

# FRANCES BAARD DISTRICT MUNICIPALITY



## SUBSISTENCE AND TRAVELLING POLICY

DATE OF ADOPTION: 29 MAY 2018

DATE OF IMPLEMENTATION: 1 July 2018

SIGNATURE OF SPEAKER: [Signature]

DATE: 1 August 2018

Table of Contents

1. AIM OF POLICY .....	2
2. SCOPE OF APPLICATION .....	2
3. TIME FRAME OF POLICY .....	2
4. UNDERLYING PHILOSOPHY .....	2
5. RESPONSIBILITIES OF REPRESENTATIVES WHO TRAVEL ON BUSINESS OF THE MUNICIPALITY .....	2
6. SUBSISTENCE AND TRAVEL ALLOWANCE.....	3
7. ENTITLEMENT TO A SUBSISTENCE AND TRAVEL ALLOWANCE.....	3
8. ACCOMMODATION COSTS AND SUBSISTENCE ALLOWANCE.....	4
9. CAR RENTAL AND OTHER TRAVEL COSTS.....	5
11. AUTHORISATION .....	6
12. LEGAL REQUIREMENTS .....	7
13. IMPLEMENTATION	8

### **1. AIM OF POLICY**

The aim of this policy is to provide the Frances Baard District Municipality with a comprehensive subsistence and travel policy framework for implementation within the municipality.

### **2. SCOPE OF APPLICATION**

This policy is applicable to both councillors and officials within the municipality, unless specifically provided otherwise by applicable legislation or conditions of service.

### **3. TIME FRAME OF POLICY**

This policy is valid policy until such time that it can be amended or reviewed by council.

### **4. UNDERLYING PHILOSOPHY**

Recognizing that councillors and officials are from time to time required to travel to other cities and towns within or outside the area of jurisdiction of the municipality to undertake official duties on behalf of the municipality, the municipality hereby commits itself to the implementation of the policy as outlined in this document and in consistence with the Remuneration of Public Office Bearers Act, 20 of 1998, Condition of Service, Income Tax Act 58 of 1962 and any applicable legislation.

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

### **5. RESPONSIBILITIES OF REPRESENTATIVES WHO TRAVEL ON BUSINESS OF THE MUNICIPALITY**

- Every representative who travels on the business of the municipality must comply with this policy in letter and in spirit.
- Representatives who travel on the business of the district 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 district municipality, and that they must comply with any specific mandates they have been given.

Consistent with the municipality's performance monitoring and evaluation objectives, the Municipal Manager must ensure that a database of all councillors' representatives and official travelling is kept.

## **6. SUBSISTENCE AND TRAVEL ALLOWANCE**

A subsistence and travel allowance is an amount of money paid by the district municipality to a representative to cover the following expenses:

- meals (including reasonable gratuities);
- incidentals such as refreshments, snacks, drinks and newspapers; and
- all business-related travel costs.

A subsistence allowance does not cover any personal recreation, such as but not limited to private telephone usage, alcohol, pay movie channel, visits to a cinema, theatre or nightclubs, or sightseeing.

The inconvenience allowance will be adjusted annually on 01 March in terms of the SARS allocation.

## **7. ENTITLEMENT TO A SUBSISTENCE AND TRAVEL ALLOWANCE**

- 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. No further expenses, with the exception of certain business expenses (see below), may be claimed.
- The subsistence allowance may be claimed without the representative having to furnish proof of expenses.
- Entertainment of external business associates, contacts, clients, potential investors or potential clients falls outside the scope of the subsistence allowance and will be separately reimbursed (subject to prior approval where by the municipal manager where applicable). If a representative of the district municipality has an entertainment allowance, this entertainment of external business associates or contacts or other parties must be claimed against the entertainment allowance.
- A representative of the district municipality must claim his or her subsistence allowance, as provided in this policy, before embarking on any official trip. The subsistence allowance must, in order to facilitate its timeous payment, be claimed at least three working days before the planned trip.
- In cases where it is impossible to claim subsistence allowance beforehand, payment will be allowed after the event on authorization by the Municipal Manager.

- 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 district municipality.
- No subsistence allowance will be paid, and no representative will be entitled to a subsistence allowance, if the trip or travel is within the area of jurisdiction of the district municipality.
- Travel allowance, in accordance with the prevailing Department of Transport Tariffs (the smallest engine capacity as per Department of Transport Tariffs), will be paid to officials traveling with their private vehicles within the area of jurisdiction of the district municipality only on approval by the Municipal Manager.
- All travel on business of the district municipality must be approved as such before a representative is entitled to a subsistence allowance.
- For the purposes of a subsistence allowance, a representative shall mean:
  - mayor or executive mayor, as the case may be;
  - speaker;
  - members of the mayoral committee.
  - Other councillors specifically authorized to represent the municipality on a particular occasion;
  - municipal manager;
  - heads of departments; and
  - any other official specifically authorised to represent the district municipality on a particular occasion.

## **8. ACCOMMODATION COSTS AND SUBSISTENCE ALLOWANCE**

- Representatives who travel on the business of the district municipality, where the business unavoidably entails one or more nights to be spent away from home, may stay in a hotel, motel, guesthouse or bed and breakfast establishment.
- The actual cost of accommodation and meals and gratuities will be borne by the district municipality. Where such accommodation is available, the rate for a single room will be payable.

- If the district municipality bears the actual cost of accommodation and meals; representatives may claim an incidental allowance as determined by the Minister of Finance.
- If a representative stay with a relative or friend, a subsistence allowance as determined by the Minister of Finance may be claimed. No proof of expenditure is required.
- The district municipality will bear the cost of accommodation for international travel. The subsistence allowance paid will be in accordance with the Income Tax Act, 58 of 19, guidelines.
- The amounts provided in the preceding clauses are subject to revision by the Minister of Finance in terms of the Income Tax Act, 58 of 1962 as amended.
- Where it is not necessary to overnight on any travel on municipal business, no accommodation costs will be paid. A subsistence allowance will however be paid if a representative has to travel outside of the district for more than 5 hours.
- In the case of international travel, the day of departure from South Africa and the day of return to South Africa each qualify for a subsistence allowance.
- 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. CAR RENTAL AND OTHER TRAVEL COSTS**

- 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).
- 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 district 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.

- All flights by representatives of the district municipality shall be in economy class, unless another class of travel is specifically authorised by the municipal manager, as the case may be.
- If a political representative (councillor) has to utilize his or her personal motor vehicle outside the boundaries demarcated for the municipality he or she will be reimbursed a kilometre tariff prescribed by the Department of Transport as per Remuneration of Public Office Bearers Act, 20 of 1998.
- The distance to which the reimbursement applies above, must be the shortest distance between the municipality's offices and the location where the official business is to be transacted.
- Where possible representatives must travel together, up to a maximum of four in a vehicle, to minimise travelling expenses. If this is not possible, prior approval must be obtained from the Municipal Manager.

#### **10. SUBSISTENCE AND TRAVEL ALLOWANCES FOR PERSONS INVITED FOR INTERVIEWS AND COMMUNITY REPRESENTATIVES**

- The Actual cost for subsistence and travelling (as per the smallest engine capacity per Department of Transport Tariffs) will be paid to candidates outside the area of jurisdiction of the district municipality who are invited for an interview.
- Running cost for travel will be paid to community representatives who have to travel on official business of the district municipality.

#### **11. AUTHORISATION**

For purposes of implementing this policy:

- Only the executive mayor in the instance of councillors, municipal manager or senior manager of the relevant department may authorize any travel to be undertaken by representatives, provided the expenses to be incurred are within the approved budget and if it is cost-effective to do so.
- 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, head of department or executive mayor, as the case may be.

- Municipal delegates or representatives to any conference, workshop or meeting must ensure that they arrive on time and attend until the conclusion of such meeting. If any representative fails to do so, the speaker in the case of councillors, the municipal manager or head of department, as the case may be, may recover all allowances and disbursements paid to enable such delegate or representative to attend such event, provided that such delegate or representative is afforded the opportunity to submit reasons for not being able to be present from the commencement to conclusion of such meeting.

## **12. LEGAL REQUIREMENTS**

In terms of section 66 of the Municipal Finance Management Act No. 56 of 2003 the accounting officer of the district municipality must report to 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.

## **13. IMPLEMENTATION**

The policy will be implemented upon approval of the amendments by Council.