

**Molemole Municipality**

**OFFICIALS
SUBSISTENCE AND TRAVEL ALLOWANCE
POLICY
2024/2025**

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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 official is required to ordinarily perform his / her main duties.
- (c) **Official Travel:** Refers to any approved travel where a municipal official 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 contracted and permanently appointed Molemole Local Municipality official including Section 56 and 57 Managers (Senior Managers).
- (f) **Reasonable costs:** Refer to cost effective travelling, accommodation and subsistence costs as determined in terms of this policy.
- (g) **Family:** Refers to an immediate family member of choice for example father, mother, grandfather, grandmother, wife, siblings (not exceeding 2), and children.
- (h) **Head Office:** Refers to the main offices of Molemole Local Municipality that is situated at 303 Church Street, Mogwadi.
- (i) **Subsistence Allowance:** Refers to a sleep out amount paid by the municipality to an officially delegated official and excluding personal recreation.
- (j) **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

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vehicle.

- (k) **Municipality:** Refers to both administrative and political components of Molemole Local municipality.
- (l) **Delegate:** Refers to an official duly delegated by the municipality to represent the municipality including Section 56 and 57 managers (Senior Managers).
- (m) **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.

3. PRINCIPLES

- 3.1 Molemole Local Municipality will provide fair and reasonable compensation for official journeys justifiably and legitimately undertaken by officials in the interest of the municipality.
- 3.2 Strict monitoring will ensure that the allowances are not abused; and are paid to the people to whom they are due.
- 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 to undertake official journeys will be instructed in writing or verbally by the Managers / Head of Department/Municipal Manager.
- 3.7 Officials 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 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.
- 3.12 The Manager and the Head of department shall approve application for travelling before the trip is undertaken.

4. SCOPE OF APPLICATION

This policy applies to all Officials of Molemole Local Municipality subject to any legislation; regulations or agreements.

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. Fixed 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 a driver's licence.
 - Cop of vehicle registration certificate or Motor vehicle licence and disc document.
- All these must be in the name of the official that is receiving the fixed travel allowance.

6.2. Reimbursement travel allowances

- 6.2.1. Molemole Local Municipality reserves the right to determine, on cost effective grounds, the means of transport when an official without fixed travel allowance is delegated by the municipality to perform duties elsewhere or to attend to official business.
- 6.2.2. A senior manager shall travel to the maximum of 3000 kilometers per annum. If a senior manager is obliged to travel any kilos beyond the maximum, pre-approval shall be sought with the Accounting officer.
- 6.2.3. A divisional manager shall travel to the maximum of 2500 kilometers per annum. If a divisional manager is obliged to travel any kilos beyond the maximum, pre-approval shall be sought with the Accounting officer.
- 6.2.4. All other officials shall travel to the maximum of 2000 kilometers per annum. If an official is obliged to travel any kilometers beyond the maximum, pre - approval shall be sought with the Accounting officer.
- 6.2.5. Travel allowance is payable for any daily official travel including approved official travel within the municipal jurisdiction.

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- 6.2.6. Travelling allowance for qualifying travel in terms of 6.2.5. above will be payable from the 1st kilometer travelled.
- 6.2.7. Travel and Subsistence claim must be preceded by a formal trip pre-authorisation and budget checks by the Budget office, which then recommends to the head of Department and Municipal Manager.
- 6.2.8. Travel and Subsistence claims must be authorized by the Manager, Head of Department and / or Municipal Manager.
- 6.2.9. Payment for travel and subsistence claims shall be processed through payroll and paid electronically into a designated account of an official and/or non-standard employee along with their salary/remuneration.
- 6.2.10. Part of the payment for travel and subsistence allowance will be taxable and declared as benefit accrued to an employee in accordance with applicable tax guidelines.
- 6.2.11. 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.
- 6.2.12. In the event an official 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.
- 6.2.13. Recovery from salary deduction in respect of 6.2.13 above shall be structured in a manner considerate of permitted deduction limits.
- 6.2.14. Reimbursement allowances that an official 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 will be borne by the municipality, in accordance with rates applicable to accommodation of three to four star grading in respect of domestic travel. 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.

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 – R169 for 2025
- Meals and incidental costs – R548

- (iii) 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.

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- (iv) 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.
- (v) The option for private accommodation must be approved after comparison of the camping allowance and the rates of municipal paid accommodation.
- (vi) 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.
- (vii) 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 R4,84 for 2024/25. For any benefit derived from the rate exceeding the prescribed rate per kilo by SARS, code 3702 will be used.
- (viii) 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.
- (ix) The recoverable cost of accommodation for international travel may not exceed US\$350 per day. The subsistence allowance will be US\$190 per night.
- (x) Where such accommodation is available, the rate for a single room will be payable.

6.2.15. 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.

6.2.16. 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.

6.2.17. Expenses relating to parking expenditure shall 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.

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6.3 Transport Options

6.3.1. Travelling Allowance for fixed travel allowance bearing positions.

6.3.1.1. Officials receiving a fixed monthly travel allowance may not use council owned vehicles.

6.3.1.2. Officials receiving a fixed travel allowance shall utilize own private vehicles for all official delegations. It is not permissible for an official receiving fixed travelling allowance to make use of next of kin nor official municipal vehicles.

6.3.1.3. 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.

6.3.1.4. 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.

6.3.2. Travelling Allowance for officials not receiving fixed travelling allowance.

6.3.2.1. Officials not receiving a fixed travel allowance shall utilize council vehicles for their official delegation provided that the municipal driver is not available.

6.3.2.2. Officials 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.

Officials 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.

6.3.2.3. 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.

6.3.2.4. 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.

6.3.3. Air Travel.

- 6.3.3.1. Every attempt shall be made to use the most cost effective mode of transport.
- 6.3.3.2. All air travel for officials shall be through the economy class.
- 6.3.3.3. 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.
- 6.3.3.4. 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.

6.3.4. 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. A chauffeur or driver may be rented only with the approval of the Municipal Manager.
- 6.3.4.5. The municipality can reimburse an official for car rental without prior approval provided the delegate can demonstrate that vehicle rental was reasonably and unexpectedly necessitated by circumstances.

7. TRANSPORT BETWEEN RESIDENCE AND PLACE OF DUTY

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

7.2. An employee residing in Molemole East or West travelling to either of the offices, can claim for the kilometres travelled between the two towns.

7.3..If an official who resides in Polokwane and based at Morebeng travels to Mogwadi or Moletji branch offices, such a trip must be claimed as from Polokwane to Mogwadi or Moletji as Mogwadi and Moletji are not their normal trip to work..If such an employee proceeded to the Head office, i.e. Mogwadi, only one trip i.e. either from Polokwane to Mogwadi or, Moletji should be reimbursed as both towns share more or less same

distance.

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

8. TRANSPORT OF OFFICIALS TO FUNERALS OF A DECEASED COLLEAGUE

8.1. 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.

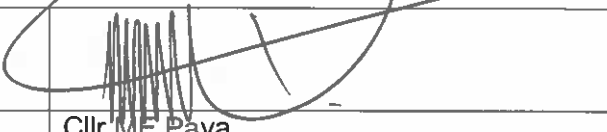
8.2. General policy provisions

- 8.2.1. The Head of Department concerned, in consultation with the Municipal Manager or in his/her absence, the Head: Corporate Services, may approve: -
- 8.2.2. The official attendance of the funeral or memorial service arrangements of the deceased stakeholder.
- 8.2.3. Subsistence and travelling allowances may be claimed in this regard as long as the official was delegated to assist in funeral or memorial service arrangements.

8.3. Delegation of officials to the funeral of a deceased colleague

- 8.3.1. If an official 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.

Endorsement:

| | |
|----------------------------------|--|
| Signature |  |
| Initial & Surname | Cllr. ME Paya |
| Designation | Mayor |
| Council Resolution Number | OC/30/04/2024 |
| Council Date | 30 April 2024 |