



Kopano le mefuta, ga naga setshaba se kopano

Molemole Municipality

**Employees Subsistence
and Travel Allowance
Policy
2022/2023**

TABLE OF CONTENTS

Number	Description	Pages
1	Preamble	3
2	Definitions	3 - 4
3	Principles	4 - 5
4	Scope of Application	5
5	Legislative Basis	5
6	Travelling Allowance	5 - 9
7	Special Travelling Privileges	9
8	Transport between Residence and Place of Duty	9
9	<i>Transport of officials to funeral of a deceased Official</i>	9 - 10
10	<i>Endorsement</i>	11

MOLEMOLE LOCAL MUNICIPALITY POLICY ON OFFICIAL TRAVELLING AND SUBSISTENCE ALLOWANCES.

1. PREAMBLE

The purpose of this policy is to provide for reasonable recovery of travelling costs incurred by officials in pursuant of municipality interests at places other than the official place of work including Section 56 and 57 Managers (Senior Managers).

The policy thus provides guidelines on travel and subsistence arrangements for municipal officials; it is envisaged that from time to time officials will be required to perform duties away from their normal place of work.

It is essential that clear policy guidelines be provided regarding the undertaking of such journeys and the travelling and subsistence costs ensuing from such travels.

2. DEFINITIONS

- (a) Camping Allowance: Refers to an allowance paid to a municipal official who during official travel opt for private accommodation instead of municipality funded rented accommodation during performance of municipal duties at places other than normal place of work.
- (b) Normal place of work: Refers to any office / building / place where municipal employee is required to ordinarily perform his / her main duties.
- (c) Official Travel: Refers to any approved travel where a municipal employee is officially delegated by a person or structure with authority to undertake travelling in furtherance of municipality interest.
- (d) Supervisor: Refers to the immediate line manager of a municipal official.
- (e) Head of Department: Refers to a Senior Manager responsible for the specific department.
- (f) Municipal employee: Refers to contracted and permanently appointed Molemole Local Municipality employee including Section 56 and 57 Managers (Senior Managers).
- (g) Reasonable costs: Refer to cost effective and economic travelling, accommodation and subsistence costs as determined in terms of this policy.
- (h) Family: Refers to an immediate family member of choice for example father, mother, grandfather, grandmother, wife, siblings (not exceeding 2), and children.
- (i) Headquarters: Refers to the main offices of Molemole Local Municipality that is situated at 303 Church Street, Mogwadi.
- (j) Subsistence Allowance: Refers to a sleep out amount paid by the municipality to an officially delegated employee, excluding personal recreation.

- (k) Travel Allowance: Refers to an amount per kilometre determined in accordance with the Department of Transport rates in compensation of kilometres travelled for official municipal business using private motor vehicle.
- (l) Municipality: Refers to both administrative and political components of Molemole Local municipality.
- (m) Employees: shall refer to the standard and non-standard employees duly delegated by the municipality to represent the municipality including Section 56 and 57 managers (Senior Managers).
- (n) Standard employees: refers to employees that are requires to work for 22 hours per week or more, and earns remuneration that exceeds the annual tax threshold (2023: R91250). For this category of employees, the annual tax tables shall apply.
- (o) Non – standard employees: refers to employees that are required to work for at least 5 hours per day and earns more than R351 for that day. Tax is deducted from their remuneration at 25%.
- (p) Travel: For the purposes of this policy, travel shall mean domestic travel within the Republic of South Africa and international travel shall mean travel to any country outside the borders of the Republic of South Africa.

3. PRINCIPLES

- 3.1 Molemole Local Municipality will provide fair and reasonable compensation for official journeys justifiably and legitimately undertaken by employees in the interest of the municipality.
- 3.2 Strict monitoring will ensure that the allowances are not abused and will be implemented consistently throughout the municipality.
- 3.3. Only fair and reasonable kilometres travelled shall be reimbursed according to the Department of Transport rates.
- 3.3 In order to qualify for official journeys, there must be a particular official function or duty to be performed.
- 3.4 Every employee that travels on the business of the municipality must comply with this policy to the latter.
- 3.5 Employees 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.
- 3.6 Employees required to undertake official journeys will be instructed in writing or verbally by the Managers / Head of Department/Municipal Manager.
- 3.7 Employees journeys are appropriate in circumstances where it is essential that duties be performed away from the official's normal place of work.

- 3.8. Compensation for employees journeys is designed to cover the reasonable costs incurred by the delegate as a result of the journeys.
- 3.9 Official journeys must be undertaken only for bona fide official purposes, be economic and cost-effective and funds must be available to finance the costs.
- 3.10 Official journeys may not be undertaken while on leave, unless instructed to do so by the Manager, Head of department or Municipal manager of Molemole Local Municipality, in writing.
- 3.11 A delegate of the municipality must claim his or her travel & subsistence allowance within two months of undertaking the trip. Claims received after this period shall be rejected.
- The Manager and the Head of department shall approve application for travelling before the trip is undertaken.

4. SCOPE OF APPLICATION

- 4.1 This policy applies to all Officials of Molemole Local Municipality subject to any legislation; regulation or agreement.
- 4.2 Any aspect provided for in this policy, and contravenes any legislation / regulation / agreement and/ or generally accepted best practices shall be voided and the provision of any legislation/ regulation, agreement and / or generally accepted best practices shall take precedence over this policy provision.

5. LEGISLATIVE BASIS

- 5.1 The policy is subject to provisions of any applicable legislation or regulation.
- 5.2 Further the policy shall be subject to any generally accepted best practices.
- 5.3 The Municipal Systems Act provides for the establishment of systems and procedures essential for an efficient local government.
- 5.4 The Municipal Finance Management Act provides for establishment of controls and procedures necessary to facilitate accountability.

6. TRAVELING ALLOWANCES

6.1. Travel Allowances

Formalities, which have to be met when allocating the car allowance :

Within six months of being awarded a fixed travelling allowance, the following documents must be submitted to HR division, failure of which will leave Council with no option but to withdraw the car allowance:

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

6.2. Reimbursement allowances

- 6.2.1. Molemole Local Municipality reserves the right to determine, on cost effective grounds, the means of transport when an employee without fixed travel allowance is delegated by the municipality to perform duties elsewhere or to attend to official business.
- 6.2.2. Travel allowance is payable for any daily official travel above 40 kilometres per trip including approved official travel within the municipal jurisdiction.
- 6.2.3. Travelling allowance for qualifying travel in terms of 6.1.2 above will be payable from the 1st kilometer travelled.
- 6.2.4. Travel and Subsistence claim must be preceded by a formal trip authorisation and budget checks by the manager, who then recommends to the head of Department and Municipal Manager.
- 6.2.5. Travel and Subsistence claims must be authorized by the Manager, Head of Department and / or Municipal Manager.
- 6.2.6. Payment for travel and subsistence claims shall be processed through payroll and paid electronically into a designated account of an standard employee and/or non-standard employee along with their salary/remuneration.
- 6.2.7. Part of the payment for travel and subsistence allowance will be taxable and declared as a benefit accrued to an employee in accordance with applicable tax guidelines.
- 6.2.8. Only duly authorized official travel and subsistence claims submitted on or before the 7th of each month shall be considered for payment during the next pay period for that month.
- 6.2.11. In the event an employee is granted permission to attend a function / event / workshop / meeting / training at the cost of the Municipality but could not attend and no valid reason could be provided in writing, costs incurred by Municipality shall be recovered from the individual's salary. Only reasons that are beyond the employee's control shall be accepted as valid.
- 6.2.12. Recovery from salary deduction in respect of 6.1.11 above shall be structured in a manner considerate of permitted deduction limits.
- 6.2.13. Reimbursement allowances that an employee may claim for while performing official duties on behalf of the municipality, namely: -
- (i) Delegates who travel on the business of the municipality, where the business unavoidably entails one or more nights to be spent away from home, may stay in a rented accommodation.
 - (ii) The actual cost of accommodation and meals will be borne by the municipality, in accordance with rates applicable to accommodation of three to four star grading in respect of domestic travel

- (iii) A higher accommodation grading may be utilised if it is found that there is no three or four star grading within a 10 kilometre radius from the venue of the primary event.
- (iv) According to SARS, where the accommodation to which the allowance or advance relates is in the Republic, an amount equal to the following is deemed to be expended for each day or part of the day in the period during which the employee is absent from his or her usual place of residence:-
- Only incidental costs – R152 for 2023
 - Meals and incidental costs – R493
- (v) If the cost of accommodation includes, as it often does, the provision of breakfast, Molemole Municipality pays a subsistence allowance of R225.00 per night in respect of domestic travel; where breakfast is excluded, the subsistence allowance will be R275.00 per day.
- (vi) If a delegate opts to stay at a private accommodation instead of a council paid accommodation, a camping allowance of R600.00 plus a subsistence allowance of R 275.00 per day shall be payable. The municipality shall not entertain the distance between the private accommodation and the venue of the workshop, meeting or whatever the case might be.
- (vii) The option for private accommodation must be approved after comparison of the camping allowance and the rates of municipal paid accommodation. The decision must be based on the most economic option between payment of camping allowance and the cost of the available accommodation. This means that if paying for the camping allowance is expensive when compared to the value of the municipal paid accommodation, then, the municipal paid accommodation will be taken.
- (viii) Reimbursive travel allowance is currently paid according to the flexible Department of Roads and Transport rates, which are often more than the SARS annual rate of R4,18 for 2022/23. For any benefit derived from the rate exceeding the prescribed rate per kilo by SARS, code 3702 will be used.
- (ix) Payment of laundry services will be covered by the employer for stays in a paid council accommodation for four consecutive days with a single laundry service allowed for the 4th day of stay in a council paid accommodation. If the option for camping allowance is taken, the municipality will not entertain the laundry service issue.
- (x) The recoverable cost of accommodation for international travel may not exceed US\$350 per day. The subsistence allowance will be US\$190 per night.
- (xi) Where such accommodation is available, the rate for a single room will be payable.

- 6.1.14. The municipal manager may subject to affordability, and within the ambits of the law, the budget provision and consideration of changes in general standard of living on an annual basis adjust rates provided for in the policy.
- 6.1.15. It should be noted that no claims for alcoholic beverages or cigarettes would be accepted. All expenditure incurred should be reasonable and excessive spending in this regard should be avoided at all times.
- 6.1.16. Expenses relating to parking expenditure shall be claimed.
- 6.1.17. The Municipality will not cover accommodation and travelling claims for shortlisted candidates required to report for an interview, candidates will be advised upfront that such claims will not be covered.**

6.2. Transport Options

6.2.1. Travelling Allowance for fixed travel allowance bearing positions.

- 6.2.1.1. Employees receiving a fixed monthly travel allowance may not use council owned vehicles.
- 6.2.1.2. Employees receiving a fixed travel allowance shall utilize their private vehicles for all official delegations. It is not permissible for an official receiving fixed travelling allowance to make use of official municipal vehicles.
- 6.2.1.3. If a delegate has to utilise his or her personal motor vehicle he or she will be reimbursed at the rates determined by the Department of Transport.
- 6.2.1.4. The distance, to which the reimbursement applies, must be to the shortest distance between the place where the employee is ordinarily expected to start the journey and the location where the official business is to be transacted.

6.2.2. Travelling by officials not receiving fixed travelling allowance.

- 6.2.2.1. Employees not receiving a fixed travel allowance shall utilize council vehicles for their official delegation provided that the municipal driver is not available.
- 6.2.2.2. Employees shall only be granted a council vehicle if they possess a valid driver's license, the municipality reserves the right to test any official that it contemplates issuing a municipal vehicle to satisfy itself that the person is able to drive and will not endanger his/her own life or damage council property or that of others and expose himself / herself and / or council to various claims and damages.

- 6.2.2.3. Employees not receiving a fixed travel allowance may not travel and claim using their private vehicles unless under circumstances not controllable by management, e.g. where the municipal vehicle or driver is not available, or, it becomes economic to utilize the private vehicle of such official. Where such circumstances prevail, prior approval will be sought from the Head of Department.
- 6.2.2.4. If an employee not receiving a fixed travel allowance has to utilise his or her personal motor vehicle he or she will be reimbursed at the rates determined by the Department of Transport.
- 6.2.2.5. The distance, to which the reimbursement applies, must be to the shortest distance between the place where the employee is ordinarily expected to start the journey and the location where the official business is to be transacted.

6.2.3. Air Travel.

- 6.2.3.1. Every attempt shall be made to use the most cost effective mode of transport.
- 6.2.3.2. All air travel for employees shall be through the economy class.
- 6.2.3.3. Air travel at classes higher than economy class can only be considered on condition there is no available alternative or is authorised by the Municipal Manager.
- 6.2.3.4. Air travel shall be reserved for long distance travel of over 500 kilometres single trip or where it is the most cost effective mode of transport.

6.2.4. Rented / Hired Vehicle.

- 6.2.4.1. Every attempt shall be made to use the most cost effective mode of transport.
- 6.2.4.2. In instances where car rental becomes necessary only "A" or "B" category vehicles may be rented, unless it is more cost-effective to hire a more expensive vehicle.
- 6.2.4.3. 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 not be reimbursed for the cost of kilometres travelled using the rented motor vehicle even if proof of expenditure is produced. An employee who finds it compelling to hire a vehicle while away on business trip must communicate the matter with their senior manager who will then decide on the matter and find a way to approve or disapprove.
- 6.2.4.4. A chauffer or driver may be rented only with the approval of the Municipal Manager.

7. SPECIAL TRAVELLING PRIVILEGES

7.1. Death of an official while on official duty away from his headquarters

Should an official die whilst on official duty away from his/her place of residence, the municipality shall be liable for expenses limited to the transfer of the corpse from one area to the facility closest to the place of residence of the deceased.

8. TRANSPORT BETWEEN RESIDENCE AND PLACE OF DUTY

8.1.1 Travel between residence and place of work is the responsibility of the employee.

8.1.2 An employee residing in Molemole East/West travelling to Molemole West/East can claim for the kilometres travelled between the two (2) towns but in instances where an employee resides in Polokwane and the surrounding areas, such an employee can only claim if they travel outside jurisdiction of Molemole area and if they report either at Morebeng, Moletji branch office/Mogwadi main office before undertaking their trip to either East/West.

8.1.3 If an official who resides in Polokwane and based at Mogwadi travels to Morebeng or Moletji branch office, such a trip must be regarded as a normal trip to work and should not be reimbursed for as long as for the day, he or she undertook a trip that ended in Morebeng or Moletji. If such an employee proceeded to the Head office, i.e. Mogwadi, only one trip i.e. either from Polokwane to Morebeng, Mogwadi or Moletji should be reimbursed as both towns share more or less same distance.

9. TRANSPORT OF OFFICIALS TO FUNERALS OF A DECEASED COLLEAGUE

9.1. Responsibility

The responsibility to execute this part of Molemole Local Municipality Policy on Official Transport will rest with individual department heads in consultation with the Municipal Manager.

9.2. General policy provisions

- 9.2.1 As a general rule, Molemole Local Municipality is not responsible to transport officials and / or their families to funerals of deceased colleagues.
- 9.2.2 However, on request, some assistance in the form of a once-off grant will be considered by the Municipal Manager. This grant will be for colleagues only (thereby excluding their families), in order to enable them to rent private transport to attend the funeral of a deceased official.
- 9.2.3 If viable the Municipal Manager may allocate an official fleet to transport colleagues to a colleague's funeral provided that does not impair the provision of municipal services.
- 9.2.4 Should assistance with transport and time-off for attendance of the funeral be required, the relevant Department Head must be approached of the department where the deceased official used to work.
- 9.2.5 The Head of Department concerned, in consultation with the Municipal Manager or in his/her absence, the Head: Corporate Services, may approve: -
 - 9.2.5.1 The official attendance of the funeral of the deceased if it is during working hours;
 - 9.2.5.2 A grant from a vote, for the purpose of partly or wholly defraying the expenses to rent a suitable private transport for the occasion.

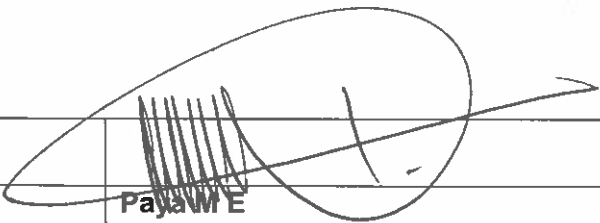
9.3 Delegation of officials to the funeral of a deceased colleague

- 9.3.1 If an official / office bearer in the service of the Molemole Local Municipality dies and approval in terms of 9.2.5 of the policy has been granted, a maximum of four (4) officials can be delegated to attend the funeral.
- 9.3.2 A maximum of one (1) night and subsistence allowances may be paid to the officials delegated by Molemole Local Municipality within the rules as indicated in the above clauses.
- 9.3.3 Only one (1) vehicle may be used, and a subsistence allowance will be paid for one night only.

The travelling allowance as set out in section 9.3.3 will be calculated based on Department of Transport rates and.

10 Endorsement.

The Policy shall come into effect on the date of endorsement and shall cease only in the event where changes / variations has been signed by the Accounting Officer. Changes resulting from change in legislation or any mandatory order will have automatic effect.

Signature	
Initial & Surname	Paya W E
Designation	Mayor
Council Resolution Number	OC/7.2.1/27/05/22
Council Date	27 May 2022