

FETAKGOMO LOCAL MUNICIPALITY



TRAVEL POLICY FOR COUNCILLORS

1. AIM OF POLICY

- 1.1 The express aim of the Policy is to provide the municipality with a comprehensive travel policy framework for councillors for implementation within the municipality.
- 1.2 This policy sets out the basis for the payment of travel allowances for the purposes of official travelling.

2. SCOPE OF APPLICATION

- 3.1 This policy will only be applicable to councillors, both full-time and part-time, within the municipality.

3. THE LEGISLATIVE FRAMEWORK

- 3.1 Section 219(1)(b) of the Constitution of the Republic stipulates that an Act of Parliament must establish a framework for determining the Upper Limits of salaries, allowances or benefits of members of municipal councils of the different categories.
- 3.2 The Remuneration of Public Office Bearers Act (Act 20 of 1998) gives effect to Section 219(1)(b) by providing a framework for determining salaries of Political Office Bearers, including members of municipal councils.

- 3.3 In terms of Sections 7(1), 8(5)(a) and 9(5)(a) of the Remuneration of Public Office Bearers Act, the Minister must determine the Upper Limits of the salaries, allowances and benefits of the different members of Municipal Councils by notice in the Government Gazette (hereafter referred to as the “Upper Limits”).
- 3.4 The Upper Limits are published annually and deal with the following:
- I. Grading of municipalities for purposes of determining the remuneration scales;
 - II. Upper Limits of annual total remuneration packages of full-time and part-time councillors;
 - III. Upper Limits of allowances of full-time and part-time councilors;
 - IV. Upper limits of remuneration or allowances in respect of appointed councilors;
 - V. Upper limits of cellphone allowances of councilors; and
 - VI. Upper Limits of pension fund contributions and medical aid benefits of councilors.
- 3.5 The Salary and allowances of councilors are determined by that municipal council by resolution of a supporting vote of a majority of its members, in consultation with the MEC for local government in the province concerned, having regard to the Upper limits, the financial year of municipal councils and the affordability of the municipality to pay within the different levels of remuneration as determined.
- 3.6 Section 167 of the Municipal Finance Management Act of 2003 (MFMA) has a major impact on the remuneration of councillors. It stipulates that councilors **may only** be remunerated within the framework of the Remuneration of Public Office Bearers Act and Section 219 (4) of the Constitution. It declares that any payment, whether in cash or kind, made **outside** this framework would be regarded as an irregular expense.
- 3.7 The travel allowance is defined in Section 8(1)(b) of the Income Tax Act, No 58 of 1962, as any allowance paid or advance given in respect of travelling expenses for **business purposes**, which is included in the taxable income of any person for any year of tax assessment.
- 3.8 Section 8(1)(b) of the Income Tax Act further deems any allowance or advance in respect of travelling expenses not to have been expended on business travelling to the extent that it has been spent on private travelling.

4. TRAVEL ALLOWANCES AND REIMBURSEMENT FOR TRAVEL

4.1 Travel Allowances

- 4.1.1 All Councillors receive a total remuneration package from the municipality that includes a travel allowance of not more than 25% of the annual total remuneration package.
- 4.1.2 A councillor has the discretion and may include a travel allowance in the total remuneration package.
- 4.1.3 A councillor that elected to include a travel allowance within the total remuneration package structure, must meet the following requirements:-
 - 4.1.3.1 The travel allowance may only be an amount up to 25% of the total remuneration package;
 - 4.1.3.2 A logbook acceptable to the South African Revenue Service (SARS) must be kept recording the official and private kilometers travelled;
 - 4.1.3.3 The travel allowance will be included in the IRP5 of a councillor for purposes of accounting to SARS.
 - 4.1.3.4 On Income Tax Assessment, a councillor must account to SARS for the use of the travel allowance.

4.2 Reimbursement Allowance for Travel

- 4.2.1 In addition to the travel allowance, as provided for under 5.1 above, a councillor may claim for the official distances travelled from the municipality.
- 4.2.2 Such official distances travelled shall be reimbursed in accordance with the applicable tariffs prescribed by the Department of Transport.

5. OFFICIAL BUSINESS TRAVEL

- 5.1 Official Business related travel is travel for any purpose that directly relates to the business or job of a councilor and excludes travelling between the place of residence and ordinary place of work or business.
- 5.2 For the purpose of calculating official business travel the following shall be applicable for Councillors (be applied to either local or district municipality):-

5.2.1 Local Municipalities

- 5.2.1.1 Full-time councillors who are allocated offices at the municipal precinct shall have their ordinary place of business at the municipal precinct;
- 5.2.1.2 Part-time Proportional Representative Councillors shall similarly have ordinary place of business at the local municipal precinct, unless deployed to a specific ward.
- 5.2.1.3 Part-time Proportional Representative Councillors deployed to a specific ward shall have their ordinary place of business in that particular ward.
- 5.2.1.4 Part-time Ward Councillors shall have their ordinary place of business at their respective wards (ward office/home).

5.2.2 District Municipalities

- 5.2.2.1 Full-time councillors who are allocated offices at the municipal precinct shall have their ordinary place of business at the municipal precinct.
- 5.2.2.2 Part-time Proportional Representative Councillors shall similarly have ordinary place of business at the local municipal precinct.
- 5.2.2.3 Part-time appointed Councillors from Local Municipalities shall have their ordinary place of business at their respective local municipalities (municipal precinct).

6. Qualification Requirements or Entitlement to a reimbursement for Travel

- 6.1.1 A travel reimbursement may only be extended to councillors that have included the travel allowance within the total remuneration package structure.
- 6.1.2 All travel on business of the municipality must be approved as such before a councillor is entitled to claim for the travel reimbursement.
- 6.1.3 A councillor will be reimbursed, in accordance with the kilometer tariff prescribed by the Department of Transport, for official business travel with their private vehicles.
- 6.1.4 A councilor will be reimbursed, in accordance with the kilometer tariff prescribed by the Department of Transport, for official kilometers travelled within the municipality to the maximum of 200km per month and all approved official kilometers travelled outside the municipality
- 6.1.5 A travel reimbursement claim must be supported by proof of such travel and related documents.

6.1.6 No travel claim will be paid, and no councilor will be entitled to the reimbursement, if the travel is not related to the official business of the municipality.

7. Process for Travel Reimbursement

7.1.1 The duly prescribed claim form must be fully completed by a councillor.

7.1.2 The prescribed form must be submitted, within predetermined dates, to the Finance Department or the duly delegated official to be considered for reimbursement.

7.1.3 All claims will be reimbursed or paid with the next salary of such a councillor.

7.1.4 A claim for a travel reimbursement must be supported by:-

7.1.4.1 A logbook acceptable to SARS recording the official kilometers travelled in a defined month.

7.1.4.2 Any relevant supporting documentation.

8. Legal requirements

In terms of Section 66 of the Municipal Finance Management Act, the accounting officer of the municipality must report to the council, in the format and for the period prescribed, all expenses relating to the councillors salaries, allowances and benefits, separately disclosing (inter alia) travel allowances.