



Molemole Municipality

Subsistence and Traveling Allowance Policy

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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 and office bearers 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 and office bearers; it is envisaged that from time to time officials and office bearers 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 / office bearer who during official travel opt for private accommodation instead of municipality funded rented accommodation during performance of municipality duties at places other than normal place of work.
- (b) Normal place of work: Refers to any office / building / place where municipal official / office bearer is required to ordinarily perform his / her main duties.
- (c) Official Travel: Refers to any approved travel where a municipal official / office bearer is officially delegated by a person or structure with authority to undertake travelling in furtherance of municipality interest.
- (b) Supervisor: Refers to the immediate line manager of a municipal official.
- (d) Head of Department: Refers to a Senior Manager responsible for the specific department.
- (e) Municipal Official: Refers to a temporary / permanently appointed Molemole Local Municipality official / office bearer including Section 56 and 57 Managers (Senior Managers).
- (f) Office Bearer: Refers to a Molemole Local Municipality political office bearer.
- (g) Reasonable costs: Refers to 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, brother, sister (not exceeding 2), and children.
- (i) Headquarters: Refers the official / main offices of Molemole Local Municipality that is 303 Church Street, Mogwadi or any other offices that may from time to time be determined as Headquarters.

- (j) **Subsistence Allowance:** Refers to a daily amount paid by municipality to an officially delegated official or office bearer deemed to be covering costs of meals, incidentals but excluding personal recreation.
- (k) **Travel Allowance:** Refers to an amount per kilometre determined in accordance with applicable AA tariff or any other municipality approved tariff paid to an officially delegated officials or office bearer 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) **Delegate:** Refers to an official or office bearer duly delegated by the municipality to represent the municipality including Section 56 and 57 managers (Senior Managers).
- (n) **Domestic Travel:** For the purposes of this policy, domestic travel shall mean travel within South Africa and international travel shall mean travel to any country other than South Africa.
- (o) **Daily Tariff:** Refers to a daily allowance paid to an official or office bearer in an instance where the official or office bearer is delegated out of office in an official capacity for a period within or less than 24 hours, the allowance is deemed to be catering for reasonable out of pocket expenses of necessity incurred by the official or office bearer.

3. PRINCIPLES

- 3.1 Molemole Local Municipality will provide fair and reasonable compensation for official journeys justifiably and legitimately undertaken by officials or office bearer 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 In order to qualify for the utilization of official journeys, there must be a particular official function or duty to be performed.
- 3.4 Every delegate who travels on the business of the municipality must comply with this policy in letter and in spirit.
- 3.5 Delegates 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 Officials required undertaking official journeys will be instructed in writing or verbally by the Supervisor / Head of Department/Municipal Manager.
- 3.7 Officials / office bearers' 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 official 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 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 a supervisor or head of department or municipal manager of Molemole Local Municipality.
- 3.11 Officials or office bearers must claim individually for their expenses.
- 3.12 A delegate of the municipality must claim his or her travel & subsistence allowance within three months of undertaking the journey.
- 3.13 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 & Office bearers of Molemole Local Municipality subject to any legislation; regulation or agreement.
- 4.2 Any aspect that is concurrently provided for in this policy and any legislation / regulation / agreement, provisions of legislation / regulation / agreement shall take precedent over provision of such 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. Reimbursement allowances

- 6.1.1. Molemole Local Municipality reserves the right to determine, on cost effective grounds, the means of transport when an official / office bearer is delegated by the municipality to perform duties elsewhere or to attend to official business.
- 6.1.2. Travel allowance is payable for any daily official travel above 40 kilometres per trip including approved official travel within the municipal jurisdiction.
- 6.1.3. Travelling allowance for qualifying travel in terms of 6.1.2 above will be payable from the 1st kilometer travelled.
- 6.1.4. Travel and Subsistence claim must be preceded by a formal written delegation by a head of Department or Municipal Manager.

- 6.1.5. Travel and Subsistence claims must be authorized by the relevant Unit Managers/Head of Department and / or Municipal Manager.
- 6.1.6. Subsistence & Travel claims must be submitted not later than 90 days from the date of the trip, Claims received after this period shall be rejected, unless condoned by the Municipal Manager.
- 6.1.7. Payment for travel and subsistence claims shall be processed through payroll and paid electronically into a designated account of an official or office bearer along with the official or office bearer's salary/remuneration.
- 6.1.8. Only payment for travel and subsistence allowance of persons who are not municipal officials or office bearers may be processed through other payment options and timelines.
- 6.1.9. Payment for travel and subsistence allowance will be tax deductible and declared as benefit accrued to an employee in accordance with applicable tax guidelines.
- 6.1.10. Only duly authorized officials and office bearer's travel and subsistence claims submitted on or before the 10th and 28th each month shall be considered for payment during the next pay period for that month.
- 6.1.11. Travel and subsistence claims received after the 28th of the month will be processed for payment during the subsequent salary month.
- 6.1.12. In the event an official or office bearer was 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, costs incurred by Municipality shall be claimed from the individual's salary.
- 6.1.13 Recovery from salary deduction in respect of 6.1.12 above shall be structured in a manner considerate of permitted deduction limits.
- 6.1.14. Reimbursement allowances that an official / office bearer may claim for while performing official duties on behalf of the municipality, namely: -

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- (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 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 there is no three or four star grading within a 10 kilometre radius from the venue of the primary event.
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- (iv) If the cost of accommodation includes, as it often does, the provision of breakfast, a subsistence allowance of R225.00 per night will apply in respect of domestic travel, where breakfast is excluded, the subsistence allowance will be R275.00 per day.
 - (v) 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.
 - (vi) The option for private accommodation must be approved in advance and be based on the most economic option between payment of camping allowance and a cost of a 3 star accommodation grading.

- (vii) 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 every 5 consecutive days of stay in a council paid accommodation.
- (viii) The recoverable cost of accommodation for international travel may not exceed US\$350 per day. The subsistence allowance will be US\$190 per day.
- (ix) Where such accommodation is available, the rate for a single room will be payable.

6.1.15. In respect of official duties within the Republic away from an official / office bearer's normal place of work for a period of 24 hours and longer, an official / office bearer has a choice to claim compensation for his / her accommodation.

6.1.16. The municipal manager may subject to affordability, budget provision and consideration of changes in general standard of leaving on an annual basis adjust rates provided for in the policy.

6.1.17. 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.

6.1.18. Expenses relating to parking expenditure may be claimed.

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 Bearing Positions.

6.2.1.1. Officials and office bearers receiving a fixed monthly travel allowance excluding the mayor and the Speaker may not use council owned vehicles except for ceremonial purposes as determined by the Municipal Manager.

6.2.1.2. Officials and office bearers receiving a fixed travel allowance shall utilize their private vehicles for all official delegations.

6.2.1.3. Under exceptional circumstances the Municipal Manager may grant permission for an official receiving fixed travelling allowance to make use of official municipal vehicles.

6.2.4.3. 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 municipality's offices 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. Officials not receiving a fixed travel allowance shall utilize council vehicles for their official delegation.
- 6.2.2.2. Officials shall only be granted a council vehicle if they poses 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 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. Officials not receiving a fixed travel allowance may only travel and claim using their private vehicles upon prior approval by the Head of Department.
- 6.2.4.4. 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.
- 6.2.2.4. The distance, to which the reimbursement applies, must be to the shortest distance between the municipality's offices 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 officials and office bearers 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 300 kilometres or where it is the most cost effective mode of transport.

6.2.4. Rented / Hired Vehicle.

- 6.3.4.1. Every attempt shall be made to use the most cost effective mode of transport.
- 6.3.4.2. 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.
- 6.3.4.3. 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 only be reimbursed for the cost of kilometres travelled using the rented motor vehicle if proof of expenditure can be produced.
- 6.3.4.4. The mayor shall be allowed to hire a vehicle equivalent to that of the mayoral car provided there are adequate financial resources to cover the expense.
- 6.3.4.5. A chauffer or driver may be rented only with the approval of the Municipal Manager.

- 6.3.4.6. The municipality can reimburse an official / office bearer for car rental without prior approval provided the delegate can demonstrate that vehicle rental was reasonably and unexpectedly necessitated by circumstances.

7. SPECIAL TRAVELLING PRIVILEGES

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

Should an official / office bearer die whilst on official duty away from his/her headquarters, 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 branch office/Mogwadi main office before undertaking their trip to either East/West.

- 8.1.3 If an official resides in Polokwane and instead of travelling to Mogwadi travels to Morebeng, 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 and never proceeded to main Headquarters i.e. Mogwadi. If it is proceeded to Mogwadi, only one trip i.e. either to Morebeng or Mogwadi should be reimbursed as both towns share more or less same distance.

- 8.1.4 Normal place of duty is, for the purposes of this provision, the physical place where a person performs his/her everyday duties.

9. TRANSPORT OF OFFICIALS / OFFICE BEARERS 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

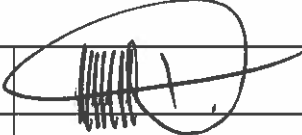
- 9.2.1 As a general rule, Molemole Local Municipality is not responsible to transport officials or official / office bearers and / or their families to funerals of deceased colleagues.
- 9.2.2 However, on request, some assistance in the form of a once-off grant will be considered. This grant will be 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 in 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 or office bearers~~ can be delegated to attend the funeral.
- 9.3.2 A maximum of one (1) night and two (2) days subsistence expenses 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 travelling allowance will be paid for one (1) vehicle only.
- 9.3.4 The travelling allowance as set out in section 9.3.3 will be calculated based on fuel tariffs as determined by the relevant authority from time to time.

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	Cllr M.E. PAYA
Designation	MAYOR
Council Resolution Number	02 / 7.5 / 29 / 05 / 2019
Council Date	29 / 05 / 2019