

# **MASILONYANA LOCAL MUNICIPALITY**

## **SUBSISTENCE AND TRAVEL POLICY**



**[FINAL]**

**(FOR IMPLEMENTATION ON 1 JULY 2019)**





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## MASILONYANA LOCAL MUNICIPALITY SUBSISTENCE AND TRAVEL POLICY

### **1 INTRODUCTION**

- 1.1 From time to time it is required from Councillors and officials to perform official functions on behalf of the Municipality outside the jurisdiction of the Municipality.
- 1.2 The Municipality believes that human resources are its most valuable resource in the attainment of its goals and objectives and that it is in the interest of the Council to compensate these persons, representing the Council, for additional expenses incurred by them in the execution of their official duties.

### **2 DELEGATION OF POWERS**

This policy should be applied with due observance of the Municipality's policy with regard to delegated powers. Such delegations refer to delegations between the Council and Municipal Manager as well as between the Municipal Manager and other responsible officials. All delegations should be recorded in writing.

### **3 PURPOSE OF THE POLICY**

The purpose of this policy is to determine guidelines for Councillors and Officials for the payment of travelling and subsistence allowances when performing official functions on behalf of the Municipality outside the jurisdiction of the Municipality.

### **4 PRINCIPLES**

A subsistence allowance will only be payable in accordance with conditions set out below when the official event is outside the boundaries of Masilonyana Local Municipality. No subsistence or travel allowance will be payable to any Councillor or Official for any event within the boundaries of Masilonyana Local Municipality.

### **5 SUBSISTENCE**

There are three categories of subsistence allowances that a member may claim for, namely:-

- Fixed daily allowance (where a trip is in excess of 24 hours);
- Expenditure in respect of trips where absence from office is longer than 24 hours and the Council carry all accommodation costs; and
- Expenditure in respect of trips where absence from office is less than 24 hours.



**5.1 Fixed daily allowance in respect of trips in excess of 24 hours and the staff member carry all accommodation costs**

- 5.1.1 The duration of such congress, seminar, course, meeting or workshop is more than one day and the delegates are compelled to stay overnight; or
- 5.1.2 The duration of such congress, seminar, course, meeting or workshop is for one day or less and delegates must leave before 06:00 in order to reach the destination in time, or will return after 19:00 and will be out of office for more than 6 hours and the delegates are compelled to stay overnight instead of travelling to the venue and back on the same day.
- 5.1.3 The maximum of the fixed taxable daily subsistence allowance that may be claimed in instances where actual expenses are not claimed, where the member is away from his or her office for 24 hours or longer, is **R750 per night**. It is the members' responsibility to keep all proof of expenditure (receipts) in order to claim taxes paid from the South African Revenue Service annually upon submission of their tax returns.
- 5.1.4 A member claiming the fixed subsistence allowance is not entitled to any additional reimbursement in respect of accommodation and meals, as this amount is intended to cover all expenditure incurred by the member during the period of the claim.
- 5.1.5 The base-line amount of **R750 per night** referred to in 5.1.3 above will be subject to an annual percentage increment on the 1<sup>st</sup> July equal to the average percentage increase in the remuneration of officials as determined by the South African Local Government Bargaining Council rounded upwards to the nearest R1.

**5.2 Expenditure in respect of trips where absence from office is longer than 24 hours and the Council carry all accommodation costs**

- 5.2.1 The duration of such congress, seminar, course, meeting or workshop is more than one day and the delegates are compelled to stay overnight; or
- 5.2.2 The duration of such congress, seminar, course, meeting or workshop is for one day or less and delegates must leave before 06:00 in order to reach the destination in time, or will return after 19:00 and will be out of office for more than 6 hours and the delegates are compelled to stay overnight instead of travelling to the venue and back on the same day.
- 5.2.3 The Council will pay the cost of accommodation in a guesthouse or hotel (**including** bed and breakfast) up to a maximum rating of three stars. In addition a non-taxable daily allowance of **R88 per night** will be paid for incidental costs only, or **R286 per night** will be paid for meals and incidental costs.



5.2.4 If the venue of an official meeting requires that a delegate be forced to make use of specific accommodation the Council will pay the total expenses with regard to accommodation.

5.2.6 The non-taxable allowances of **R88 per night** and **R286 per night** mentioned in 5.2.3 above will be subject to annual changes, when and how as determined by the South African Revenue Service.

### **5.3 Expenditure in respect of trips where absence from office is less than 24 hours**

5.3.1 Breakfast allowance: Absent from office until 09:00 – **R75.**

5.3.2 Lunch allowance: Absent from office between 12:00 and 14:00 – **R120.**

5.3.3 Dinner allowance: Absent from office between 17:00 and 19:00 – **R120.**

## **6 TRAVEL**

6.1 Delegates (excluding the Mayor) to congresses, seminars, courses, meetings or workshops making use of air transport will be booked in economy class at all times on any domestic flight. The Mayor may however be booked in business class. In such cases Council will make all arrangements and payments directly.

6.2 Delegates to congresses, seminars, courses, meetings or workshops, which are held at destinations where it is impractical or more expensive to use air transport, must, as far as possible make use of official transport arrangements.

6.3 Where official transport is not available the Municipal Manager can authorise use of private transport at the prescribed rates.

6.4 Officials receiving a traveling allowance, delegated to congresses, seminars, courses, meetings or workshops which are held at destinations where it is impractical or more expensive to use air transport must, as far as possible, make use of their own transport arrangements, at the prescribed rates.

6.5 The following tariffs will be payable in the event of official vehicles not being available:-

- Members receiving a traveling allowance:

The running cost of the vehicle.

- Members not receiving a traveling allowance:

The non-taxable cost per kilometer as determined by the South African Revenue Service, currently R3.05 per kilometer.



6.6 Delegates to congresses, seminars, courses, meetings or workshops who have made use of air travel may rent one vehicle per delegation of 4 (including delegates and spouses) with a maximum engine capacity of 1600cc for a maximum of 100 km per day for the duration of the congress. The Mayor are entitled to hire a vehicle with a maximum engine capacity of 2000cc for a maximum of 100 km per day.

6.7 Interviewees called by the municipality may claim a tariff of **R3.05** per kilometer traveled to and from the interview.

## **7 APPROVAL OF APPLICATIONS**

### **7.1 Councillors and the Municipal Manager**

The Mayor must approve applications.

### **7.2 Other Personnel**

The Municipal Manager, Chief Financial Officer or relevant HOD must approve applications. The Municipal Manager may delegate this responsibility to other members of Senior Management.

## **8 SUBSISTENCE AND TRAVEL CLAIMS FOR VISITS BEYOND THE BOUNDARIES OF THE REPUBLIC OF SOUTH AFRICA**

Visits beyond the boundaries of the Republic of South Africa must be submitted to the Council for approval on an ad hoc basis. A daily subsistence allowance of **the applicable foreign currency per night (as per the attached SARS schedule)** will be payable to delegates. The subsistence allowance will also be payable for travel time, where travelling to and from the foreign destination exceeds 6 hours and the delegate are compelled to travel overnight.

## **9 GENERAL CONDITIONS**

9.1 In the event of Councillors or officials nominated by institutions or Associations to serve on committees or study groups and such nomination was approved by Council, the necessary Subsistence and Travel Allowances will be payable in terms of this policy.

9.2 If circumstances necessitate a delegate to incur additional expenses, for which provision is not made in this policy, i.e. toll fees, parking fees, et cetera; compensation for such expenses may be claimed on the admission of documentary proof thereof.

9.3 All claims for Subsistence and Travel Allowances must be submitted on the prescribed form and copies of the invitation and agenda of the specific meeting must be attached.



- 9.4 No subsistence allowance will be payable to a delegate if any subsistence allowance is provided by the organisation presenting the official meeting.
- 9.5 The approval of any claim for Subsistence and/or Travel allowances is subject to the availability of the necessary funds on the applicable Operational Budget.
- 9.6 The conditions of this policy will also be applicable to all persons who are invited for interviews in respect of vacant positions.

## **10 IMPLEMENTATION OF THIS POLICY**

This policy shall be implemented upon approval by Council.