

**SUBSISTENCE AND TRAVELLING POLICY  
(AMENDED)**



**O.R. TAMBO  
DISTRICT MUNICIPALITY**

# SUBSISTENCE AND TRAVELLING ALLOWANCE POLICY

## 1 POLICY PRINCIPLES AND ETHICS

1.1 This policy is based on the following principles

- (a) Reasonableness: The municipality will carry the reasonable travelling and subsistence cost of employees in terms of this policy.
- (b) Cost-effectiveness: The municipality is committed to reduce expenditure and to produce better value for money.
- (c) Integrity: The policy and procedures contained in this chapter aims to promote honesty and integrity within the municipality.
- (d) Jurisdiction: The policy defines jurisdiction as the Mthatha and a radius of 50 return kilometres.

1.2 Whenever it is discovered at any time after a payment was made to an employee in terms of this policy and -

- (a) the journey in respect of which the payment was made did not take place or
- (b) the journey in respect of which the payment was made was of shorter duration and distance than originally planned or
- (c) the employee to whom a payment was made did not undertake the journey as planned or

- (d) the employee to whom a payment was made did not travel with her/his own vehicle or did not use public transport on an official journey

the Municipal Manager, or if the Municipal Manager is involved, the Executive Mayor, must immediately take steps to recover the payment concerned or part thereof that exceeded the amount to which the employee was entitled and forthwith institute disciplinary proceedings against her/him.

## **2 AUTHORISATION OF OFFICIAL JOURNEYS**

2.1 The Municipal Manager must authorise any official journey outside the municipality contemplated by an employee prior to such journey being undertaken. The Municipal Manager must at every meeting of the portfolio committee responsible for Corporate Services must submit a written report setting out-

- (a) the journeys approved since last report
- (b) the purpose of each such journey
- (c) the names of the employees who undertook such journeys
- (d) the travelling, subsistence and accommodation cost paid or payable in respect of such journeys.

2.2 Each departmental head is responsible for ensuring that official journeys by employees allocated to her/his department are kept to a minimum.

### **3 MODE OF TRAVELLING**

- 3.1 An employee who is delegated to attend to the official business/activity (except funerals) of the municipality outside the municipality must, unless she/he regularly receives a travelling allowance, make use of official transport.
- 3.2 Where more than one employee (including Directors) from the same Department undertakes an official journey and must travel from the same place to the same event at the same destination, they must only use one vehicle for such journey provided that not more than 4 persons be allowed per sedan motor vehicle. No travelling allowance may be paid to any employee using her/his own vehicle.
- 3.3 Where a destination is in excess of 400 kilometres from Mthatha, or in exceptional cases when the destination is less than 400 km from Mthatha a person has a choice between travelling by air or by road. Whenever air travel is used the municipality will pay-
  - (a) the rent in respect of a class C rental vehicle for travelling by the employee concerned at her/his destination and
  - (b) the employee concerned according to this policy for travelling from her/his residence to the airport.
- 3.4 Whenever an employee that regularly receives a travelling allowance undertakes an official journey alone or with other persons, her/his car must be used to travel to such event.
- 3.5 An employee who does not have own transport and an official vehicle is not available or such employee does

not have a valid driver's license, the municipality must hire a car and provide a driver for such an employee.

#### **4 REIMBURSEMENT OF TRAVELLING COST FOR PRIVATELY-OWNED VEHICLES**

- 4.1 Whenever an employee undertakes an official journey outside of the office, she/he is in terms of her/his appointment authorised to claim for such travelling, he/she must be reimbursed according to the travel rates as stipulated in this policy.
- 4.2 Whenever an employee undertakes an official journey with a privately owned vehicle outside the municipality, she/he must be reimbursed for travelling costs at travel rates stipulated in her/his employment contract or if no such rates are stipulated, at travel rates determined from time to time by the Department of Transport. The distance to be used in calculating such reimbursement is the shortest route from the relevant employee's ordinary place of work to her/his destination and back to place of work.
- 4.3 Whenever an employee who does not participate in any transport allowance scheme of the municipality and does not use a municipal vehicle due to the non-availability of such vehicle or who does not have a valid driver's license is required to undertake an official journey outside the municipality, she/he must be reimbursed-
- (a) if she/he does not participate in any transport allowance scheme at the running cost tariff as determined by the Department of Transport

- 4.4 No employee may be paid or reimbursed in respect of any cost incurred for travelling between his/her residence and workplace.
- 4.5 The distance for which any employee may be reimbursed in terms of this policy is the shortest distance between her/his ordinary place of work and her/his destination, unless there is good cause shown.
- 4.6 Payments for travelling cost in terms of this policy must include a reimbursement for tollage paid upon submission of valid(stamped) receipts issued at a toll gate.
- 4.7 Such reimbursements will be taxed as per Income Tax Act .

## **5 SUBSISTENCE ALLOWANCE**

- 5.1 Any employee attending to the official business of the municipality outside the municipality is entitled to be paid a subsistence allowance as determined by SARS per day overnight that she/he is required to be outside the municipality.
- 5.2 No accommodation arrangements may be made or paid for by the municipality in respect of any event scheduled to start at or after 09:00 and closing before or at 16:30 on the same day if such event is within 200 km from the place of residence of the employee who must attend it. The Municipal Manager may waive this provision of accommodation whenever he/she deems

necessary based on the reasonable grounds forwarded before him/her.

5.3 Incidental costs(newspapers, snacks etc) will be paid as per the provisions of SARS.

## **6 ACCOMMODATION**

- 6.1 The Director concerned is responsible for approving accommodation requests for any employee who is required to stay overnight whilst on the official business of the municipality.
- 6.2 Whenever an employee is required to attend to the municipality's official business outside the municipality and she/he must stay overnight, accommodation will be paid as follows:
  - (a) Accommodation cost: An amount equivalent to bed and breakfast or a hotel plus parking, or the amount claimed, whichever is the smaller plus
  - (b) Dinner to the amount of R 300.00 per person or the amount claimed, whichever is the lesser provided that the person concerned submit proof that she/he actually stayed at and paid for such accommodation and meal.
- 6.3 The municipality shall not refund/pay for any cost incurred in respect of bar, telephone, laundry, valet or similar cost incurred by an employee on the official business of the municipality.
- 6.4. The municipality is not liable for the payment of accommodation, meals, subsistence or any other expenses incurred by or in respect of a person accompanying an employee on an official journey

unless the prior approval of the Municipal Manager has been obtained for such a person to accompany that employee.

## **7 TRAVELS OUTSIDE SOUTH AFRICAN BOUNDARIES**

The accounting officer and the Mayco must determine the travelling, accommodation and subsistence allowance payable to an employee on the official business of the municipality outside South African boundaries, using rates determined by the South African Revenue Service.



## **SUBSISTENCE AND TRAVELLING ALLOWANCE POLICY**

<b>Policy Number:</b>	<b>Approved Date:</b>
<b>Effective Date:</b>	<b>Review Date:</b>

Notwithstanding the review date herein, this policy shall remain effective until such time approved otherwise by Council and may be reviewed on an earlier date if necessary.