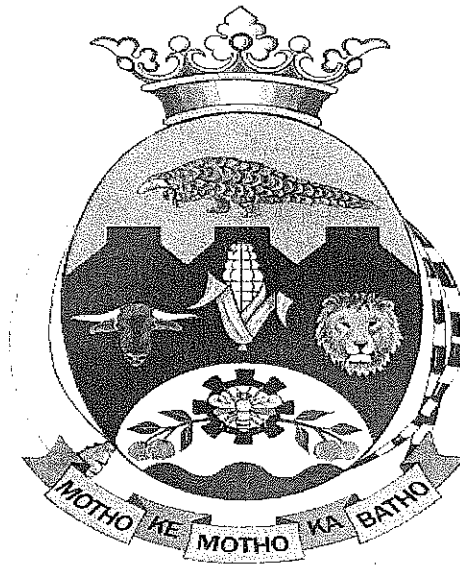


LEPELLE-NKUMPI MUNICIPALITY



CAR AND TRAVEL ALLOWANCE POLICY

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Lepelle-Nkumpi Municipality
 Council Minutes/Resolutions
 Date 28.05.2015
 Signed by [Signature] Municipal Manager

1. PREAMBLE

- 1.1** This document details Lepelle- Nkumpi Local Municipality (LNM) policy and procedures regarding Car Allowance. The Policy applies to all categories of staff employed by (LNM) as outlined below. Amendments to the policy may be considered in special circumstances, but all amendments require the prior approval of the Council.

2. PURPOSE

- 2.1** The aim of this policy is to regulate the granting of Car and Travel allowance to the employees of Lepelle-Nkumpi local municipality

3. OBJECTIVES

- 3.1** To regulate payment of travel allowances to LNM employees , who have to travel in the execution of official duties
- 3.2** To establish uniform directives, procedures, conditions and limitations according to which the car and travel allowance can be paid
- 3.3** To establish procedures and conditions under which employees can use their private vehicles in the execution of the official duties.

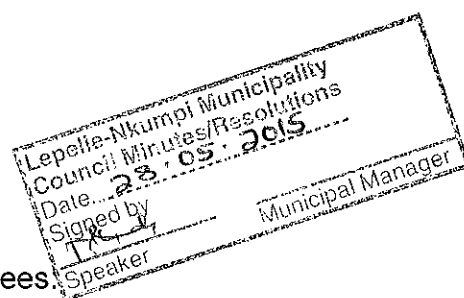
4. LEGISLATIVE FRAMEWORK

- 4.1** Municipal Systems Act,
4.2 Municipal Structures Act
4.3 Basic Conditions of Employment Act
4.4 Labour Relations Act,
4.5 Employment Equity Act
4.6 Delegations of Power

5. SCOPE OF APPLICATION

This policy shall apply to the following employees

- 5.1** Municipal Manager
5.2 Executive Managers
5.3 Managers (Level 2)
5.4 All positions on Level 3
5.5 Other employees based on the nature of their duties



6. ALLOCATION OF CAR ALLOWANCE

- 6.1 The allocation of car and travel allowances to employees is mainly informed by the functions and duties that they perform. However, the following positions shall automatically qualify for the allowances:
- The Municipal Manager and Sec. 57 Managers
 - Managers (Level 2)
 - Post Level 3 officials
- 6.2 The Municipal Manager Section 57 Managers and contract employees have the latitude of structuring their motor vehicle allowance as a condition of their employment contracts.
- 6.3 An employee occupying a post other than those mentioned in 3 (a) above may be considered for allocation provided that the departmental manager for that employee will, based on the functions and duties of that employee, make an application motivating for the allocation of the allowance to the concerned employee. The application should further be recommended by the Municipal Manager or his /her delegate
- 6.4 Allocation of car and travel allowance to employees may be reviewed if the duties of that position change.
- 6.5 All employees allocated a car and travel allowance must have the vehicle on which a travel allowance is paid, available for the execution of official duties at all times. Other official transport will not be made available to such incumbents.
- 6.6 Prior written permission must be obtained from supervisors for the use of a different vehicle, other than the one for which an allowance is paid for. Such written permission must be submitted together with the travel claim.
- 6.7 All heads of Departments must ensure that adequate budgetary provisions are made for all posts that qualify for an allowance during the budgetary process.
- 6.8 The employee concerned should initiate the application for car allowances to their Heads of Departments, who will motivate them to the Municipal Manager

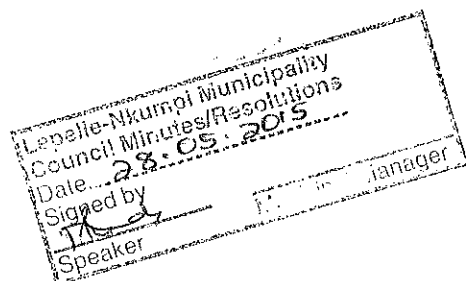
7. PAYMENT OF AD HOC AND TRAVEL ALLOWANCES



- 7.1 Ad hoc allowances refer to allowances paid monthly to incumbents of posts not linked to the car and travel allowance scheme but that are remunerated in accordance with pre-determined distances.
- 7.2 This calculation basis also refers to employees not appointed in positions linked to the travel allowance scheme but who are required from time to time to undertake official ad-hoc trips with
- 7.3 private transport.
- 7.4 Ad- hoc claims are paid upon submission of relevant claim forms, certified as correct by the relevant departmental manager.
- 7.4 The calculation and payment of ad-hoc travel allowance will be the same as the one applicable to other officials entitled to a car allowance.

8. TERMINATION OF TRAVEL ALLOWANCES

- 8.1 If an employee, who is an incumbent of a position linked to the travel allowance, is transferred by the municipality to another position not linked to a travel allowance and such transfer was not requested by the employee, the municipality will give the employee six months written notice of its intention to withdraw the travel allowance.
- 8.2 During the six-month period the employee shall receive the full monthly travel allowance as was applicable prior to the transfer. After the six-month period only a fixed travel allowance, as previously applicable, shall be payable based on applicable fixed costs until such time as the official's motor debt is paid-off, upon which the payment will be terminated. The employee has the responsibility of supplying the municipality with all documentation required for the execution of the payment.
- 8.3 Payment of the allowance in (b) will be terminated immediately if the employee decides to dispose off the vehicle for which a travel allowance was received.
- 8.4 If the employee is demoted or transferred based on act of misconduct, the municipality will give such employee six months written notice for the termination of the allowance.
- 8.5 The municipality will terminate the travel allowance on termination of service by the employee.



9. CONDITIONS FOR ALLOCATION OF CAR AND TRAVEL ALLOWANCE

9.1 All officials who travel for official purposes will be reimbursed for all the kilometres travelled

9.2 All claims for official trips must be supported by a trip Authorization Form, which shall be submitted as travel claims are presented.

9.3 The applicable running cost tariff in terms of the Department of Transport Schedules will be paid with regard to official trips travelled mentioned in 9.2, and as per the official claim form submitted.

9.4 All claims shall be duly certified by the relevant departmental manager, before submission. The municipal manger will certify claims for the departmental managers.

10. PAYMENTS IN RESPECT OF A FIXED TRAVEL ALLOWANCE

10.1 This payment refers to the fixed amount which is paid monthly to incumbents of positons mentioned in paragraph level one, two and three on the Council's schedules of service.

10.2 Payment of car allowance for officials is based on (twenty-five percent) 25% of an employee's monthly gross salary.

11. ADJUSTMENT OF TRAVEL ALLOWANCE

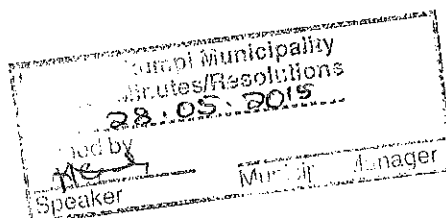
11.1 The travel allowance will be adjusted annually in line with the incumbent's gross salary.

12. PAYMENT OF TRAVEL ALLOWANCE TARIFF

12.1 The travel allowance tariff will be based on the Department of Transport schedule of travel tariff.

12.2 The calculation for travel allowances is automatically adjusted and amended in accordance with the Department of Transport schedules published from time to time.

13 FINANCING



13.1 Employees are expected to arrange for the financing of private vehicles at a financial institution of their choice.

13.2 The municipality may negotiate with financial institution to grant preferential rates to employees. Utilising the services of such financial institution is however not compulsory.

14. CHOICE OF VEHICLE AND PURCHASE PRICE

14.1 The decision about the choice of a vehicle, which the employee prefers to use in the daily execution of work activities, rests with the employee, with the understanding that the type of vehicle shall comply with the purpose and requirements for the execution of the employee's official duties.

15. FORMALITIES, WHICH HAVE TO MET WHEN ALLOCATING TRAVEL ALLOWANCE

15.1 The following documents must be submitted to HR division before an allowance can be paid:

- a) Certified copy driver's license.
- b) Certified copy of vehicle registration certificate.

16. EFFECTIVE DATE

This policy comes into effect on the date of approval by council.

17. IMPLEMENTATION OF THE POLICY

The implementation of this policy to all qualifying employees is subject to the approval of Municipal Manager and availability of funds.

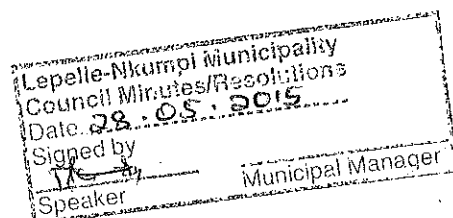
18. MONITORING

For purposes of expenditure monitoring, the finance division shall monthly submit an expenditure report to Executive Committee to determine whether the municipality does sustain the policy.

Document Name: CAR AND TRAVEL ALLOWANCE POLICY

Reviewed by: _____ **Date** _____

Recommended by Portfolio: Corporate Services



CHAIRPERSON

Date: 28.05.2015

Approved by Council:
SPEAKER

Date: 28.05.2015

RESOLUTION NUMBER:

7.1.1.06/2015

Lepelle-Nkumpi Municipality
Council Minutes/Resolutions
Date: 28.05.2015
Signed by
Speaker
Municipal Manager