



Nkomazi Municipality

**NKOMAZI LOCAL MUNICIPALITY
MP324**

SUBSISTENCE AND TRAVEL POLICY

VISION

A leading Local Municipality of excellence that empowers the community to prosper through service delivery.

MISSION

To enhance the quality of life of all people in the Nkomazi Local Municipality through a sustainable developmental system of Local Government and rendering of efficient, effective and affordable services.

MUNICIPALITY'S CORE VALUES

The Nkomazi Local Municipality subscribes to the following core values:

- Accountability;
- Good Governance;
- Transparency;
- Integrity; and
- Responsiveness

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1. DEFINITIONS

For the purposes of this policy, the words and expressions set out below will have the following meaning:

“National territory” means any place within the nation territory of the Republic of South Africa

“Official business”-

- In relation to an employee and a councilor includes-
 - i. Attending any training programme as a nominee of Nkomazi Municipality;
 - ii. Attending as a duly delegation representative of Nkomazi Municipality any meeting, workshop, conference or similar event; and
 - iii. Delivering or fetching any goods, including documents, machinery, money, post and equipment of, or acquired by, Nkomazi Municipality,

- In relation to a ward committee member, means-
 - i. Attending a meeting of the ward committee of which she/he is a member; and
 - ii. Attending as the duly delegated representative of the ward committee concerned, any event regarding or requiring representative of the ward committee;

“Representative” shall mean:

- Executive mayor,
- Speaker
- Members of the Mayoral Committee (MMCs)
- Other councilors specifically authorised to represent the municipality on a particular occasion.
- Municipal manager
- Heads of departments
- Any other official specifically authorised to represent the municipality on a particular occasion.
- Any official who is a member of a recognised professional institution and is granted permission to attend meetings and conferences of such institution.
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“**Domestic travel**” shall mean travel within South Africa, and “**international travel**” shall mean travel to any country other than South Africa.

“**Official journey**” means a journey of longer than 10km from the point of origin undertaken by an employee or council on official business, whether within or outside Nkomazi Municipality or whether using a privately owned vehicle, a municipal vehicle or public transport, excluding any journey between an employee’s or councilor’s residence and ordinary work place. In addition, official distances travelled may be claimed in accordance with the Councils’ applicable policy and not exceeding the applicable tariffs prescribed by the Department of Transport.

“**Advance**” or “**allowance**” is an amount that is granted by an employer in circumstances whereby the employer is certain that the employee will incur business-related expenses on behalf of the employer, and where the employee is obliged to prove or account for the business –related expenditure to the employer. The amount of the advance of based on the business-related expenditure. Where the actual expenses incurred are less than the advance granted, the employer recovers the difference from the employee, and *vice versa*.

“**reimbursement**” *when* an employee incurs business-related expenses on behalf of an employer out of his or her own pocket without having the benefit of an allowance and is subsequently reimbursed for this expenditure by the employer after having proved and accounted for the expenditure to the employer.

2. OBJECTIVE

This policy provides the framework for officials and councilors in determining the payment of travelling and subsistence allowance for attending the approved business trips.

The main objective of this policy is to ensure that:

- Delegates adhere to procedures for travelling, accommodation and subsistence expenses.
- Delegates are reimbursed for expenses incurred.
- Payments are made for the actual cost incurred for official municipal business.

3. RESPONSIBILITIES OF REPRESENTATIVES TRAVELLING ON MUNICIPAL BUSINESS

- 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 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, the Municipal Manager will ensure that a database of all representatives and official travelling is kept.
- Whenever it is discovered at any time after a payment was made to an employee or councilor in terms of this policy that-
 - a. The journey in respect of which the payment was made, did not take place; or
 - b. The journey in respect of which the payment was made, was of shorter duration than originally planned; or
 - c. The person to whom a payment was made, did not undertake the journey as planned; or
 - d. The person to whom a payment was made in respect of travelling cost did not travel with her/his own vehicle or did not use public transport in respect of that particular journey.
- The Municipal Manager, or if the Municipal Manager or a councilor is involved, the Executive Mayor, must immediately take steps to recover the payment concerned or part thereof that exceeded the amount to which the person concerned was entitled and forthwith-
 - a. Institute disciplinary proceedings against her/him if she/he is an employee; or
 - b. Report the matter in writing to the Speaker, if she/he is a councilor

4. SUBSISTENCE AND TRAVEL ALLOWANCE

- A subsistence and travel allowance is an amount of money paid by the municipality to a representative to cover the following expenses:
 - a. Meals (including reasonable gratuities);
 - b. Incidentals such as refreshments, snacks, drinks and newspapers; and
 - c. All business-related travel.
- A subsistence allowance does not cover any personal recreation, such as visits to a cinema, theatre or nightclubs, or sightseeing.

5. 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.
- Entertainment of external business associates or contacts or clients or potential investors or potential clients falls outside the scope of the subsistence allowance and will be subsequently reimbursed (subject to prior approval where applicable). If a representative of the 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 municipality must claim his or her subsistence allowance, as provided in this policy, after embarking on any official trip. The subsistence allowance must, in order to facilitate its timeous payment, be claimed at least three working days after the planned trip.
- 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 municipality. The relevant Head of Department must approve all travel on business of the municipality as such before a representative is entitled to a subsistence allowance.

6. ACCOMMODATION COSTS AND SUBSISTENCE ALLOWANCE

- Representatives who travel on the business of the municipality, where the business unavoidably entails one or more nights to be spent from home, may stay in a hotel, motel, guesthouse or bed and breakfast establishment.
- The actual cost of accommodation will be borne by the municipality, subject to a maximum of R2 500.00 per night for the accommodation itself in respect of domestic travel. Where such accommodation is available, the rate for a single room will be payable.
- Where it is not necessary for overnight accommodation on any travel on municipal business, no accommodation costs will be paid, but a subsistence allowance of R120 per day may be claimed which will be revised annually.

- In the case of both domestic and international travel, the day of departure and the day of return each qualify for a subsistence allowance.
- If an official is away from his or her normal workplace by reason of official duties, the circumstances of which are such that a person cannot have his or her own meals as and when he or she is at his or her normal place of work, but the person is returning on the same day, the following policy will apply:
 - a. Incidentals - Actual cost up to maximum amount of R128
 - b. Cost of Meal - Actual cost up to maximum amount of R288
 - c. TOTAL COST of incidentals and meal may not exceed R416 as per the SARS employers guide

The above will only be applicable outside the jurisdiction of Nkomazi Municipality.

7. SUBSISTENCE ALLOWANCE IF TRAVEL IS FOR A DAY WITH NO OVERNIGHT STAY

- If a representative travels on the business of the municipality for a day, a subsistence allowance of R200 per day is payable. No more than R200 shall be payable per day, irrespective of the number of trips undertaken.
- No accommodation arrangements may be made or paid for by the Municipality in respect of any event scheduled to start at or after 09:00 and closing before or at 16:30 on same day if such event is within 200 km from the place of residence of the employee who must attend it.
- Whenever an event that must be attended is over more than one day at a place further than 150 km from the place of residence of the person who shall attend it, travelling expenses, including tollage, shall be paid in respect of only one return journey between his/her place of residence and the place where the event takes place.
- No subsistence allowance or cost for meals are payable to an employee in respect of official journeys within the municipal area unless she/he is required to overnight away from home in which event an allowance of R200 is payable in respect of each day she /he is away from her/his home.

8. CAR RENTAL AND OTHER TRAVEL COSTS

- Only category “A” up to “E” vehicles may be rented, unless it is more cost-effective to hire a more expensive vehicle (for example, when the number of representative involved could justify the hire of a micro-bus).
- In instances where car rental becomes necessary for executive representatives (MMC’s, Directors or Senior Managers) Category “F” up to “H” vehicles may be rented.
- 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 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 municipality shall be in economy class, unless another class of travel is specifically authorised by the mayor or mayoral committee, as the case may be.
- If a representative has to utilise his or her personal motor vehicle outside the boundaries demarcated for the municipality he or she will be reimbursed according to the tariffs prescribed by the Department of Transport for use of privately owned vehicles.
- Where possible representatives must travel together, up to a maximum of four in a vehicle, to minimise the travelling expenses.
- Any allowance or transport costs payable to councilors will be subject to the regulations pertaining to the remuneration of public office bearers as promulgated by the Provincial Directorate of Local Government in terms the Public Office Bearers Act, 20 of 1998 from time to time and will be paid according to the tariffs prescribed by the Directorate of Transport for use of privately owned vehicles.

2) MODE OF TRAVEL

- An employee who is delegated to undertake an official journey within the national territory shall –

- a. if he/she receives a fixed travelling allowance, utilise the vehicle in respect of which he/she receives such an allowance; and
 - b. in all other cases utilize official transport, provided that an employee who does not have a valid driver's license may not use official transport.
- An Official who is required to undertake an official journey within the national territory shall make use of official transport or the Municipal Manager shall approve use of own vehicle otherwise.
- The Municipal Manager may when an official journey is to be undertaken by a councillor
 - a. Designate an employee of the Municipality as the driver of the vehicle; or
 - b. Permit the councillor concerned to drive the Municipality's vehicle.
- Whenever more than one person undertakes an official journey within the national territory to the same event and the Municipal Manager is of the opinion that it is practicably possible and in the best interests of the Municipality for those persons to travel together, having regard for the principles of good corporate governance, only one vehicle shall be utilised for such journey, provided that –
 - a. Not more than 4 persons may travel at the same time per sedan motor vehicle;
 - b. Not more than two senior managers may travel together in the same vehicle or aeroplane at the same time;
 - c. Not more than 2 political office-bearers may travel together in the same vehicle or aeroplane;
 - d. The Executive Mayor or the Speaker and the Municipal Manager may not travel together in the same vehicle or aeroplane, unless practically impossible.
- No travelling allowance may be paid to any employee or councillor-
 - a. For using her/his own vehicle contrary to a decision of the Municipal Manager in terms of the above paragraph; or
 - b. Who travels with another person, whether or not such other person receives a travelling allowance, on an official journey
- The Municipal Manager may authorise a councillor or an employee who must undertake an official journey within the national territory to make use of air travel instead of road transport. Air travel within the national territory shall be in economy class.
- Whenever air travel is used within the national territory Nkomazi Municipality will pay-

- a. The rent in respect of a Group A (1600 cc) rental vehicle for travelling by the employee or councillor at his/her destination if he/she has a valid driver's license, provided that-
 - i. An employee or councillor who is physically disabled, who has a valid driver's license and who can drive an automatic vehicle may rent a Group D (automatic) vehicle; and
 - ii. If more than one person from Nkomazi Municipality travels to the same destination, the Municipality shall rent only one vehicle for their use at their destination; and political office bearer and senior manager
 - b. The employee or councillor concerned according to this policy for travelling from his/her residence to the Commercial Airport if he/she does not utilise official transport
- A person who uses air travel and who does not have a valid driver's license shall make use of shuttle service and/or public transportation at his/her destination. A person utilising shuttle services or public transportation in terms of this paragraph shall be reimbursed for the costs incurred in this regard upon submission of documentary proof of the expenses incurred.
 - When employee who does not have own transport has to undertake an official journey and an official vehicle is not available or such employee does not have a valid driver's license, he/she must use public transport for undertaking the journey concerned. A Councilor may not use a taxi when undertaking an official journey, expect to commute between an airport or bus station and the place where he/she stays or must attend to the Municipality's official business.
 - Official journey abroad shall be undertaken by airplane.
 - Travel on international flights shall be in economy class.
 - Whenever an employee or councilor is required, when using air travel, to purchase two seats, Nkomazi Municipality shall only pay for the first seat.
 - The Council, the Executive Mayor or the Municipal Manager, as the case may be, may authorise an employee or a Councilor who will use air travel to travel in business class upon presentation by such employee or councilor of a medical certificate stating the reasons why he/she should not travel in economy class.

- Air travel arrangements for transportation at the destination shall be made –
 - a. by the Municipality’s travelling agency service-provider, or
 - b. an official instructed by the Municipal Manager.

10. SUBSISTENCE & TRAVEL ALLOWANCE FOR PERSONS INVITED FOR INTERVIEWS

- No subsistence costs will be paid to any candidate invited for an interview, but travelling costs as prescribed by the Minister of Finance if the candidate has to travel more than 60km to attend the interview.
 - a. Travelling: R3.61 per km travelled
 - b. Tollgate, provided receipts issued at a toll gate are submitted and
 - c. Accommodation: As determined in respect of employees

11. REIMBURSEMENT OF TRAVELLING COST FOR PRIVATELY-OWNED VEHICLES

- An employee –
 - a. Who receives a fixed travelling allowance in terms of his/her employment contract with Nkomazi Municipality;
 - b. Who is in terms of his/her appointment authorized to claim for such travelling;
 - c. Who has exhausted the amount of kilometers allocated to him/her for determining his/her fixed travelling allowance during the month in question; Shall be reimbursed according to the travel rates stipulated in his/her employment contract or if no such rates are stipulated, at travel rates determined from time to time by the department of transport.
- A minimum of **1500** km travelled per month shall be approved for both full-time councilors and officials.
- Any excess kilometers travelled for that particular month cannot exceed the maximum of **2500** km and reimbursement for the excess kilometers will ONLY be paid when prior approval from the Municipal Manager has been obtained.

- Anything above **2500** km travelled per month would not be paid and cannot be carried over for the next month and will also be forfeited.
- Travelling cost will be reimbursed according to the applicable rates based upon running costs to a maximum engine capacity of a 3000cc (3L) vehicles calculated on the actual kilometers travelled.
- Officials not receiving a travel allowance when travelling with privately owned vehicles will be reimbursed for official kilometers travelled on the applicable rate limited to a maximum of 3000cc vehicle within or outside the Nkomazi boundaries.
- No employee or councilor may be paid or reimbursed in respect of any cost incurred for travelling between his/her residence and workplace.
- An employee who does not have a valid driver's license who undertakes an official journey with public transport shall be reimbursed for any out-of-pocket expenses he/she incurred in respect of such official journey. The amount payable to him/her is the lesser of the amount indicated on a signed and dated receipt issued by the person who provided the transport and the amount that the journey would have cost had the travelling allowance been calculated on the running cost determined from time to time by the department of transport in respect of a 1600 cc vehicle.
- An employee who receives a fixed travelling allowance in terms of his/her employment contract with Nkomazi Municipality who undertakes an official journey with a privately owned vehicle to a place outside the municipal area, shall be reimbursed for travelling costs at travel rates stipulated in his/her employment contract or if no such rates are stipulated, at travel rates determined from time by the department of transport.
- The distance for which any employee or council may be reimbursed in terms of this policy for undertaking official journeys is the shortest distance between his/her ordinary place of work and his/her destination.
- An employee who participates in travelling allowance scheme who exceeds the amount of kilometers in respect of which he/she receives a fixed travelling allowance for official journeys within Nkomazi Municipal area, shall be paid an allowance calculated on the

running cost as determined by the department of transport from time to time of the vehicle he/she used in respect of every kilometres exceeding such allocation.

- A payment for travelling cost in terms of this policy shall include a reimbursement for tollage and parking paid upon submission of valid electronic receipts issued at a toll gate or parking area/garage.
- Such taxes as may be prescribed shall be deducted from any payment in terms of this policy and paid over to the South African Revenue Service.

12. TRAVEL OUTSIDE SOUTH AFRICA

- Authorisation for official journeys outside South Africa
 - a. by an official shall be given by the Accounting Officer /Municipal Manager if the budget implication does not exceed an amount of R30 000.
 - b. by a councilor shall be given by the Executive Mayor if the budget implication does not exceed an amount of R30 000.
 - c. by Municipal Manager shall be given by the Executive Mayor if the budget implication does not exceed an amount of R30 000.
 - d. by the Executive Mayor or Speaker shall be given by Council.
- If the expenses of travelling outside South Africa exceeds more than R30 000, the journey must be approved by Council for both councilors and officials.
- The travelling, accommodation and subsistence allowance or advance payable to an employee or councilor on official business of the Nkomazi Municipality outside South African boundaries per day is determined in according to the country in which that accommodation is located as determined by recently issued Government Gazette.

13. AUTHORISATION

- An invitation to attend a workshop, meeting or related event is not automatic authorisation to attend such workshop or event. The required authorisation must still be obtained from the municipal manager or executive mayor, as the case may be.
- No employee or councillor shall undertake an official journey unless he/she has been authorised in writing to undertake such a journey. An application to obtain approval to undertake an official journey shall be submitted to the relevant person for consideration on the form prescribed by the Municipal Manager.
- Council delegates or representatives to any conference, workshop or meeting, must ensure that they arrive on time and attend until the conclusion of such event. If any representative fails to do so, the executive mayor or mayoral committee or the municipal manager, 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 event.

- Authorisation for official journey within the national territory shall be given as follows-

- a. Full-time councilor, by the Executive Mayor;
- b. Part-time councillor by the Speaker;
- c. The municipal manager, by the Executive Mayor;
- d. A departmental head, by the Municipal Manager;
- e. Any other employee, by the relevant departmental head;

Provided that no official journey which may result in the budget vote concerned being exceeded shall be approved. The Municipal Manager shall at every meeting of the portfolio committee responsible for human resources management submit a written report setting out-

- a. the official journey she/he and any departmental head approved since her/his last report;
- b. the purpose of each such journey;
- c. the names of the employees who undertook such journeys; and
- d. the travelling, subsistence and accommodation cost paid or payable in respect of such journeys.

- Each departmental head is responsible for ensuring that official journeys by employees allocated to his/her department are kept to a minimum.

14. DOCUMENTATION REQUIRED FOR REIMBURSEMENT

- a. Approved Trip Authority/ Weekly Plan by the relevant Head of Department
- b. Invitation to attend meeting/ Agenda
- c. Letter of approval from the relevant Head of Department.
- d. Proof of all incidental expenses including tollgate & parking fees, which excludes traffic fines.
- e. Copy of Log sheets

15. LEGAL REQUIREMENTS

In terms of section 66 of the Municipal Finance Management Act No. 56 of 2003, the Accounting Officer of the municipality must report to the 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.