



Molemole Municipality

COUNCILLORS SUBSISTENCE AND TRAVEL POLICY 2023/24

GENERIC TRAVEL POLICY FOR COUNCILLORS

1. NAME OF POLICY

TRAVEL POLICY FOR COUNCILLORS

2. AIM OF POLICY

- 2.1 The express aim of the Policy is to provide the municipality with a comprehensive travel policy framework for councillors for implementation within the municipality.
- 2.2 This policy sets out the basis for the payment of travel allowances for the purposes of official travelling.

3. SCOPE OF APPLICATION

- 3.1 This policy will only be applicable to councillors, both full-time and part-time, within the municipality.

4. THE LEGISLATIVE FRAMEWORK

- 4.1 Section 219(1) (b) of the Constitution of the Republic stipulates that an Act of Parliament must establish a framework for determining the Upper Limits of salaries, allowances or benefits of members of municipal councils of the different categories.
- 4.2 The Remuneration of Public Office Bearers Act (Act 20 of 1998) gives effect to Section 219(1) (b) by providing a framework for determining salaries of Political Office Bearers, including members of municipal councils.
- 4.3 In terms of Sections 7(1), 8(5)(a) and 9(5)(a) of the Remuneration of Public Office Bearers Act, the Minister must determine the Upper Limits of the salaries, allowances and benefits of the different members of Municipal Councils by notice in the Government Gazette (hereafter referred to as the "Upper Limits").
- 4.4 The Upper Limits are published annually and deal with the following:

- I. Grading of municipalities for purposes of determining the remuneration scales;
- II. Upper Limits of annual total remuneration packages of full-time and part-time councillors;
- III. Upper Limits of allowances of full-time and part-time councilors;
- IV. Upper limits of remuneration or allowances in respect of appointed councilors;
- V. Upper limits of cellphone allowances of councilors; and
- VI. Upper Limits of pension fund contributions and medical aid benefits of councillors.

4.5 The Salary and allowances of councilors are determined by that municipal council by resolution of a supporting vote of a majority of its members, in consultation with the MEC for local government in the province concerned, having regard to the Upper limits, the financial year of municipal councils and the affordability of the municipality to pay within the different levels of remuneration as determined.

4.6 Section 167 of the Municipal Finance Management Act of 2003 (MFMA) has a major impact on the remuneration of councillors. It stipulates that councilors may only be remunerated within the framework of the Remuneration of Public Office Bearers Act and Section 219 (4) of the Constitution. It declares that any payment, whether in cash or kind, made outside this framework would be regarded as an irregular expense.

4.7 The travel allowance is defined in Section 8(1) (b) of the Income Tax Act, No 58 of 1962, as any allowance paid or advance given in respect of travelling expenses for business purposes, which is included in the taxable income of any person for any year of tax assessment.

4.8 Section 8(1) (b) of the Income Tax Act further deems any allowance or advance in respect of travelling expenses not to have been expended on business travelling to the extent that it has been spent on private travelling.

5. FIXED TRAVEL ALLOWANCES AND REIMBURSEMENT FOR TRAVEL

5.1. Fixed Travel Allowances

5.1.1 Formalities, which have to be met when allocating the travel allowance

Within six months of being sworn in as a Councillor, the following documents must be submitted to HR division, failure of which will leave Council with no option but to withdraw the travel allowance:

- Copy of driver's licence.
- Copy of vehicle registration certificate.

5.1.2 All Councillors receive a total remuneration package from the municipality that includes a travel allowance of not more than 25% of the annual total remuneration package provided Clause 5.1.1 above have been met.

5.1.3 .The travel allowance will be included in the IRP5 of a councillor for purposes of accounting to SARS

5.1.4 The following requirements must be met by each Councilor:-

5.1.4.1 Have a logbook acceptable to the South African Revenue Service (SARS) for recording the official and private kilometers travelled;

5.1.4.2 On Income Tax Assessment, a councillor must account to SARS for the use of the travel allowance.

5.2 Reimbursement Allowance for Travel

5.2.1. In addition to the Total Remuneration Package, a Councillor may be reimbursed for reasonable and actual kilometers travelled and subsistence allowance for official sleep out during the execution of official duties, in accordance with a policy as approved by the municipal council.

5.2.2 Such official distances travelled shall be reimbursed in accordance with the applicable tariffs prescribed by the Department of Transport and SARS prescribed rates.

5.3 . OFFICIAL BUSINESS TRAVEL

5.3.1 Official Business related travel is travel for any purpose that directly relates to the business or job of a councillor and excludes travelling between the place of residence and ordinary place of work or business.

5.3.2 For the purpose of calculating official business travel the following shall be applicable for Councilors :-

5.3.3 Ordinary place of work

- 5.3.3.1. Full time ward councilors shall have their ordinary place of business at the municipal precinct and their wards.
- 5.3.3.2. Full time Proportional Representative Councilors shall have their ordinary place of business at the municipal precinct.
- 5.3.3.3. Part-time Proportional Representative Councilors deployed to a specific ward shall have their ordinary place of business in that particular ward.
- 5.3.3.4. Part-time Ward Councilors shall have their ordinary place of business at their respective wards.

6. Qualification Requirements or Entitlement to a reimbursement for Travel

- 6.1. All travel on business of the municipality must be approved by the Mayor before a Councilor is entitled to claim for the travel reimbursement.
- 6.2. A councilor shall travel to the maximum of 3000 kilometers per annum. If a councilor is obliged to travel any kilometers beyond the maximum, pre approval shall be sought with the Mayor.
- 6.3. A councilor will be reimbursed, in accordance with the monthly kilometer tariff from the Department of Transport and SARS prescribed rates for official business travel with their privately owned vehicles and not with any other means of transport.
- 6.4. A travel reimbursement claim must be supported by proof of such travel and related documents such as the invitation, minutes of the meeting, attendance register or an Agenda for the meeting held.
- 6.5. No travel claim will be paid, and no Councilor will be entitled to the reimbursement, if the travel is not related to the official business of the municipality.

7. Process for Travel Reimbursement


- 7.1. A duly approved Trip - pre Authorization Form approved by the Mayor shall be filled before a Councilor can undertake any municipal trip.
- 7.2. The duly prescribed claim form must be fully completed by a Councilor and the Accounting Officer of the municipality.
- 7.3. The prescribed claim form with accompanying supporting documents must be submitted on or before the 7th day of each month.
- 7.4. A claim shall be claimed within two months of travel, failing which, it shall be deemed expired.
- 7.5. All claims will be reimbursed or paid with the next salary of a Councilor.

7.6. For e - filing purposes:

- A logbook acceptable to SARS recording the official kilometers travelled in a defined month must be kept.
- Any relevant supporting documentation required by SARS must be attached.

8. Legal requirements

In terms of Section 66 of the Municipal Finance Management Act, the accounting officer of the municipality must report to the council, in the format and for the period prescribed, all expenses relating to the councillors salaries, allowances and benefits, separately disclosing (inter alia) travel allowances.

Signature:	
Initials and Surname:	Councillor ME Paya
Designation:	Mayor
Council Resolution Number:	OC/7.3.2/30/05/23
Council Date:	30 May 2023