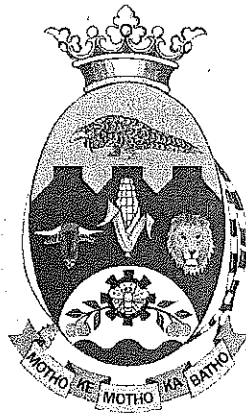


LEPELLE-NKUMPI MUNICIPALITY



CELLPHONE ALLOWANCE POLICY

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

1. PREAMBLE

Lepelle- Nkumpi Municipality continuously endeavours to achieve best practice policies and procedures in its administration and operations.

In order to enable and enhance the productivity of the municipality's strategic business units, it is critical that we make use of the latest means of Communication technology. It is on this premise that Municipal Councillors and officials should have access to cellular phone, primarily for receiving and making official calls when not in the office

2. PURPOSE OF THIS POLICY


- 2.1 The purpose of this policy is to provide clear directives and procedures with regard to the approval and payment of a cell phone allowance to employees.

3. OBJECTIVES

- 3.1 To regulate payment of cell phone allowances to LNM employees, who have to use cell phones in the execution of official duties.
- 3.2 To establish uniform directives, procedures, conditions and limitations according to which the cell phones allowance can be paid.
- 3.3 To establish procedures and conditions under which employees can use their private cell phones and receive airtime allowance from the municipality.
- 3.4 To provide for replacement of a system of Cellular phone contracts by the municipality with the salary allowance system;
- 3.5 To release the municipality and its officials of the administrative burden of cellular phone contracts; and

4. LEGISLATIVE FRAMEWORK

- 4.1 The guiding principles used in developing this Cell Phone Policy were sourced from the following legislation and policies:

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Spoken	Municipal Manager

- Municipal Finance Management Act 56, 2003
- Municipal Supply Chain Management Regulations, 2005
- Municipal Structures Act 117, 1998
- Municipal Systems Act 32, 2000
- Remuneration of Public Office Bearers Act 20 of 1998, section 7(3)
- Determination of Upper Limits of salaries, allowances and benefits of of different members of Municipal Councils

5. SCOPE OF APPLICATION

5.1 The following categories of employees and Councillors shall automatically qualify to receive Cell phone allowance:

- 5.1.1 All Councillors of the Municipality
- 5.1.2 Municipal Manager
- 5.1.3 Executive Managers
- 5.1.4 Managers (Level 2)
- 5.1.5 All positions on Level 3

5.2 An employee occupying a post other than those mentioned in 5.1 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 Municipal Manager.

5.3 The allocation of Cell phone allowance be extended to field workers subject to approval by the Municipal Manager at the rate applicable to other employees.

6. CONDITIONS FOR CELL PHONE ALLOWANCE

6.1 All officials mentioned under sub-section 3.1 will receive monthly cellular phone allowance reflected in their salaries to acquire cellular phone service from either of the mobile phone operators in the Republic of South Africa.

6.2 The method for acquiring the cellular phone service could either be through a personal contractual agreement or prepaid.

6.3 It is not for the municipality to prescribe the packages that officials and political office-bearers must choose for as long as they are able to effectively

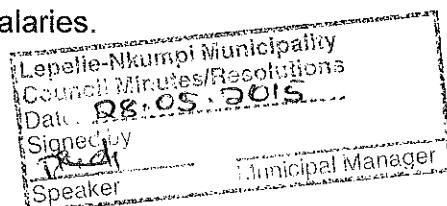
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Signed by: [Signature]
Speaker: [Signature]
Municipal Manager: [Signature]

and efficiently perform their assigned official functions as and when it is necessary to do so.

- 6.4 Councillors and Officials may structure a cellular package that best suits their circumstances to enable them to sufficiently fulfil official duties.
- 6.5 The municipality recognizes that cellular phones are an extension of individuality and as such officials are at liberty to enhance the choice of item through a cash contribution towards upgrading
- 6.6 Allocation of cell phones allowance to employees may be reviewed if the duties of that position change.
- 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 Employees must furnish the Corporate Services department with cellular numbers that they use for official purposes as soon as they have entered into a contract or obtained a gadget through prepaid.
- 6.9 Any contractual agreement entered into between officials and the service provider is binding on the said official and the municipality is absolved whatsoever, in any shape or form from that agreement.
- 6.10 Political Office-bearers and Officials who already have private contracts or any means of cellular phone access may use same for official purposes for as long as they can be accessed at any time of the day, including after hours.

7. ALLOCATION OF CELL PHONE ALLOWANCE

- 7.1 Cell phone allowance for Councillors will be allocated in terms of the Government Gazette on the Determination of Upper limits of salaries, allowances and benefits of different members of Municipal Councils as promulgated from time to time.
- 7.2 The municipality shall continue to pay monthly contributions to Service Provider (VODACOM) for existing contracts on behalf employees until the lapse of the contract. On termination of the contract employees will be allocated a monthly cell phone allowance in their salaries.



7.3 The municipality shall allocate cell phone allowance as follows:

DESIGNATION	ALLOWANCE PER MONTH
Municipal Managers	R1200.00
Executive Managers	R1000.00
Managers (Level 2)	R550-00 pm
Assistant Managers (Level 3)	R400-00 pm
Other officials	315-00 pm (extendable to R300,00 subject to approval of the MM)

7.4 Adjustment of the allowance shall be reviewed on an annual basis

8 TERMINATION FOR ALLOCATION OF CELL PHONE ALLOWANCE

8.4 In the event that the Councillor cease to hold office at Lepelle-Nkumpi Municipality the allowance shall also discontinued immediately

8.5 Should the employee leave the municipality s/he will have to return the cell phone and sim card on or before his/her last day of employment with the municipality. for an employee whose contract is still under the municipality.

8.6 Where cell phone allowance is provided termination for allocation of cell phone shall be effected upon termination of contract, resignation, dismissal and death

8.7 An employee ceases to do the duties that require a cell phone allowance.

8.8 An employee fails to make available his/her cell phone available for official duties.

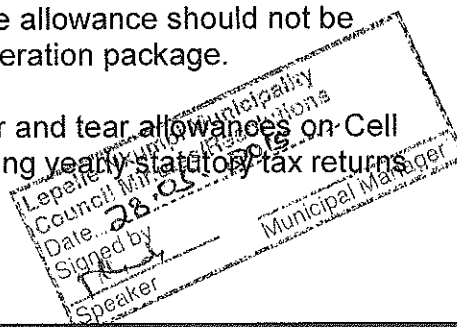
9 TAX IMPLICATIONS FOR CELL PHONE ALLOWANCE

9.1 A Cellular phone allowance is affected through the payroll system and is therefore subjected to tax.

9.2 The determination of allowance; through Budget and Treasury Department, shall also take into consideration tax implications of the allowance.

9.3 Because it is a taxable allowance, cellular phone allowance should not be misconstrued as inclusive of a negotiated remuneration package.

9.4 The user may recoup depreciation charges, wear and tear allowances on Cell phone items from taxable income when completing yearly statutory tax returns



9.5 Officials may also be entitled to claim the cost of business calls against this allowance in the annual tax return.

10 EFFECTIVE DATE

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

11 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: **CELLPHONE ALLOWANCE POLICY**

Reviewed by: _____ Date: _____

Recommended by:

Portfolio: Corporate Services

CHAIRPERSON Date: 28.05.2015

Approved by Council: _____ Date: 28.05.2015

(Speaker)

RESOLUTION NUMBER: 7.1.1.06/2015

