

# POLICY 054/2016 RAADSBELEID

## MUNICIPALITY DAWID KRUIPER MUNISIPALITEIT

SUBJECT/ONDERWERP: TRAVEL & SUBSISTENCE POLICY

REFERENCE/VERWYSING: 6.1.B

RESOLUTION NR/BESLUIT NO: 21/11/2016 (CM)

DATE/DATUM: 25 November 2016

### Definitions

For the purpose of this policy, except where clearly indicated otherwise, the words and expressions set out below have the following meaning:

<b><i>“Accounting Officer”</i></b>	The person appointed by the Council as Municipal Manager in terms of section 82 of the Municipal Structures Act, 1998 (Act 117 of 1998) and as defined in the Municipal Finance Management Act, 2003 (Act 56 of 2003), including any person acting in that position or to whom authority is delegated;
<b><i>“Chief Financial Officer”</i></b>	The person appointed in terms of section 80(2)(a) of the MFMA and includes any person acting in that position or to whom authority is delegated;
<b><i>“Council”</i></b>	The municipal council, as referred to in section 157 of the Constitution of the Republic of South Africa, 1996; and section 18 (3) of the Municipal Structures Act, 1998 (Act 117 of 1998)
<b><i>“Councillor”</i></b>	A member of the Dawid Kruijer Municipal Council.
<b><i>“Executive Mayor”</i></b>	The Executive Mayor of the Dawid Kruijer Municipality elected in terms of section 55 of Municipal Structures Act, 1998 (Act 117 of 1998).
<b><i>“Director”</i></b>	An official appointed by the Council in terms of section 56 of the Municipal Systems Act, 2000 (Act 32 of 2000) to head a Directorate of the municipality
<b><i>“Employee”</i></b>	A person that is employed by the Dawid Kruijer Municipality
<b><i>“Municipality”</i></b>	Dawid Kruijer Municipality, established in terms of sections 12 and 14 of the Structures Act.
<b><i>“Incidental costs”</i></b>	Small and relatively minor expenses (includes refreshments, for example, drinks, snacks etc).
<b><i>“Speaker”</i></b>	The Speaker of the Municipality as provided for in the Municipal Structures Act
<b><i>“Traveller”</i></b>	A representative (councillor, accounting officer, director or an employee) delegated to attend official matters relevant to municipality

### 1. Policy overview

- 1.1. The objective of this policy is to ensure that all payments in respect of travel and subsistence are valid, authorized, supported by appropriate source documents, correctly classified and correctly accounted for.

## **2. Purpose of policy**

- 2.1. The purpose of the policy is to provide guidelines to councilors, accounting officer, directors, senior managers, managers and all other employees pertaining to the incurrence of subsistence and travel expenditure when travelling for official purposes locally, nationally and internationally.

## **3. Scope of the policy**

- 3.1. This policy is applicable to all councilors, directors, senior managers, managers, employees and any other council representative so designated by the municipality.
- 3.2. This policy also applies to any person claiming travel & subsistence allowance from the Dawid Kruiper Municipality.

## **4. General**

- 4.1. The contents of this policy will not be regarded as conditions of employment, but as a reimbursement for travelling and subsistence expenditure incurred or deemed to be incurred for the attendance of events for official purposes.
- 4.2. Any councilor must have the approval of the Speaker or assigned delegate for the attendance of events for which compensation is claimed. Any Director must have the approval of the Accounting Officer or assigned delegate. Any staff member must have the approval of his/her Director or assigned delegate for the attendance of events for which compensation is claimed.
- 4.3. Claims are only payable if sufficient provision is made for it on the budget. If there is not sufficient provision, funds must be transferred by means of the Virement Policy.
- 4.4. Any claim must be submitted on the official claim form with the necessary vouchers where specific expenses are claimed. Sufficient documentation must be attached to the application for the trip e.g., official invitation, agenda or programme, itinerary, details of sponsor and amount, etc.
- 4.5. Any claim containing false information will lead to disciplinary steps being instituted and payments thus made may be recovered from any money payable by the municipality to the person who submitted the claim.
- 4.6. All efforts should be made to minimise the costs for the municipality i.e. by travelling together in one vehicle, minimising overnight stay where possible, etc.
- 4.7. A claim for subsistence and travelling cannot be made by the municipality as well as another institution for attending the same event. Such action shall lead to disciplinary action.

## **5. Subsistence (Local and National destinations) for less than 24 hours**

- 5.1. Within the Municipal Jurisdiction area

### **Day-Trip (Where employee do not sleep over)**

- A return trip of less than 300 kilometers will be deemed as a day trip and no travel and subsistence will be paid.

- Where the daytrip exceeds 300 kilometers the following will apply:
  - Daily Allowance – The prevailing SARS incidental cost allowance will be paid per day, notwithstanding the actual hours actually travelled.
  - When travelers undertake official journeys, in their own vehicle, provided the travel requirements falls outside prescribed 300km, the travelling allowance per kilometer that will be paid will be limited to the approved AA-tariffs or the prevailing SARS travelling allowance per kilometer, whichever is the lowest.
    - ❖ Kilometers claimed will be evaluated for reasonability to ensure that unnecessary trips are not undertaken.

**Multi Day-Trip (Where employee sleep over)**

- Pre-authorisation must be obtained from the relevant Director for the employee to sleep over.
- Travelling between the old Khara Hais Municipality jurisdiction and the old Mier Municipality jurisdiction the following will apply:
  - Daily Allowance – The prevailing SARS day allowance will be paid per hour if employee does sleep over. The allowance will be divided by 24 and a maximum of 24 hours will be paid per day.
  - When travelers undertake official journeys, in their own vehicle, the travelling allowance per kilometer that will be paid will be limited to the approved AA-tariffs or the prevailing SARS travelling allowance per kilometer, whichever is the lowest.
    - ❖ Kilometers claimed will be evaluated for reasonability to ensure that unnecessary trips are not undertaken.

5.2. Outside the Municipal Jurisdiction area

- When travelers undertake official journeys for less than 24-hours, provided the travel requirements falls outside the municipal jurisdiction area, the prevailing SARS subsistence allowance for incidental costs will be paid per day.

**6. Subsistence Allowance (Local and National destinations) for more than 24 hours**

When travelers undertake official journeys for more than 24-hours, provided the travel requirements falls outside the municipal jurisdiction area, the traveler will be entitled to an allowance for subsistence. The traveler must choose between claiming either **Incidental costs allowance** or **Fixed daily allowances**.

**Only one choice is available per trip**

- **Incidental costs allowance**

The prevailing SARS subsistence allowance for incidental costs will be paid per day. The daily allowance is payable for every 24 hours cycle. No receipt is required.

This allowance is to cover costs relating to the following:

- Reading material such as newspapers or magazines
- Stationary;
- Batteries, plugs and extension cords;
- Private telephone expenses;
- Toiletries;
- Cleaning material;
- Postal stamps;
- Entertainment.
- Snacks

**This allowance is payable when a traveler only claims this allowance and separately for meals. It is required to submit the detail of actual expenditure on meals if this allowance is claimed.**

OR

- **Fixed daily allowance**

The prevailing SARS subsistence allowance for fixed daily allowance will be paid per day. The daily allowance is payable for every 24 hour cycle.

This allowance is payable when a traveler only claims this allowance and not separately for meals or any other incidental expenses for that matter. It is not required to submit the detail of actual expenditure on meals or other incidental expenses if this allowance is claimed.

- **Additional costs**

In addition to the incidental costs allowance or fixed daily allowance, the following reasonable actual official expenditure can be claimed, if substantiated by original receipts:

- Accommodation (if not paid by the municipality)
- Meals (**only applicable to the Incidental costs allowance option**)
- Parking
- Toll fees
- Laundry (**provided traveller is away on official duty continuously for five {5} days or longer**)
- Safekeeping of official documentation
- Official excess baggage
- Compulsory medical examination or vaccination

Invoices and receipts is required as proof of expenditure and must be submitted to claim the expense otherwise claims will not be re-imbursed.

## **7. Travelling Allowance**

- 7.1. When travelers undertake official journeys, in their own vehicle, provided the travel requirements falls outside the municipal jurisdiction area, the travelling allowance per kilometer that will be paid will be limited to the approved AA-tariffs or the prevailing SARS travelling allowance per kilometer, whichever is the lowest.

## **8. Subsistence and Travelling Allowance – International destinations**

- 8.1. When expenditure on accommodation for official journeys outside the Republic of South Africa are fully met from public funds, travellers is compensated on the following basis:

- In the case of official visits to countries listed in the table as contained in the Financial Manual: Remunerative allowances and benefits or revisions thereof:
  - i) The reasonable actual expenses in respect of accommodation, dry cleaning and laundering; and
  - ii) special daily allowance to compensate for the traveler's three meals (breakfast, lunch and dinner) and incidental expenses (e.g. reading matter, private telephone calls, soft drinks which do not form part of meals etc.)
  
- In the case of official visits to countries not listed in the table as contained in the Financial Manual: Remunerative allowances and benefits or revisions thereof:
  - i) The reasonable actual expenses in respect of accommodation, dry cleaning and laundering; and
  - ii) The reasonable actual costs of three meals; and
  - iii) A special daily allowance, equal to the special daily allowance for local official visits when actual expenses are claimed, to defray incidental expenses (reading matter, private phone calls, soft drinks which do not form part of meals, etc)
  
- When expenditure on accommodation and related expenses are wholly or partially sponsored by a donor or sponsor, or where part of the meals (e.g. breakfast is included in hotel accommodation expenses) is paid by the Employer, the prescribed daily allowance must be reduced in the following manner:
  - i) With the actual value of the meals if the amount is known, and if the amounts are not known, for listed countries 50% of the special daily allowance may be paid to the traveler.
  - ii) For countries not listed the following percentages must be applied when reimbursing the traveler for reasonable actual expenses in respect of meals and incidental expenses:
    - ✓ Incidental expenses 15%
    - ✓ Breakfast 20%
    - ✓ Lunch 20%
    - ✓ Dinner 45%

8.2. In addition to the reasonable actual expenditure on accommodation and special daily allowance the following expenses may be claimed by the traveller, provided original documentation can substantiate such expenses:

- Dry cleaning and laundry
- Public transport fees
- Official telephone calls, including roaming
- Parking fees
- Safekeeping of official documentation
- Official excess baggage
- Use of private vehicle transport to and from the departure point;
- Travel documents e.g. Visas
- Compulsory medical examinations or vaccinations
- Such other justifiable official travel expenses not covered by the daily allowance.

## 9. Rules for travel and subsistence expenses

### 9.1. Meals

a. Travellers may not be reimbursed for meals and related expenses incurred whilst attending a training course or meeting within the municipal jurisdiction area.

b. In the case where only incidental costs are claimed, a maximum of three meals per day may be claimed in terms of actual expenses (proof must be provided), provided the total cost for all three meals does not exceed the total specified amount (R300 per day).

(i)	Breakfast	R80	(Provided it is not included in the accommodation price)
(ii)	Lunch	R80	
(iii)	Dinner	R140	

c) Where a buffet and/or fixed menu is available at the hotel/guesthouse where an traveller resides during his/her official journey, the total cost for the buffet or fixed menu can be refunded to the traveller if it is paid by the traveller **or** it can be included in the accommodation bill, provided the traveller only claim the incidental costs.

d) Gratuity tips will be for the account of the municipality. Gratuity tips will be limited to 15% of the meal account, where the traveller only claims incidental costs.

e) Gratuity tips will be for the account of the traveller where the traveller claims the fixed daily allowance.

f) Alcoholic beverages will always be for the travellers own account.

### 9.2. Accommodation

a) Reasonable actual cost of accommodation is allowed, provided that the rating of the accommodation does not exceed a rating of three (3) stars.

b) In seeking accommodation, travellers should always ensure that they select the closest hotel/guesthouse that does not exceed a rating of three (3) stars, to the venue of the meeting or training or official event. However if the hotel/guesthouse have a special offer for accommodation for attending the meeting / training / conference, but have a higher rating than three (3) stars, but will be less expensive than a nearby

hotel/guesthouse which have a rating not exceeding the three (3) stars, the official are allowed to make use of that special offer, provided the official can proof that the special offer is cheaper than the nearby hotel/guesthouse which does not have a rating exceeding the three (3) stars.

- c) All meals and items included in the account of the hotel/guesthouse must be clearly specified in order to ensure that only permissible items are claimed.
- d) Entertainment and other tips will always be for the travellers own account.
- e) Travellers may, where circumstances necessitate make their own reservation, provided the traveller settles the bill on the day of departure, and will be reimbursed accordingly (proof of payment to be submitted).

### 9.3. Transport and other costs

- Car Hire / Agency Vehicles

Travelers irrespective of his/her rank, may only hire a vehicle with an engine capacity of between 1400cc and 1800cc or the nearest to this capacity that is available at the rental company provided it is at no additional cost to the municipality. **A traveler is required to take out insurance on hired vehicle.**

The Chief Financial Officer or his/her delegate must recover any fines form the traveler concerned. Any levies for vehicle abuse (excessive speed, braking, etc.) from the agency must also be recovered from the traveler.

- Private Motor Transport

When a traveler is required to make use of his/her private vehicle for official purposes, he/she must obtain written authorisation from his/her manager or their delegate prior to leaving his/her workplace. Provided that:

- No standing arrangement is allowed;
- No suitable departmental vehicle is available;
- Transport claims, (including kilometer tariffs, parking and toll fees) do not exceed the estimated costs for travel i.e. air fare; car hire, airport parking and toll fees.
- Managers must recommended alternative transport arrangements for travel over a long period if so deemed most economical.
- Payment of travelling allowances will be as per clause 7 of this policy.

The above excludes any employee or director that forms part of Council's Vehicle subsidy policy.

- Government Owned Transport

Travelers that are required to be transported by government-owned transport for official purposes must

- The request must be approved by an employee in the rank of a Senior Manager or higher and he/she must certify that the trip is for official purposes.

- Managers and senior managers participating in the motor finance scheme may not utilise government-owned transport, in order to be transported between official events.
- Submit an approved travel plan to the Fleet Management Unit
- It is the responsibility of the traveler concerned to cancel the travel plan with the Fleet Management Unit at least 12 hours in advance if the traveler is no longer required to travel.

- Shuttle Services

Should travelers be required to travel for official purposes and those travelers do not make use of or possess private transport, the relevant programme/responsibility manager may

- Authorise that those travelers be transported to and from the venue and from their residences or places of work or to and from a National Airport at the Department's expense by utilising chauffeuring and/or shuttle services.
- Travelers travelling together with other travelers should where possible, share shuttle services for the same trips.

- Public transport (Trains/Busses/Taxi's)

- Re-imburements for public transport trips will only be done if the claim relates to the specific official trip as approved as part of the travel plan.
- The printout obtained from the public transport vending machines located in the stations will be used as a source document to substantiate S&T claims.
- The municipality will not refund the cost charged by the public transport for issuing a re-usable the card, as the card is regarded as private property of the traveler.

- Air travel

Travelers must make use of the shortest direct route, where available, to reach their destination.

The following classes have been approved for air travel:

- Councillors, Accounting Officer, Directors and all other travelers must travel in economy class.

A departure may be accepted by the Accounting Officer in the event where circumstances necessitate that the traveler must use any another class provided the traveler can produce evidence that:

- there was no seats available in the economy class
- traveler was unable to take another flight without incurring additional costs or missing official business

Authorisation must be obtained from the Accounting Officer before any international travel commences. Requests and / or submissions for authorisation should reach the Office of the Accounting Officer not later than six (6) weeks before travel commences.



- Parking

Parking will be re-imbursed provided:

- Parking at an airport will be reimbursed for the first seven (7) days only, subject to the utilisation of the correct and cheapest available parking facility at the airport
- Other reasonable actual parking fees incurred by travellers while travelling for official purposes will be re-imbursed provided the invoice is presented as proof thereof.
- Parking at a hotel/guesthouse should be covered by the accommodation bill that will be re-imbursed to the official.

- Toll fees

- Tollgate fees will be re-imbursed provided proof of payment can be provided.
- E-toll fees will be re-imbursed after proof can be submitted that the e-toll fees were paid by the official.

- Laundry

Laundry and cleaning services will be re-imbursed provided that traveler is continuously away for five (5) days or more.

- Safekeeping of official documents

Costs pertaining to the safekeeping of official documents while on an official trip will be re-imbursed provided that an invoice is presented as proof thereof.

- Official telephone calls

- Official telephone calls made from a landline while on an official trip will be re-imbursed if proof of the calls can be provided.
- Official calls made from a cellular phone while on an official trip will be re-imbursed if proof of the calls can be provided.

- Medical assistance

- In the event that an traveler who is away from home on an official trip and becomes so terminally ill that he/she should remain distant from his/her home, the actual costs for travel and accommodation for one or two of his/her immediate family members to join him/her will be paid. This will be limited to 2 (two) days.
- In the event that an traveler who is away from home on an official trip has to return home because a parent, spouse or child becomes severely ill or dies, the cost for the trip back home will be paid;
- When medical services were required abroad, the difference between the costs of such treatment in respect of which his/her medical scheme grants benefits and the actual benefits paid out by the medical scheme in terms of its rules will be refunded to the traveller, provided proof can be provided that it was paid by the traveller;

- In instances where a traveller is not a member of a medical scheme or is a member of a medical scheme that does not pay or restricts payments of benefits during visits abroad, he/she is well advised to consider a once-off medical cover for the official journey abroad. The traveller will be compensated for reasonable costs incurred (for the official part of the journey) for obtaining once-off medical cover through the relevant travel agency;
- Compulsory vaccination, medical examinations and medicines prior to trip
  - The Accounting Officer may approve that reasonable and actual expenditure is refunded to travelers, provided proof of costs can be provided.
- Foreign Currency / Exchange Rate
  - Travelers travelling abroad may request for the advance amount to be paid by means of foreign exchange. The amount paid to the traveller in foreign currency will be regarded as an advance and the Chief Financial Officer or his/her delegate must allocate the mentioned amount to the subsistence and travel advance account.
  - Exchange rate gains are to be treated as revenue.
  - Exchange rate losses are to be treated as expenditure.
  - The exchange rate per the conversion of Rand to foreign currency before the commencement of the trip should be used for the calculation of the special daily allowance and all expenses incurred abroad, except where a credit card was used, in which case the actual exchange rate for each transaction should be used (proof with credit card statement).
  - Costs relating to regarding exchange rates may be refunded to travelers.
- Non-employee expenses
  - Where it is to the benefit of the municipality, that a non-employee travels on behalf of the municipality (accompanying a municipal employee), the Accounting Officer must give prior written approval therefore. The terms and conditions in the preceding paragraphs applying to travelers will then apply to the non-employee as well.
- Miscellaneous

The Accounting Officer may approve that reasonable and actual expenditure is refunded to travelers for the following:

- Books purchased for official purposes provided that those books are submitted and accounted for by the Departmental Library;
- Translating and interpreter services;
- Travelling documents and permits; and
- Costs for excess official baggage.
- Any other costs for official purposes

Proof of expenditure must be provided before re-imburement can take place.

#### 9.4. Cancellation fees

- In the event of any travelling arrangement being cancelled once they have been confirmed, the official concerned should compile a motivation report on the changes and seek approval for the payment of cancellation fees, if any.
- Should the cancellation occur on the request of the municipality, the municipality will be held accountable for the cancellation fees.
- Should the cancellation be due to the negligence or request of the official, the official shall be held accountable for the cancellation fee.

#### 9.5. Frequent Guest Benefits

All travelers of the municipality may be registered as frequent guests/flyers. Each traveler may utilize the benefits relating to this registration for personal use. Every traveller in possession of a hotel frequent guest card or frequent flyer should present their card to the hotel or SAA, as municipalities may be charged a lower rate, which may result in a saving for the municipality.

#### 9.6. Recording travel and subsistence expenditure

- Travel and subsistence advances or claims must be done using only the approved relevant trip forms.
- Costs relating to travel and subsistence must be allocated to the category of items on the financial system for travel and subsistence.
- Advances must be cleared in the books of the municipality within 7 working days after the trip has been concluded. If no documentation are received from the traveler, the salary department are authorised to deduct the whole advance given to the employee from the next month's salary. Once the employee has submitted the documentation, the re-imburement will be done within 7 working days.

### **10 Subsistence and Travel expenses**

#### 10.1 A subsistence and travel advance must be supported by the following documentation:

- A completed and authorised subsistence and travel advance form
- Original documentation specifying the official business that will be attended
- Any other documents that may be needed to prove the trip is official and authorised.

#### 10.2 A subsistence and travel claim document must be supported by the following documentation:

- A duly authorised Subsistence and Travel Claim form
- Original documentation for all actual costs incurred signed by the official and the relevant Director.
- Documentation to be provided, where possible, to prove that the official actually attended the meeting/training/event which was travelled for

#### 10.3 All claims in respect of subsistence and travel must:

10.3.1 Be submitted within 7 working days after travellers have returned to their offices.

10.3.2 In the event of a traveller having received an advance for the trip, the subsistence and travel claims shall be offset against the relevant advance.

10.3.3 In the event that a claim is more than the advance, the municipality will pay the traveller the difference within 7 working days.

10.3.4 In the event that a claim is less than the advance, the traveller must repay the difference within 7 working days after being informed of the amount owing to the municipality. Alternatively the amount owed to the municipality will be deducted from the traveller's next salary.

## **11 Applicants invited to interviews**

- Persons invited to interviews shall be re-imbursed according to lowest of AA tariffs or the prevailing SARS travelling allowance per kilometer, if they utilise own transport.
- Where public transport is used, the municipality shall incur the costs of such transport.
- Interviewees who slept overnight for attending interviews at the municipality because of distance shall be paid the cost of the accommodation for a hotel/guesthouse not exceeding a rating of three (3) stars. Proof of expenditure must be provided before re-imburement can take place.

## **12 Sponsored trips**

Internationally and Local sponsored trips

- A trip shall be regarded as sponsored when the full/ partial cost of the trip is borne by an institution other than the Dawid Kruiper Municipality. Such sponsored proportion of the total cost of the trip must be declared in the application for the trip.
- Traveling and Subsistence payable by the Dawid Kruiper Municipality will be calculated as the difference between the amounts claimable per this policy less the monetary value of the sponsored amounts.

## **13 Non-compliance with policy**

Any person who breaches this policy and in so doing causes financial losses to Council shall be required to refund the Council or rectify the loss and be subjected / liable for disciplinary action.

## **14 Implementation, review and termination**

This policy shall take effect on the date stipulated in the Council resolution and may be reviewed by Council as and when required.