



**O.R. TAMBO
DISTRICT MUNICIPALITY**

TRAVELLING ALLOWANCE SCHEME POLICY

**O.R. TAMBO DISTRICT MUNICIPALITY
APPROVED**

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1. PREAMBLE

The O.R. Tambo District Municipality acknowledges the fact that managers and staff members in certain occupational categories require transport to effectively carry out duties assigned to them and thereby provide travel allowance to facilitate their work.

2. DEFINITIONS

All definitions used in this policy shall bear the same meaning as applicable legislation.

3. LEGISLATIVE FRAMEWORK

- 3.1 Local Government Municipal Systems Act & Regulations Act 32 of 2000
- 3.2 Municipal Finance Management Act 56 of 2003 (MFMA)
- 3.3 Basic Conditions of Employment Act, 1997 (Act No. 75 of 1997)
- 3.4 Labour Relations Act, 1995 (Act No 66 of 1995)
- 3.5 South African Local Government Bargaining Council: Collective Agreements
- 3.6 Local Government Staff Regulations of September 2021
- 3.7 Income Tax Act, 1962 (Act No 58 of 1962)

4. OBJECTIVES OF THE POLICY

- 4.1 To determine the criteria for participation in the travel allowance scheme.
 - 4.2 To create uniform standards across the O.R. Tambo District Municipality that is adequate for all employees who qualify for travel allowance with due to their prevailing positions.
 - 4.3 To regulate the travelling allowance for staff members who qualify and utilize the benefit.
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5. SCOPE OF APPLICATION

- 5.1 Employees employed in terms of Sections 54 and 56 of the Municipal Systems Act are excluded from this policy.
- 5.2 This policy applies to permanent staff members of the O.R. Tambo District Municipality who are designated in terms of Municipal Systems Act but excludes a contractual employee, a casual employee, and a temporary employee.

6. POLICY PROVISION

Structure of the scheme

- 6.1 The scheme consists of two parts, namely, -
 - 6.1.1 A fixed monthly travelling allowance- An allowance which is given as a fixed amount to an employee towards travelling expenses for business purposes and shall increase at the same rate as the salary increase in each financial year.
 - 6.1.2 An essential user scheme allowance- Aims to compensate employees for cost incurred in utilizing a private vehicle for the execution of duties attached to the position of the employee.

6.2 Participation in the scheme

- 6.2.1 Except for Section 54/56 Managers, Management positions from Task 14 to Task grades 20 shall receive a travelling allowance subject to the type of car they purchased.
- 6.2.2 Any other category not mentioned above will be required to complete an application form which will be signed by Head of Department and approved by Municipal Manager.

- 6.2.3 The department head must identify the posts that are eligible for travelling allowance scheme in lower-level position in line with the nature of work performed.
- 6.2.4 The request must include a detailed justification outlining the need for a vehicle and the estimated mileage expected to be incurred.
- 6.2.5 The department head will review the request, ensure it aligns with the eligibility criteria, and forward it to the Corporate Services Department for further assessment.
- 6.2.6. The Corporate Services Department together with Budget and Treasury Office will evaluate the request, considering the availability of funds, job requirements, and any other relevant factors.
- 6.2.6 The car allowance provided will end as when the contract between the employee and the seller reaches its end of term of contract or when the car is fully paid up or after a period of five years after purchase whichever comes first.
- 6.2.7 The employee will have to submit a new purchase agreement and if he fails to do the municipal manager may cancel the car allowance after a period of three (3) months
- 6.2.8 The municipal manager after recommendations by the Head of Department may allow the beneficiary to use his/her own fully paid car on exceptional circumstances and such beneficiary will only be entitled to claim kilometres travelled as outlined in the policy.
- 6.2.9 The municipal manager may from time to time instruct that all employees who are beneficiaries to the car allowance submit their cars for verification at the place ,date and time he deems fit.
- 6.2.10 Office bound employees who fall outside the category of employees mentioned above are not allowed to participate in the fixed monthly travelling allowance but can participate in the essential user scheme for the use of their private vehicle and or reimbursed for the use of their own vehicles on an official business subject to the approval of the Head of Department concerned.
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6.3 Guiding principles

- 6.3.1 No municipality vehicle will be used by employees who receive a fixed monthly travelling allowance scheme for execution of their official duties, except where required for emergency operational activities and proper authorization was approved by the Municipal Manager.
 - 6.3.2 Employees who receive a fixed monthly travelling allowance are responsible for the full cost of maintenance, insurance, licensing and registration of their private vehicles.
 - 6.3.3 The choice and type of vehicle to be used by an employee who receives a fixed monthly travelling allowance should comply with the purpose and requirements for the execution of the employee's official duties.
 - 6.3.4 Subject to this policy, car allowances will be available as the rates are negotiated in the Local Labour Forum.
 - 6.3.5 An employee who receives a fixed monthly travelling allowance and who is requested by written instruction by the Municipal Manager or Head of Department for the performance of standby duty outside his/her normal working hours will not be allowed to travel with an official emergency vehicle between his/her residence and place of work, and such employee will only be allowed to claim for kilometers travelled when called out to attend to emergency work.
 - 6.3.6 A vehicle registered in the Travelling Allowance Scheme of the council should be available every time it is needed to carry out Council's official duties. If not available due to minor or major mechanical problems, it should only be for a period not exceeding one month. Should the problem exceed one month, the
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employee must arrange for alternative transport excluding Council Vehicle to perform his/her duties. Failure to get alternative transport within six months, the beneficiary will be withdrawn from the Travelling Allowance Scheme. Any other exceptions which are not indicated above will be dealt with on merit.

6.4 Determination of travelling allowance amounts

6.4.1 Positions qualifying for the travelling allowance will receive allowances based on fixed amounts per month as determined by the council.

6.4.2 The travel allowance amount shall be adjusted or shall be increased by the same rate as the salary increase in each financial year in line with the provisions of the applicable Salary and Wage Collective Agreement.

6.4.3 The travelling allowance applicable to incumbents will be paid monthly.

6.4.4 Employees who are field workers over and above the fixed monthly travelling allowance, their travelling shall be capped at 2500 km per month and paid in terms of the Subsistence & Travelling, kilometers in excess of the maximum capped kilometers limit will not be paid.

6.5 Official business travel

Official or business-related travel means travel for any purpose that directly relates to O.R Tambo District Municipality's duties of staff members and excludes travelling between the place of residence and ordinary place of work. The trip should be linked to the Job Description of the employee.

6.6 Qualification requirements for travel reimbursement

- 6.6.1 The Head of Departments must authorise any official journey outside and within the municipality contemplated by an employee prior to such journey being undertaken and must be approved by the Municipal Manager.
- 6.6.2 No travel claim shall be paid, and no staff member shall be entitled to reimbursement if the trip is not related to official business of the O.R. Tambo District Municipality.

6.7 Re-imbusement for kilometers outside area of jurisdiction

- 6.7.1 Whenever an employee undertakes an official journey with a privately owned vehicle outside the municipality, she/he must be reimbursed for travelling costs at simplified rate per kilometre as stipulated by **South African Revenue Services** which will be determined on a year-to-year basis by the Minister of Finance from zero to 2500 kms per month.
- 6.7.2 Employees who are beneficiaries of the scheme and senior management will be reimbursed when they have travelled 200 kms per month, up to a maximum of 2 500 km monthly.
- 6.7.3 Employees are entitled to claim per kilometer if such trip is deemed to be of business nature and proof of attendance must be attached with the claim.
- 6.7.4 Claims must be submitted regularly monthly (before the 5th) and must be authorized by the Head of Department or his/her delegated assignee.

6.8 Essential user Scheme/Non participants

- 6.8.1 An employee who does not qualify for participation in terms of the requirement of the travelling allowance scheme will be compensated for kilometers travelled through reimbursement of the actual kilometers return trip, measured from the place of work to the destination on the shortest possible route (return trip) at simplified rate per kilometre as stipulated by **South African Revenue Services** which will be determined on a year to year basis by the Minister of Finance.
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- 6.8.2 Employees requesting re-imburement for the travelling must provide the municipality with proof of the vehicle particulars to enable the processing of claim.
- 6.8.3 All travelling must be approved by the respective Heads of Department in advance.
- 6.8.4 This section applies only for the use of personal vehicles within the demarcated boundaries of the Municipality and outside the municipal boundary.

6.9 Control measures on staff members receiving travel allowance

- 6.9.1 Staff members are to provide proof of availability of suitable vehicles at the request of Corporate Services. If not, the affected staff members' travel allowance shall be stopped until such vehicle is available / provided.
 - 6.9.2 In the event that it can be shown that the staff member has received the travel allowance without having the requisite vehicle available, the overpayment of the allowance for the identified non-qualifying period shall be recovered from the staff member's salary.
 - 6.9.3 Staff members should inform their Head of Departments immediately if they do not have a vehicle available.
 - 6.9.4 Furthermore, the staff members should face disciplinary action and / or incapacity proceedings relating to their non-compliance with this provision and inability to perform their duties due to them not having the requisite vehicle.
 - 6.9.5 Where the staff members continued to receive the allowance without complying with the above qualifying requirements, they should be charged with fraud.
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6.10 Measures for claiming travel reimbursement

6.10.1 The duly prescribed claim form shall be fully completed by a staff member.

6.10.2 The prescribed form shall be submitted, within predetermined dates, to Human Resources (Conditions of Service section), to be considered for reimbursement.

6.10.3 All claims shall be reimbursed or paid with the next salary of staff member.

6.10.4 All claims must be submitted not later than two (2) months.

6.10.5 All claims must be submitted within that financial year.

6.10.6 June claims must be submitted in July of that financial year.

6.10.7 No claims will be processed if submitted after July.

6.10.8 A claim for a travel reimbursement shall be supported by:

- (a) A logbook /log sheet acceptable to SARS, recording the official kilometers travelled in a defined month.
- (b) Any relevant supporting documentation.

7 ROLES AND RESPONSIBILITIES

7.1 The Municipal Manager or his / her delegated assignee(s) accept overall responsibility for the implementation and monitoring of the policy.

7.2 The financial implications related to implementing this policy shall be qualified and quantified by Human Resource Management in consultation with the Chief Financial Officer.

8 INTERPRETATION OF THE POLICY

All terminology used in this policy shall bear the same meaning as in the Regulations or applicable legislation.

9 PERMANENT, TEMPORAL WAIVER OR SUSPENSION

This policy may be partly or wholly waived by the Municipal Council on temporary/permanent basis.

10 COMPLIANCE, IMPLEMENTATION AND ENFORCEMENT

10.1 This policy shall be implemented and effective once recommended by senior management, Local Labour Forum and approved by Council.

10.2 Non-compliance with the stipulations contained in this policy shall be regarded as breach of Code of Conduct, which shall be dealt with in terms of the Disciplinary Procedure Collective Agreement.

10.3 Head of Corporate Services shall carry out monitoring and evaluation of the policy's implementation.

11. POLICY APPROVAL

Signed by the Municipal Manager on behalf of the O.R. Tambo Council

Signature..........Date.....Official Stamp

