



GREATER TAUNG LOCAL MUNICIPALITY

SUBSISTENCE AND TRAVEL POLICY

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1. PREAMBLE

The Policy is aimed at facilitating the reimbursement of employees and Councillors expenses incurred while on Council official duty; out on training purpose and away from their work places will be reimbursed.

2. DEFINITIONS/ ABBREVIATIONS

All terminology used in this policy or not defined under Clause 2 of this Policy shall bear the same meaning as in the applicable legislation.

S & T Policy	means subsistence and travel allowance
HR	refers to the Human Resource Department within the municipality
Council	means the Greater Taung Local municipality
Constitution	refers to the Constitution of The Republic of South Africa Act 108 of 1996
Skills Development Act	refers to The Skills Development Act No 97 of 1998
Representatives	Means all councilors or officials delegated to attend or represent the Municipality at different spheres as the case may be.
Employee	Any person excluding an independent contractor who works for Greater Taung Local Municipality, who receives or is entitled to receive any remuneration
Intern	An individual taking part in a trainee program or a graduate program within the Municipality after having graduated from university or college.
Experiential learner	Means a process of learning by engaging students in hand-on experience and in-service learning for them to acquire formal qualifications.

Candidate	means the applicant to the Municipal vacancies, employees from other Municipalities requested to assist in the events such as Disciplinary cases, meetings and
Daily allowance	Refers
Overnight allowance	Refers

3. LEGAL FRAMEWORK

- Constitution of South Africa
- The Skills Development Act
- Municipal Finance Management Act (MFMA) (Act No. 56 of 2003).
- The Income Tax Act (Act No 58 of 1962) as amended.
- National Treasury Circular 82
- Occupational Health and Safety Act 85 of 1993 and regulations
- Basic Conditions of Employment Act 75 of
- SALGBC Main Collective Agreement

4. SCOPE OF APPLICATION

This policy covers all employees, Councillors, interns and experiential learners and candidates who incur travel expenses on Council business, subject to the managers/superior's approval of the trip or travelling.

This Policy also covers people/candidates other than employees and Councillors of this Municipality, who attended official business of the Municipality as per the invitation or proof thereof.

5. OBJECTIVE OF THE POLICY

5.1 The purpose of the policy is to outline provisions for travelling and subsistence allowance. To regulate the criteria in which the employee, councilor, intern, experiential learner and the candidate will be eligible for the S&T Claim.

6. **PRINCIPLES**

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. Consistent with the municipality's performance monitoring and evaluation objectives, database of all representatives and official traveling shall be kept by the expenditure and payroll offices.

6.3 The basic understanding of travel expense reimbursement is that the individual traveler should neither gain nor lose personal funds as a result of travel assignments and that these arrangements must be planned so that their cost will not exceed budgetary limitations. Weekend return trips must be avoided at all costs. Each traveler is to be fully reimbursed for all necessary and reasonable expenses incurred in connection with travel on Council business.

6.4 The Council will pay all travel and reasonable subsistence expenditure. For Domestic travel, employees and councilors, interns and experiential learners should use the most convenient method of travel, taking into consideration time and cost factors and the need for transport to the destination.

6.5 The need for the trip must be properly motivated for and assessed for its value to the company.

7. **PROCEDURE**

All Managers are responsible for ensuring adherence to this procedure.

7.1 S&T claim form must be completed within 60 days after the trip date, except in the case whereby the claimant has been away for the reason such as sick leave or attendance of other business trips. Failure to adhere to the set time will result in the claim being forfeited.

7.2 The form must be signed by the responsible Manager, Director and approved by the Municipal Manager.

7.3 The following documents must be attached to the S&T claim form

- Invitation in case of the meetings/ consultations
- Motivation approved by the Municipal Manager or correspondence in case the business was initiated by the claimant or the Municipality.
- Proof of attendance (attendance register/confirmation letter) or any other method which must be approved by the Municipal Manager.
- Trip authorization form signed by the responsible Manager and the Director or signed by the Municipal Manager in case the Director is the claimant.

7.4 The same documents contemplated on clause 7.3 must be submitted by the official passengers of the Municipality; however, the trip authorization with the passenger's name must be attached.

7.5 The Corporate Services Director is responsible for ensuring that this document is updated as per legislative changes. The Chief Financial Officer and the Pay Office will advise the Corporate Service Director of any legislative provisions that might affect this policy/procedure and necessitate changes.

7.8 Payable allowances

7.8.1 Reimbursement of meals will be paid when:

- The business trip is outside the jurisdiction of Municipality,
- 8 hours or more is spent away from the workplace.
- There is no lunch provided in such event
- *When an Official/Councilor or eligible claimant is not booked an accommodation in such event or would not be entitled for a sleep over reimbursement*

7.8.2 *The reimbursement will be paid in taxable and non-taxable rates.*

Taxable- when you claim this you cannot be paid for meals by the Municipality and sleeping over

Non – taxable.

7.8.3 S& T allowance will be paid at a rate resolved by SARS, which will usually be done after each financial year. New S&T rates must be communicated accordingly by the Director Corporate Services.

- The daily allowance and overnight allowance will be payable at the prescribed SARS rate.

7.9 Air Travel

- Air travel is encouraged in the event that the single trip kilometers to the destination are 500 kilometers

- Air travel is also encouraged in the event of taking into consideration the health and safety dealings of those who are covered by this policy subject to the approval of the Municipal Manager.
- Economy class must be booked for air travelling.

7.10 Vehicle Expenses

7.10.1 Employees/Councilors required to travel on business, i.e. attend meetings or training not at their regular place of work with own transport (this includes own vehicle, relatives vehicle, friends vehicle or any other vehicle or mode of transport excluding any transport which is municipality or state property which is driven personally by that employee/Councilors) will be compensated for the kilometers travelled , at the specified rate or transport tariffs as determined by the Department of Transport.

7.10.2. Employees/Councilors are limited to travel 1800 KM per month, in the event of kilometers exceeded, the Municipal manger will use his discretion and approve. In the event of Councilors, the Speaker will authorize such.

7.10.3 Payment for the kilometers travelled would not in any way impede with the vehicle allowance payable to the claimant.

7.10.3 Where two (2) or more Officials/Councilors are required to attend a meeting or training not at their regular place of work, the Council (Municipal Manager/Mayor) can decide on the acceptable method of travel. The decision must be based on convenience, economic as well as safety principle.

- In the event whereby a municipal vehicle is used, there will be no claim for the kilometers travelled but only daily and overnight allowance will be payable if applicable.

7.10.4 Hired Vehicle

- The hiring of a vehicle is limited to the Directorate.
- Should it be necessary for the employees to make use of hired vehicles, this must be approved by the Director concerned and will be considered only in exceptional circumstances, after consultation with the Director of Corporate services.
- Insurance must be taken out to cover 100 % of losses or damage and the cost of such insurance will be paid for by the Council, however as with any other insurance policy, no cover is provided in the event of driving under the influence of narcotics / alcohol or negligence.

- Any official/councilor who will any way be involved in an accident or any case which may need the insurance cover and found to be under the influence of narcotics/alcohol or due to his/her negligence will be held liable for all costs associated with such.

8. ACCOMMODATION

8.1 Accommodation will be at guesthouses (bed and breakfast facilities) or hotels with a 3 - 5 star rating. The council will pay for cost of accommodation including breakfast and dinner.

9. SUBSISTENCE ALLOWANCE

9.1 A subsistence allowance amounting to R 1200 (which is taxable) for accommodation will be allocated per night spent away from home on Council business. Meals and incidental costs and meals can also be claimed, but this allowance will only be paid if the Council is not paying for meals and accommodation. Rates payable will be applied as per Clause 7.8.3

9.2 No other expenditure of a personal nature will be paid for by the Council. Except where stated otherwise in this Policy.

9.3 The following expenses will not be paid for by the Council:

- Cost incurred by unreasonable failure to cancel transportation or hotel reservations.
- Fines received during car rentals
- Expenses not directly related to the performance of the travel assignment;
- Excessive expenses in terms of meals and/or drinks.
- Movie Channels at Accommodation venues
- Unreasonable use of telephone at the relevant accommodation venues.
- Laundry where the employee is away from home less than 3 days.
- Private travel

9.3.1 The allowances are payable only for those days on which accommodation is needed.

9.3.2 Employees/Councilors who require overnight accommodation and choose to stay with either friends or relatives are also entitled to R 1 200 (taxable) per night.

9.3.3 This allowance will only be applicable when the Employees/Councillors has to drive more than three hours to attend a meeting, or when the meeting start early and the employee has to leave before dawn, or if the meeting is less than 300 km but the meeting or workshop continues the next day in the same venue.

10 ACCOUNTABILITY

10.1 All business expenditure must be detailed on the form and submitted to the Departmental Head for authorization within 60 days.

10.2 All the S & T shall be paid with immediate effect after being submitted to the Payroll Office upon approval of the Municipal Manager as per the Council Resolution and the directive from the Municipal Manager.

10.3 The following procedure must be followed for Domestic travel:

- The Employees/Councillors or Head of Department concerned must complete the S&T form and have these approved by the Departmental Manager / Director.
- The Employees/Councillors would use his/her own resources and the expenditure reimbursed on return. Receipts must be produced for Toll gate slips.
- The employee / Finance department must obtain purchase orders for hotel /Accommodation and care hire when the hotel and hire firms are to be charged directly to the council.

11. INTERNATIONAL TRAVEL

11.1 There will be instances where International travel will be necessitated. The major criteria for it will be:

- There must be proper motivation provided as to why international travel is necessitated, and how the Municipality will benefit through it.
- The Council shall approve such travel at all times.
- Economy class air travel will be used for all employee/Councillor travel

- Accommodation will be at guesthouses (bed and breakfast facilities) or hotels with a maximum of a 3-star rating. The council will pay for cost of accommodation including breakfast, lunch, and dinner
Hiring of vehicles must be in line of section 6.5 of this policy
- When such travel is approved the Finance department must calculate the most cost effective spending such as daily allowance required, vehicle hire and accommodation. This must be done in line with the current international currencies.
- The international travel must be in line with all applicable Finance legislations and Treasury regulations and circulars to ensure adherence to good governance.

11.2 The following expenses will not be paid for by the Council:

- Cost incurred by unreasonable failure to cancel transportation or hotel reservations.
- Fines received during car rentals
- Expenses not directly related to the performance of the travel assignment;
- Excessive expenses in terms of meals and/or drinks.
- Movie Channels at Accommodation venues
- Unreasonable use of telephone at the relevant accommodation venues.
- Laundry where the employee is away from home less than 3 days.
- Private travel

12. RECORDS

The record that must be kept is the proof of meeting or workshop attended which must be attached to the claim form.

13. RELATED FORMS

S&T claim and Trip authorization forms.

15. DISPUTE RESOLUTION

11.1 Any dispute in relation to the implementation of this policy, it shall be dealt with through the Municipal Grievance procedure. Failure to the dispute resolution, the matter may be referred to the South African Local Bargaining Council.

16. POLICY REVIEW

16.1 This policy shall be reviewed as and when necessary, in compliance with the relevant legal framework