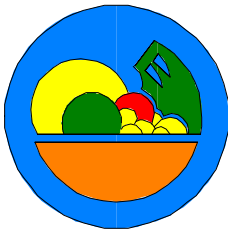


GREATER TZANEEN MUNICIPALITY SUBSISTENCE AND TRAVEL DRAFT

POLICY



GREATER TZANEEN MUNICIPALITY



SUBSISTANCE AND TRAVEL
ALLOWANCE POLICY

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POLICY

GREATER TZANEEN MUNICIPALITY



ALLOWANCE SUBSISTENCE AND TRAVEL POLICY (DRAFT)

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Definitions

GLOSSARY OF TERMS

AFS	Annual Financial Statements
AG	Auditor General (Note: including the AG's representatives)
DOM	Domestic
DoRA	Division of Revenue Act
DPSA	Department of Public Service and Administration
EBT	Electronic Bank Transfer
EFT	Electronic Funds Transfer
FSB	Financial Services Board
GTM	Greater Tzaneen Municipality (Note: Also referred to as the Municipality)
GPG	Gauteng Provincial Government
GRAP	Generally Recognised Accounting Practice
GRN	Goods Received Note
HR	Human Resources
IT	Information Technology
MEC	Member of the Executive Council
MFMA	Municipal Finance Management Act
MFRC	Micro Finance Regulatory Council
MM	Municipal Manager
MMS	Major Management Service
MOC	Management of Compensation
PMG	Payment Master General
PST	Provincial Support Team
REF	Reference
SARS	South African Revenue Service
SCM	Supply Chain Management
SITA	State Information Technology Municipality
SMS	Senior Management Service
TCC	Travel Credit Card
TR	Treasury Regulations
VAT	Value Added Tax
GIAMA	Government Immovable Asset Management Act

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TERMS AND DEFINITIONS

TERMS	DEFINITIONS
Accounting Authority	The Municipal Manager as appointed by the Council.
All applicable taxes	Includes value-added tax, pay as you earn, income tax, unemployment insurance fund contributions and skills development levies.
Authoriser	The person responsible for approving a Procurement Requisition in each Unit or Cost Centre Manager.
Authority	The right or power attached to a rank or appointment permitting the holder thereof to make decisions, to take command or to demand action by others.
Municipal Manager	The Municipal Manager has the general responsibility of running the Municipality on day to day basis, accountable to the Council, and to assist the Council in discharging the duties as prescribed in the MFMA and perform such duties and responsibilities as have been delegated to him / her.
Chief Financial Officer	The CFO has the general responsibility to assist the Municipal Manager and Council in discharging the duties
Code of Conduct	GTM's Code of Conduct.
Council	The Council of the Municipal in term of the MFMA.
Day(s)	Calendar days unless the context indicates otherwise.
Delegation Authority	any person or committee delegated with authority by the Municipality in terms of the provisions of the Municipal Finance Management Act.
Designated sector	A sector, sub-sector or industry that has been designated by the Department of Trade and Industry in line with national development and industrial policies for local production, where only locally produced services, works or goods or locally manufactured goods meet the stipulated minimum threshold for local production and content.
Director	the employee designation in writing and who is responsible and accountable for all resources allocated to business unit.

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Employee	a person in the employ of the Municipality
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TERMS	DEFINITIONS
Family	a spouse, any dependent child and/or any relative who resides permanently with an employee and is of necessity dependent, and whose income, from whatever source, does not exceed the amount of the applicable maximum basic pension prescribed in regulations made under the Social Pension Act
Government	The Government of the Republic of South Africa.
Institution	All constitutional institutions, public entities as defined in the PFMA,
Mayor	Political head
Management	The EXCO who have delegated and charged with the day-to-day management of the GTM. This also entails the power to determine policies, the direction of economic activities and the allocation and use of resources of the GTM.
Mayor	Political head
Liquid refreshments” means	any drink and includes coffee, tea, sodas, and fruit juices but excludes any alcohol or spirits, malt or related substances
Meals	breakfast, lunch and dinner and includes any liquid refreshments
Municipal Entity	Entity as defined in the Systems Act.
Municipal Finance Management Act (MFMA)	Local Government: Municipal Finance Management Act, 56 of 2003.
Municipal Manager	The Municipal Manager has the general responsibility of running the Municipality on day to day basis, accountable to the Council, and to assist the Council in discharging the duties as prescribed in the MFMA and perform such duties and responsibilities as have been delegated to him / her.
Official	An employee of the GTM.

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Official journey	a journey undertaken by an employee in his/her capacity as government employee and/or representing the Municipality in that capacity
Permanent companion	a person who is cohabiting with an employee, Mayor or Councillors and is publicly acknowledged by the employee mayor or councillors as a permanent companion, provided the employee, Mayor or

TERMS	DEFINITIONS
	councillor has informed the municipality in writing of such companion
Person	A juristic person which includes a natural or juristic entity.
Policy	Supply Chain Management
Practitioner	A person who practices a profession or art, or is an expert in a particular field.
Rand Value	Total estimated value of a contract in South African currency, calculate at the time of tender invitations, and includes all applicable taxes and excise duties.
Redundant	No longer needed or useful.
Responsibility	The obligation imposed on an official to properly exercise the authority vested in him to carry relevant functions or act in a particular manner within the limits of his authority. This involves the power to command and to demand action in the proper execution of the relevant duties. (Responsibility may be delegated).
Risk Management	The identification, measurement and economic control of risks that threaten the assets and earnings of a business or other enterprise.
SCM Unit	The SCM function established in the GTM is rendered by person(s) with the relevant authority or delegated authority.
Spouse	a person legally married to an employee, mayor, council including a spouse in a polygamous marriage or permanent companion

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Supply Chain Management	An integral part of financial management. This function is the collaborative strategy that integrates the planning, procurement and provisioning processes in order to eliminate the non-value adding cost infrastructure, time and activities. SCM seeks to introduce international best practices, whilst at the same time addressing Government's preferential procurement policy objectives and serving the end-users and customers efficiently.
System Act	The Local Government – Municipal System Act, 32 of 2000.
The State	The government of the Republic of South Africa and any of its organ or institutions.
Traveller	an employee travelling for official purposes
TERMS	DEFINITIONS
Urgency	A situation where, in the best interest of the GTM, immediate action is deemed necessary to continue with or to complete a project.
Value For Money	The best available outcome when all relevant costs and benefits over the procurement cycle are considered.

1 Purpose

- 1.1 The purpose of this document is to provide guidelines to all travellers pertaining to the incurrence of subsistence and travel expenditure when travelling for official purposes.
- 1.2 Authorisation of official journeys and approving related expenditure.
- 1.3 Only delegated official may authorise an employee to travel for official purpose and may approve reasonable travel costs associated with an official journey prior to the commencement of a journey.
- 1.4 Where employees are required to travel abroad for official purpose, the council must authorise such travel request.

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2. Subsistence and travel

There shall be no advance payments for S&T with exception of international travel approved by council at the approved international travel rates.

2.1 All subsistence and travel advance applications must be accompanied by:

- a) A duly authorised Subsistence and travel claim request,
- b) Municipality Travel Plan or invitation to attend approved by the relevant manager, director, Mayor on behalf of Exco Members and Speaker on behalf of other Councillors,
- c) A schedule reflecting the anticipated travel expense; and
- d) Council approval (in the case of international travel).

3. Subsistence allowance

3.1 A daily subsistence allowance is an amount of money paid by the municipality to a representative to cover the following expenses-

- a. Meal (including reasonable gratuities)
- b. Incidental cost such as refreshments, snacks, and telephone

3.2 A subsistence allowance does not cover any personal recreation, such as visits to a cinema, theatre or nightclubs, or sightseeing.

4. Entitlement to a subsistence allowance

4.1 A representative may claim a daily subsistence allowance as provided in this policy with the understanding that all authorized personal expenses are covered by the subsistence allowance. No further expenses, with the exception of certain business expenses (see below), may be claimed.

4.2 A daily subsistence allowance will only be applicable where-

- a) The representative will be on official business outside the jurisdiction of the Greater Tzaneen Municipality

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- b) A representative of the municipality must claim his or her subsistence allowance, as provided in this policy before embarking on any official and international trip only with the exception where such claim reaches the Expenditure Division at least three days before the trip; in which case such claim must be submitted after the event. Such a claim must be accompanied by details of the meeting or conference or workshop or emailed/faxed invitation.
- c) No subsistence allowance will be paid, and no representative will be entitled to a subsistence allowance, if the trip or travel is not related to the official business of the Municipality. All on business of the municipality must be approved as such before a representative is entitled to a subsistence allowance.
- d) For the purpose of a subsistence allowance, a representative shall mean-
 - i. Mayor, as the case may be
 - ii. Speaker
 - iii. Members of the executive committee, as the case may be
 - iv. Other councillor specifically authorized to present the municipality on a particular occasion
 - v. Municipal manager
 - vi. Directors
 - vii. Officials
 - viii. Any other person specifically authorized to represent the municipality on a particular occasion
 - ix. Any official that is granted permission to attend meetings and conferences of such institution.

5. Subsistence and travel claims

5.1 All outstanding claims in respect of subsistence and travel must be submitted within three months after travellers have returned to their offices.

5.2 A subsistence and travel claim must be supported by the following substantiating documentation:

- a) A duly authorised subsistence and travel form
- b) Invitation to attend approved by the relevant manager, director, Mayor on behalf of Exco and Speaker on behalf of other Councillors
- c) Original documentation specifying what expenses were incurred; and
- d) Proof of attendance and toll gate slips

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6 Daily allowances and other entitlements

- 6.1 Domestic travels - away from the office on official duty for business purpose.
- 6.2 Officials/councillors may not overstay for a night if the distance to be travelled is less than 160 km single trip, if extraordinary conditions prevail, then approval must be granted by the delegated official.
- 6.3 Where the cost of accommodation includes the provision of breakfast and dinner a subsistence allowance of R160 remains for all officials and councillors, if supper is not included in the accommodation tariff a maximum of R200.00 is claimable on submission of proof. If no meals are served at the accommodation establishment of amount of maximum of R300 will be paid after submitting claims.
- 6.4 When travellers undertake official journey for less than 24-hours, travellers may only claim reasonable actual expenses upon presentation of original supporting documentation, provided the travel requirement falls outside the vicinity of their normal place work.
- 6.5 Actual expense includes, amongst other, the usage of private vehicle, meals, parking and toll fees.
- 6.6 The officials may not travel home after : 16:00 if the distance to be travelled is 350km and above return trip provided official duty ends after.16:00
- 6.7 Officials must submit Original Tax Invoices for accommodation billed to the municipality, within 10 days of returning from official trips. Failure to do so will result in, the S & T claim withheld until submission of the tax invoice is made to Expenditure Division or deduction of amounts paid for such accommodation from the employee's salary in the next pay run.

7. Domestic travel – away from the office on official duty

- 7.1 If a traveller takes an official journey, the traveller may claim compensation for travel and subsistence expense based on either the special actual daily allowance where actual expense are claimed and/ or the fixed daily allowance where actual expenses cannot be claimed while on an official journey.
- 7.2 In addition to the prescribed allowances, travellers may claim reasonable actual expenditure for the following if substantiated by original receipts:
 - a) Accommodation (applicable only to the special daily allowance option)
 - b) Meals (applicable only to the special daily allowance option)

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- c) Public transport costs;
- d) Use of private vehicle transport;
- e) Parking;
- f) Toll fees;

7.3 Calculation of fixed daily allowance and or special daily allowance;

- a) The daily allowance commences at the time when travellers leave their offices , and ends upon their return from their trip,. The above-mentioned provision is limited to a maximum of four hours from departure and upon return where travellers make use of air travel;
- b) The daily allowance is payable for every 24-hours.

8. International travel

8.1 Employees may claim the daily allowance for meals and incidental expenses prescribed by the Policy applicable to the country being visited. The following reasonable expenses may be claimed in addition to the daily allowance, provided original documentation can substantiate such expense.

- a) Accommodation;
- b) Dry cleaning or laundry
- c) Public transport fees;
- d) officials telephone calls including international roaming;
- e) Parking fees;
- g) Use of private vehicle transport to and from the departure point; and
- h) Such other justifiable travel expense not covered by the daily allowance.

8.2 Where meals are debited to the hotel account, the total cost of such meals must be recovered from the employee.

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- 8.3 The recoverable cost of accommodation for international travel may not exceed US\$300 (Three Hundred US Dollars). The subsistence allowance will be US\$180 (One Hundred and eighty US Dollars) per day.

9. Meals and related matters

9.1 Domestic travel

- a) Departs from head office 07h00 and has breakfast before 08h00;
- b) Must be absent from his/her office between 10h00 and 14h00 to claim lunch; and
- c) Must still be on official duty by 18h00 to claim for dinner.

- 9.1.2 Travellers may not be reimbursed for meals and related expense incurred whilst attending a training course or meeting within the same vicinity as their normal place of work.

9.2 Domestic travel for longer than 24-hours

- 9.2.1 An employee may claim a maximum of three meals per day in terms of actual expense provision, provided the total cost for all three meals does not exceed R584 as prescribed by SARS.

- 9.2.2. The following additional requirement must be adhered to:

- a) Breakfast may only be claimed on the first day of the trip if an employee starts his/her journey before 07h00; and
- c) Dinner may also be claimed on the last day of the trip if the employee has not yet reached his/ her destination on the return trip by 20h00.

10. Travel reservations

- 10.1 All required travel arrangements must be made in line with the SCM policy of the Municipality and must be supported by a duly authorised Travel Claim.

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11. Accommodation costs

- 11.1 Representatives 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 hotel, motel, and guesthouse of bed and breakfast establishment.
- 11.2 The cost of accommodation will be borne by the municipality, subject to a maximum of 4 stars for EXCO members and other Councillors and 3 star for all officials in respect of domestic travel. Where such accommodation is available, the rate for a single room will be payable.
- 11.3 **The maximum cost of the hotel bookings (Dinner, bed & breakfast) shall not exceed R1800.00 for all officials and Councillors**
- 11.4 If no such accommodation is available, higher rating accommodation can be used subject to the prior approval of the Municipal Manager or the CFO.
- 11.5 If a representative stays with a relative or friend, no accommodation allowance may be claimed, but the representative may claim a subsistence allowance of R600 per day.
- 11.6 Managers and travellers must ensure that reasonable accommodation cost is incurred while travelling for official purpose.
- 11.7 Domestic accommodation costs may not include weekend unless necessary for official purpose.
- 11.8 All meals included in the accommodation costs must be specified in order to ensure that only permitted items are claimed.

12. Travel and subsistence allowance for applicants invited for interviews

- 12.1 Air tickets and booking of accommodation for applicants invited for interviews, must at all times be arranged by the Human Resources Management, in accordance with the Supply Chain Management Policy as well as the stipulations and upper limits as prescribed in this policy.
- 12.2 Booking of rental vehicles on behalf of applicants, as well as reimbursement of claims by applicants in this regard, is strictly prohibited.
- 12.3 Candidates invited for interviews are entitled to claim full fuel costs.

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13. Other transport means while travelling

13.1 Private transport

13.2 When a traveller is required to make use of his/her private vehicle for official purpose, the traveller must obtain written authorisation from his/her manager prior to commencing with the journey.

13.3 Where approval has been granted for a traveller to make use of his/her private transport for official purpose, an official journey commences from normal place work .

13.4 An employee will be compensated in accordance with the tariffs prescribed by the department of Transport.

13.5 Directors utilising their private vehicle to carry out official duties will be compensated for kilometres travelled per month, according to the tariffs payable for privately owned vehicle as prescribed by the Department of Transport.

13.6 Director and managers who structure a motor vehicle allowance may, subject to the above, be compensated for the cost of official journeys, including travel to and from the normal work place, when they must temporarily take up duties and in consequence, residence at another work.

14. Car rental

The following category vehicles are approved for car rental from airports. The categorization table of car rental companies used for category purpose only.

Speeding fines or car damages due to reckless driving or drunk driving based on incident report, will be at the cost of the employee.

Employees with disabilities must be accommodated in correct class vehicles

Mayor	Category C or auto of same class of vehicle
Exco member	Category C or auto of same class of vehicle
All other Councillors	Category B or auto of same class of vehicle
MM	Category C or auto of same class of vehicle
Directors/ Managers	Category B or auto of same class of vehicle
All other Officials	Category B

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14. Municipality owned transport

14.1 Municipal owned vehicles may only be issued to an employee:

- (a) After a fully completed and duly authorised trip authority has been provided to the relevant office.
- (b) If that employee is in possession of a valid driver's license.
- (c) The Mayor and Speaker of council will be provided with a municipal vehicle as per approved council budget and mileage on the vehicles under use should ideally not exceed 120 000km or bear costs outside a maintenance plan without review of usage.

14.2 An employee who has been issued a municipality owned vehicle may not:

- (a) Materially deviate from the approved route;
- (b) Use the vehicle for purpose other than authorised;
- (c) Drive under the influence of alcohol, drugs or related substances;
- (d) Allow any person other than the authorised driver to operate the vehicle

(e) Transport any person other than authorised employees;

15.1 Where circumstances necessitate that a municipal owned vehicle be kept at the residence of an employee, approval may be granted for provided an advance authority to keep the vehicle at an employee's residence has been obtained from the relevant director.

15.2 **Officials & Councillors that structured a car allowance may not use municipal-owned vehicles to commute between official events.**

16. Payment of Subsistence and Travel

16.1 Payments for Subsistence and Travel shall be paid upon return of the incumbent with supporting documentation related to the purpose of the trip, or in the earliest payment cycle period.

17. Miscellaneous

17.1 When an employee on official duty becomes so ill that he/she must remain distant from his/her home, the relevant directors may approve reasonable travel expenditure for a maximum of

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two family members including his/her spouse or permanent companion to join him/her. This provision is limited to a maximum of five days.

17.2 Notwithstanding the above, a family member, spouse or permanent companion may not be reimbursed for any incidental expenditure and may therefore not claim the actual or fixed daily allowance.

18.3 The incurrence of subsistence and travel expenditure shall be regulated by the service level agreement entered into between the Department and consultancy provider.

Authorisation

19.1 For purposes of implementing this policy:

- a) Only the Municipal manager may authorize any travel to be undertaken by directors, or payments to be made for persons invited for interviews, but provided the expenses to be incurred are on the approved budget of the relevant department.
- b) All trips outside the Province must be duly authorized by the Municipal Manger
- c) Only the Mayor may authorize any travel to be undertaken by councillors, or the municipal manager, but provided the expenses to be incurred are on the approved budget of the municipality.
- d) Only Directors may authorize any travel to be undertaken by employees in the respective Directorate, but provided the expenses to be incurred are on the approved budget of the municipality.
- e) Authorization as per paragraph a, b and c must be obtained prior to an occasion by any representative who travels on the business of the municipality.

19.2 An invitation to attend a workshop, meeting or related event is not an automatic authorization to attend such workshop or event. The required authorization must still be obtained from the municipal manager or executive mayor, executive committee or director as the case may be..

20. Authority

Any deviation from this policy for whatsoever reason must be authorized by the Municipal manager and in the case of the municipal manager, the Mayor will authorize. In any instance where a delegate did not attend business as approved in accordance with this policy, any expenditure incurred by the council should be refunded by the representative. All deviations in this regard must be approved by council.

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21. Travel and subsistence allowance claim form

The official Travel and Subsistence Allowance claim form, as prescribed by Chief Financial Officer must be used with regard Travel and Subsistence Allowance applications.

21. Car rental and other travel costs

21.1 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 authorization will only be reimbursed for the cost of the vehicle rental if proof of expenditure can be produced and the representative can demonstrate that vehicle rental was reasonably but unexpectedly necessitated by the circumstances.

21.2 All flights by representatives of the municipality shall be in economy class only ,

21.3 Parking and toll fee – actual cost will be reimbursed upon submission of proof.

21.4 If a representative has to utilize his or her personal motor vehicle outside the boundaries demarcated for the municipality he or she will be reimbursed at:

21.4.1 Holders of Public Office: As per circulars as determined Minister at Local government

21.4.2 Officials with vehicle/car allowance:

21.4.3

a) Running cost cc capacity as per official Department of Transport schedules

b) Officials without car allowance and Members of Audit committee in line with AA rates. The distance to which the reimbursement applies, must be the shortest distance between the municipality's office and the location where the official business is to be transacted.

21.5 Where possible representatives must travel together, up to maximum of 3 in a vehicle, to minimize travelling expenses

21.6 Non-compliance of this policy must be authorised by the Municipal Manager and the Mayor where applicable.