

**STEVE TSHWETE
LOCAL MUNICIPALITY
MP 313**



**POLICY REGARDING PAYMENT
OF TRANSPORT AND
SUBSISTENCE FOR
COUNCILLORS AND OFFICIALS**

The policy applies to all councillors and officials of the Steve Tshwete Local Municipality who are travelling on official business and as such are formal representatives of the municipality.

Transport and subsistence costs will be paid in accordance with the stipulations as set out below:

1. **DEFINITIONS**

For the purpose of this policy, the following words will have the meanings as indicated:

- 1.1 “**Council**” means the Council of Steve Tshwete Local Municipality and “**councillor**” means a councillor elected to serve on the Council.
- 1.2 “**Steve Tshwete boundaries**” means the area determined by the National Demarcation Board for the municipal area known as (MP 313) Middelburg.
- 1.3 “**Middelburg boundaries**” means the area within a 15 kilometre radius of the Middelburg town.
- 1.4 “**Delegate**” means any councillor or any official that received permission to attend an official visit as contemplated in Section 3 of the policy.
- 1.5 “**Official visit**” means the attendance of meetings, seminars, congresses, workshops, training courses or any other event that a delegate attends in his/her official capacity for which prior approval has been obtained and includes the attendance of meetings of institutes by councillors and/or officials that have been selected to serve on the management structures of such institutes.
- 1.6 “**Vehicle allowance scheme**” means the vehicle allowance schemes as approved by Council.
- 1.7 “**Negotiated transport allowance**” means the allowance negotiated by incumbents employed as Municipal Manager and other managers on a fixed term performance contract.
- 1.8 “**Fixed transport allowance**” means the allowance intended for incumbents of the posts of departmental head, deputy departmental head and assistant departmental head on salary levels 1 to 3. These incumbents receive a monthly vehicle allowance in terms of the vehicle allowance scheme as a perquisite: In other words, the allowance is seen as an additional income and a customary right or privilege applicable to incumbents in these posts.

- 1.9 “**Running transport allowance**” means the allowance negotiated with incumbents not receiving a negotiated or fixed transport allowance and with whom it was agreed upon to daily utilise private transport for the execution of official duties, and to whom a transport allowance is paid in accordance to the fixed average journey distance per month as determined for the particular post occupied by them. These incumbents do not receive a monthly allowance as a perquisite: In other words, the allowance is not seen as an additional income or a customary right or privilege applicable to incumbents in these posts, but is regarded as an allowance to enable them to perform their duties.
- 1.10 “**Fixed average journey distance per month**” means the distance in kilometres on which a monthly transport allowance was based.
- 1.11 “**Ad hoc transport allowance**” means the allowance payable to any official not receiving either a fixed, running or negotiated travelling allowance, but who are requested to use private transport in the execution of his/her duties.
- 1.12 “**Applicable rate**” means the rate paid as determined by Council from time to time and published by SA Rates for vehicle operating cost or Automobile Association (AA) whichever is the approved rate.

2. **APPROVAL**

- 2.1 Official visits by officials **within** the Steve Tshwete boundaries will be subject to the approval of his/her head of department provided that the expenses to be incurred are on the approved budget of the relevant department.
- 2.2 Official visits by officials **outside** the Steve Tshwete boundaries will be subject to approval by the relevant Executive Manager provided that the expenses to be incurred are on the approved budget of the relevant department.
- 2.3 The Municipal Manager shall approve his/her own official visits as well as those of the Executive Managers provided that expenses to be incurred are on the approved budget of the relevant vote.
- 2.4 Official visits by the Speaker, members of the Mayoral Committee and other councillors will be subject to approval by the Executive Mayor provided that the expenses to be incurred are on the approved budget of the relevant vote.
- 2.5 The Executive Mayor shall approve his/her own official visits provided the expenses to be incurred are on the approved budget.
- 2.6 Official visits in countries other than South Africa will be subjected to prior approval by the Mayoral Committee provided that the

expenses to be incurred has been provided for on the relevant vote of the approved budget and that the visit be reported to the next Council meeting by the Executive Mayor on the nature of and expenses incurred.

3. **DELEGATIONS**

- 3.1 The Municipal Manager shall approve his/her own official visits either within or outside the Steve Tshwete boundaries in collaboration with the Executive Mayor to attend the following which exceed two days:
- Any congresses, seminars or conferences of approved institutes.
 - Any meetings, gatherings or workshops related to Local Government.
- 3.2 The Municipal Manager shall approve the official visits either within or outside the Steve Tshwete boundaries of officials reporting directly to him to attend the following which exceeds one day:
- Any congresses, seminars or conferences of approved institutes.
 - Any meetings, gatherings or workshops related to Local Government.
- 3.3 The Executive Manager shall approve the official visits either within or outside the Steve Tshwete boundaries of for officials in his/her department to attend the following which exceeds one day:
- Any congresses, seminars or conferences of approved institutes.
 - Any meetings, gatherings or workshops related to Local Government.
- 3.4 The Head of Department shall approve the official visits either within or outside the Steve Tshwete boundaries for officials to attend the following for one day only :
- Any meetings, gatherings or workshops related to Local Government.
 - Any meetings, gatherings or workshops related to Local Government.
 - Any other official business.

- 3.5 Only the Municipal Manager may approve the attendance for training that exceeds a period of one (1) day.

4. **TRAVELLING EXPENSES**

4.1 **Officials receiving a negotiated transport allowance**

- 4.1.1 Officials receiving a ***negotiated transport allowance*** will be reimbursed for journeys either inside or outside the Steve Tshwete boundaries according to the terms and agreement of their contract of employment.
- 4.1.2 Kilometres travelled in excess of 500 km per month will be reimbursed according to the tariffs payable for privately owned vehicles as prescribed by the Department of Transport from time to time.
- 4.1.3 For the purposes of claiming a logbook/sheet acceptable to the South African Revenue Services reflecting the official and private kilometres travelled per month must be kept and submitted monthly to the Finance Department for reimbursement.
- 4.1.4 Documentary proof of approval by the Municipal Manager for trips outside the Steve Tshwete boundaries must be attached to the logbook/sheet.

4.2 **Officials receiving a fixed or running transport allowance**

- 4.2.1 Officials receiving a ***fixed transport allowance*** or ***running transport allowance*** will be reimbursed for transport expenses incurred by him/her for all destinations undertaken ***outside*** the boundaries of Middelburg without having to first exhaust the fixed average journey distance per month for the post occupied by him or her. The actual kilometres travelled will be paid at the applicable rate based upon the running cost of the vehicle used restricted to the engine capacity of a 3000cc vehicle.
- 4.2.2 Log sheets need not be kept but a completed transport and subsistence claim form must be submitted to the Finance Department subjected to the necessary approval.

4.3 **Ad hoc transport allowance payable to officials not receiving a vehicle allowance**

- 4.3.1 A transport allowance to employees in this category will be paid at the applicable rate based upon running and fixed costs to a maximum of a 2500cc vehicle for official visits

within or outside the Steve Tshwete boundaries. However, these trips must be limited to the absolute essential trips only and official transport should be used as far as possible.

4.3.2 Log sheets must be kept and submitted with a completed transport and subsistence claim form to the Finance Department subjected to the necessary approval.

4.4 **Transport costs payable to councillors**

4.4.1 Any allowance or transport costs payable to councillors will be subject to the regulations pertaining to the remuneration of public office bearers as promulgated by the Provincial Department of Local Government in terms of the Public Office Bearers Act, Act 20 of 1998.

4.4.2 Kilometres travelled in excess of 500 km per month will be reimbursed according to the tariffs prescribed by the Department of Transport for use of privately owned vehicles.

4.4.3 For the purposes of claiming, a logbook/sheet acceptable to the South African Revenue Services reflecting the official and private kilometres travelled per month must be kept and submitted monthly to the Finance Department for reimbursement.

4.4.4 Documentary proof of approval by the Executive Mayor for trips outside the Steve Tshwete boundaries must be attached to the logbook/sheet.

4.5 **International and Domestic Flights**

4.5.1 Councillors, Municipal Manager, Executive Managers and officials as delegated may travel by means of economy class at the best available fare.

4.5.2 The Executive Mayor may travel by means of business class at the best available fare.

4.5.3 In the case of group bookings, scheduled and sponsored tours or travelling with delegations from National/Provincial Government, the South African Local Government Association (SALGA) or from any other government institution or private sector on official approved trips, such councillors and officials may travel by means of the same class as the members of the delegations which they accompany.

4.5.4 All requests for air travel must be made at the most appropriate rate applicable at the time of travel. To ensure that the most economical airfare is booked, officials are to finalise the relevant bookings where possible well in advance of the intended trip.

4.6 **Hiring of vehicles**

4.6.1 Where deemed necessary, the hiring of vehicles for travel within the boundaries of the Republic of South Africa outside the Steve Tshwete boundaries may be authorised by the Executive Mayor for councillors or Municipal Manager or Executive Managers as may be delegated.

4.6.2 Only travellers with a valid South African drivers' license may hire vehicles from the approved vehicle agency.

4.6.3 For the Executive Mayor a vehicle similar to the official mayoral vehicle (Mercedes C-Class or similar) or Group G of the approved vehicle agency may be hired.

4.6.4 For the other councillors, Municipal Manager and Executive Managers any vehicle from Group C of the approved vehicle agency may be hired.

4.6.5 For all other officials any vehicle from Group B of the approved vehicle agency may be hired.

4.6.6 For groups of 5 officials and more, any vehicle from Group N (microbus) of the approved vehicle agency may be hired.

5. **SUBSISTENCE**

5.1 **Overnight Stays**

5.1.1 Accommodation expenses will be payable when travelling to a destination outside the boundaries of Steve Tshwete Local Municipality when it can reasonably be expected of a councillor or an official to stay overnight during an official visit.

5.1.2 No accommodation will be payable for official visits within the Steve Tshwete boundaries.

5.1.3 It will be the prerogative of the Executive Mayor for councillors and the Municipal Manager or Executive Managers for officials to determine whether or not it is reasonable for a councillor or an official to stay overnight.

5.2 **Accommodation Expenses**

5.2.1 If a delegate is required to stay overnight in a hotel/guest house, a maximum of R1 500,00 for bed and breakfast will be paid directly to the hotel/guest house.

Arrangements with a hotel/guest house with regard to accommodation (bed and breakfast) must be made prior to the delegate's departure and payment will only be made to the specific hotel based on the quotation or a pro forma invoice.

5.2.2 The maximum limit above can be exceeded in exceptional circumstances but only subject to the approval of the Municipal Manager in respect of officials and the Executive Mayor in respect of a councillor providing the amount does not exceed the amount of R2 500,00 as determined from time to time by Council.

5.2.3 If a delegate is required to stay overnight and prefers to have dinner/lunch at the hotel/guesthouse, the cost can be paid prior to the delegates departure subjected to the following:

- the lunch/dinner cost and soft drinks must be included on the quotation/pro forma invoice to be paid directly to the hotel/guest house.
- the actual lunch/dinner cost to a maximum amount of R275,00 per day will be paid and the delegate will be responsible for the balance should the amount be exceeded.
- no other subsistence claims for meals or soft drinks will be considered.

5.2.4 Kindly note that any "extras" not provided for in the policy may not be booked against the room account and must be settled by the delegate prior to departure.

5.3 **Meal Expenses**

- 5.3.1 If a delegate stays overnight a maximum of R275,00 per day will be paid for meals and soft drinks only and therefore does not include alcoholic beverages but includes a service charge of up to 10% of the total bill subjected to the submission of documentary proof of expenditure incurred.
- 5.3.2 Claims for meals for official entertainment of guests are to be dealt with as claims against the relevant entertainment allowance provision of the relevant cost centre and to be approved by the relevant manager/head of department.
- 5.3.3 If a delegate stays overnight and prefers not to stay in a hotel/guest house the daily allowance will be paid on submission of documentary proof of the expenditure incurred.

5.4 **Day Allowance**

- 5.4.1 A maximum of R180,00 per day for official journeys **outside** the Steve Tshwete boundaries will be payable for refreshments, meals and soft drinks, if a councillor or an official is away from his workplace longer than 6 hours, but who does not stay overnight, upon submission of documentary proof of expenditure incurred.

5.5 **Miscellaneous Expenses**

- 5.5.1 The maximum that may be claimed where miscellaneous expenditure is incurred for official visits by councillors and officials outside the Steve Tshwete boundaries subject to the submission of documentary proof of expenditure is as follows:
 - 5.5.1.1 Parking fees;
 - 5.5.1.2 Toll fees;
 - 5.5.1.3 Bus fares/taxi fares subjected to prior approval by the Municipal Manager or Executive Managers; and
 - 5.5.1.4 Incidental costs to a maximum of R85,00 per day. In the event where no proof can be provided by the supplier, such reimbursement must be motivated and certified by the Municipal Manager.
- 5.5.2 No incidental costs will be reimbursed if the subsistence allowance of R275,00 per day has been exceeded.

6. **TRAVELLING AND SUBSISTENCE PAYABLE TO OFFICIALS ATTENDING TRAINING COURSES WHERE SUBSISTENCE OVER WEEKENDS IS NOT PROVIDED**

- 6.1 If an employee, including but not limited to a traffic officer, inspector of licenses, examiner of vehicles, examiner of drivers' licenses, learner horticulturist and fireman, attend a training course at a training institute (example Traffic Training College) exceeding one week and a subsistence over weekends is not provided, then costs towards the provision of subsistence during the week will be paid to the training institution that provides such subsistence and the employee will be compensated for travelling and subsistence costs incurred over weekends according to paragraph 6.2 below.
- 6.2 Officials referred to in paragraph 6.1 above will receive an amount equivalent to a bus/minibus return ticket with regard to every weekend for the duration of the course, in order to financially assist them with additional travelling and subsistence expenses incurred over weekends.
- 6.3 An official Council vehicle may only be used for this purpose in exceptional circumstances with the prior permission of the Municipal Manager.

7. **SUBSISTENCE PAYABLE WITH RESPECT TO OVERSEAS VISITS**

- 7.1 When travelling in countries other than in the Republic of South Africa a maximum amount equal to US \$215,00 per day, calculated from the first day of departure, will be paid to any official or councillor on condition that documentary proof of expenditure is provided within 30 days of returning from a trip.
- Should proof of expenditure not be submitted in the prescribed time or the full advance not be utilised, the advance or balance thereof will be deducted from the next salary of the relevant councillor or official.
- 7.2 The daily allowance is to cover for all meals, transport costs, official telephone, fax, internet calls and other incidental costs which may occur.
- 7.3 The amount payable however can be revised by Council depending on the exchange rate and the country that is visited.
- 7.4 Accommodation for international travel must be the equivalent to hotel accommodation used by business travellers but in the case of attendance of a conference the conference hotel may be used or the most convenient hotel nearest to the conference venue.

8. **INTERVIEWS**

The following will be payable for invited applicants travelling to the Steve Tshwete Local Municipality for interviews:

- 8.1 Travelling cost will be paid according to the applicable rates based upon running costs to a maximum engine capacity of a 2500cc vehicles calculated on the actual kilometres travelled.
- 8.2 The actual accommodation cost for bed and breakfast to a maximum amount of R425,00 per night for one night only.
- 8.3 No other meal expenses or drinks will be paid.
- 8.4 A person who uses private transport to attend an interview shall be paid the cash equivalent of the avoided air ticket cost, which would have been paid in the event of air travel being the most economical and practical means of transport.
- 8.5 If the invited applicant travels by air the actual expenditure of an economy class ticket on domestic flights only at the best available fare will be paid.
- 8.6 The actual expenditure on the hire of vehicles, if travel by air, equal to a Group B vehicle of a motor vehicle agency limited to a maximum of two days and limited to 400 kilometres per claim.
- 8.7 Miscellaneous expenses such as parking and toll fees will be reimbursed according to actual expenditure incurred.
- 8.8 The reimbursements in paragraph 8.1 to 8.7 will only be paid subject to documentary to proof of expenditure and prior approval by the Human Resource Department.
- 8.9 It will be the prerogative of the Human Resource Department to decide when to make arrangements on behalf of the invited applicants or to pay according to proof of expenditure.
- 8.10 The Executive Manager Corporate Services be delegated to approve the payment of a return flight ticket and accommodation arrangements.

9. **GENERAL**

- 9.1 The reimbursement fees will be revised annually with the Annual Budget by the Executive Manager Finance in consultation with the Municipal Manager and subject to the determinations by the South African Revenue Services from time to time.

- 9.2 Prior approval for all journeys undertaken outside the Steve Tshwete boundaries must be obtained from the relevant Executive Manager or Municipal Manager at all times who will evaluate the necessity of the journey, regardless of the post level of the official involved.
- 9.3 If more than one delegate attends a specific official occasion, they should insofar as possible, travel with one vehicle and only the owner of the vehicle used will be legible to receive reimbursement for travelling costs in terms of this policy.
- 9.4 The daily subsistence/allowance payable will only be reimbursed for expenditure incurred for the delegate only on his/her official visit.
- 9.5 Any deviation from and ratification of minor breaches of the travelling and subsistence policy must be approved by the Municipal Manager but only –
- (i) in an emergency;
 - (ii) if such arrangements are not included in the policy;
 - (iii) in the case of special circumstances and other exceptional cases where it is impractical to follow the travelling and subsistence policy.
- 9.6 The reasons for any deviations in terms of paragraph 9.5 must be recorded and be reported to the next meeting of the Council.
- 9.7 If proof of expenditure cannot be provided as required in terms of this policy the expenditure incurred by the relevant manager, official or councillor will be for his/her own account.
- 9.8 All previous policies on travelling and subsistence allowances accepted by Council as well as all previous Council resolutions, as well as any previously approved deviations in this regard will be rescinded from the date of the Council resolution adopting this policy as the Council's only policy on travelling and subsistence allowances for councillors and officials. This policy can therefore only be amended by a resolution of Council and no deviations will be allowed.

STEVE TSHWETE LOCAL MUNICIPALITY

Example of a Log Sheet

Employees participating in the Council's Vehicle Allowance Scheme and who receive a running transport allowance as defined by the Council's Transport and Subsistence Allowance Policy must keep a log sheet similar to this one. The log sheet must be completed and signed by the departmental head of the official involved and be submitted to the Executive Manager Finance, attached to a completed and signed travelling and subsistence claim form. Only kilometres travelled in excess of the kilometres applicable to the post (fixed average journey distance) will be paid out.

Date	Destination/person visited/ job undertaken	Odo Start	Odo End	Total kilometres travelled
A. Total kilometres travelled this month				
B. Kilometres applicable in terms of Vehicle Allowance Scheme				
C. Kilometres that may be claimed in addition to B (A-B)				

PLEASE COMPLETE AND SIGN

Employee No.: _____ Surname and Initials: _____

Admin Unit: _____ Department: _____

Designation: _____

To be completed by authorised person such as Departmental Head:

I, in my capacity as: _____ hereby confirm that the above-mentioned employee was required to travel to the areas and for the purposes as indicated in his/her official capacity in the discharge of his/her duties.

Signature

Capacity

Date