



FETAKGOMO – GREATER TUBATSE  
LOCAL MUNICIPALITY  
(LIM 476)



*The* **GTM**  
**GREATER TUBATSE  
MUNICIPALITY**

South Africa's first democratic platinum city

# SUBSISTENCE AND TRAVELLING POLICY

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## **I. Acronyms and Abbreviations**

**EEA:** means Employment Equity Act

**JE:** means Job Evaluation

**LIFO:** means Last In First Out

**LRA:** means Labour Relations Act

**MM:** means Municipal Manager

## SUBSISTENCE AND TRAVELLING POLICY

### II. DEFINITIONS

**“Subsistence and travel allowance (S&T)”** an amount of money paid by the Municipality to a representative to cover these expenses:

- meals (including reasonable gratuities);
- incidentals such as refreshments, snacks, soft drinks and newspapers; and
- all business-related travel, but exclude any personal recreation, such as visits to a cinema, theatre, clubs, or sightseeing.

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

## **1. PREAMBLE**

It is essential that representatives of the Municipality from time to time travel to other cities and towns in order to, establish and maintain links and relationships with other municipalities, government bodies, and institutions operating in the local government sphere. It is important for representatives to broaden their knowledge and understanding of and compare local and international experiences in local government transformation, innovation and change. Therefore the Municipality feels that employees should be reimbursed for work related travelling expenses.

## **2. PURPOSE OF THE POLICY**

The objective of this policy is to set out the basis for the payment of subsistence and travel allowance for the purposes of official travelling

## **3. SCOPE AND APPLICATION**

The policy is applicable to all employees of the Municipality inclusive of section 56/57.

## **4. LEGAL FRAMEWORK**

- a. The Constitution of South Africa, 1996.
- b. Transport Handbook on Tariffs for the use of Motor Transport
- c. Municipal Systems Act 32 of 2000.
- d. Municipal Finance Management Act 56 of 2003
- e. Treasury instructions

## **5. ADMINISTRATION OF THE POLICY**

The Municipal Manager and his or her delegated assignee is responsible for the administration of this policy

## **6. POLICY CONTENT**

### **6.1. Responsibilities of representatives who travel on business of the Municipality**

- 6.1.1 Every representative who travels on the business of the Municipality must comply with this policy in letter and in spirit.
- 6.1.2 Representatives 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.

- 6.1.3 Consistent with the Municipality's performance monitoring and evaluation objectives, the Municipal Manager will ensure that a database of all representatives and official travelling is kept.

**6.2. Entitlement to a subsistence and travel allowance**

6.2.1 When a representative spends hours away from his/her normal workplace, outside of the Municipal jurisdiction a subsistence allowance of R115.00 will be paid. This tariff is in accordance with the guidelines from SARS South African revenue services, and shall be adjusted from time to time as SARS effect changes.

6.2.2 The subsistence allowance must be claimed without the representative having to furnish proof of expenses.

6.2.3 Entertainment of external business associates or contacts or clients or potential investors or potential clients falls outside the scope of the subsistence allowance and will be separately reimbursed (subject to prior approval). If a representative of the Municipality has an entertainment allowance, this entertainment of external business associates or contacts or other parties must be claimed against the entertainment allowance.

6.2.4 A representative of the Municipality shall claim his or her subsistence allowance, as provided in this policy, before embarking on any official trip e.g. International/oversee trip. The subsistence allowance must, in order to facilitate its timeout payment, be claimed at least five working days before the planned trip.

6.2.5 No subsistence allowance shall 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 travel on business of the Municipality must be approved as such before a representative is entitled to a subsistence allowance.

**6.2.6 Overnight trips**

When staying overnight all reasonable direct expenses incurred relating to the accommodation will be payable in respect of domestic travel. If the cost of accommodation does not include dinner or breakfast it will be paid separately upon submission of proof of such expenditure on return to the office. If the distance related to an official journey exceed 100km or

the starting time on the day of the event is scheduled earlier than 09h00 am of the subsequent ,a delegate shall stay overnight subject to the approval of Municipal Manager .

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A delegate will be given an amount of R372 per day when he or she stays overnight elsewhere without having to produce a proof expenditure.

For the purposes of a subsistence allowance, a representative shall mean:

- a. Municipal Manager
- b. Heads of Department
- c. any other official specifically authorised to represent the Municipality on a particular occasion
- d. any official who is a member of a recognised professional institution and other **structures recognised by the municipality** and is granted permission to attend meetings / conferences of such institution

### **6.3 Accommodation costs and subsistence allowance**

- 6.3.1 Representatives who travel on the business of the Municipality, where the business unavoidably entails one or more nights to be spent away from home, shall stay in a convenient/cheapest accommodation, three star motel, three star guesthouse or three star bed and breakfast establishment and that the municipality shall provide exception to the office of the Municipal Manager/Directors)
- 6.3.2 Higher graded accommodation shall be considered subject to approval by the Municipal Manager.
- 6.3.3 No official must be accommodated in a lodge or hotel located more than 15km away from the meeting or event.
- 6.3.4 The actual cost of accommodation will be borne by the Municipality in compliance with the Supply Chain Management Policy of the municipality
- 6.3.5 If the cost of accommodation includes, as it often does, the provision of breakfast, a subsistence allowance shall be adjusted accordingly per day in respect of domestic travel. Where breakfast is excluded the subsistence allowance will also be adjusted accordingly per day.
- 6.3.6 If a representative stays with a relative or friend, no accommodation allowance shall be claimed, but the representative shall claim the applicable subsistence allowance per day.

- 6.3.7 The recoverable cost of accommodation, and subsistence allowance, for international travel will approved by the Municipal Manager in consultation with the Chief Financial Officer.
- 6.3.8 Where it is not necessary for overnight on any travel on Municipal business, no accommodation costs will be paid, but the applicable subsistence allowance per day shall be claimed.
- 6.3.9 In the case of both domestic and international travel, the day of departure and the day of return each qualify for a subsistence allowance.
- 6.3.10 For purposes of this policy, domestic travel shall mean travel within South Africa, and international travel shall mean travel outside South Africa.

#### **6.4 International destination**

A subsistence allowance per day shall be payable for trips within the African continent and for trips overseas (constant consultations with SARS and department of foreign affairs will be kept to deal with such cases from time to time).

The day of departure and the day of return each qualify for a subsistence allowance.

#### **6.5 Car rental and other travel costs**

- 6.5.1. Only "A" or "B" category vehicles shall be rented, unless it is more cost effective to hire a more expensive vehicle (for example, when the number of representatives involved could justify the hire of a micro-bus).
- 6.5.2. 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 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.
- 6.5.3. All flights by representatives of the Municipality shall be in economy class, unless another class of travel is specifically authorised by the Municipal Manager or his / her duly authorised delegate as the case shall be.
- 6.5.4. Officials not receiving a fixed travel allowance shall utilize Council vehicles unless prior arrangements were made with the relevant Manager for the use of privately owned vehicles.
- 6.5.5. Officials who receive fixed travelling allowance shall not claim for the 500km travelled within the Municipal boundaries, but may claim in excess of 500km in a particular month and a log book must be kept.



6.5.6. Travel claims for Senior Managers and for all officials receiving a fixed term transport allowance will be calculated using the Department of Transport tariffs while officials using privately owned vehicle will use the AA rates.

#### **6.6. Subsistence and travel allowances for persons invited for interviews**

No subsistence costs will be paid to any candidate invited for an interview. Only actual kilometres travelled by applicants residing outside the municipal jurisdiction will be paid as per the Department of Transport tariffs.

#### **6.7. Toll fees and parking.**

The actual cost and parking incurred while on official trip shall be reimbursed only upon submission of proof of expenditure.

#### **6.8. Authorisation**

For purposes of implementing this policy:

6.8.1 Only the Municipal Manager shall authorise any travel to be undertaken by Section 57 officials ( heads of departments ), 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.

6.8.2 Only a Section 57 official (head of department) or his / her duly authorised delegate shall authorise any travel to be undertaken by officials in his / her department, or payments to be made to persons in his / her department invited for interviews, but provided the expenses to be incurred are on the approved budget for the relevant department.

6.8.4 An invitation to attend a workshop, meeting or related event is not an automatic authorisation to attend such workshop or event. The required authorisation must still be obtained from the Municipal Manager or Council.

6.8.5 Council delegates or representatives to any conference, workshop or meeting must ensure that they arrive on time and attend until the conclusion of such event. If any representative fails to do so, the Municipal Manager or a Section 57 employee (head of a department), as the case may be, shall recover all allowances and disbursements paid to enable such delegate or representative to attend such event, provided that such delegate or representative is afforded the opportunity to submit reasons for not being able to be present from the commencement to conclusion of such event.

#### **6.9 Legal requirements**

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The Municipal Manager shall report to the Council, in the format and for the periods prescribed, all expenses relating to travel, subsistence and accommodation allowances paid.

#### **6.10 Tariffs**

The CFO, in consultation with Human Resource Management, shall determine tariffs from time to time based on CPIX, and inform all employees through all means of communication available in the Municipality. The tariffs shall cover the following:

- a. Class of air travel
- b. Air travel insurance
- c. travel visa / official passport
- d. Public transport fees abroad
- e. Other specified expenses abroad (e.g. mineral water, exchange rate losses, medication, etc.)
- f. Rating of accommodation (local and abroad)
- g. Travel agents fees, where used
- h. Vehicles with drivers
- i. Insurance (vehicles, personal belongings, etc)
- j. Breakfast
- k. Dinner
- l. Lunch
- m. Parking and toll fees
- n. Daily rates without receipts

#### **6.9. Subsistence and payment of Claims.**

6.10.1 An attached invitation to attend the workshop, meeting or related event is not an automatic authorisation for payment of such claim. The required authorisation in writing must still be obtained from the Municipal Manager for heads of department. For divisional heads and other officials from within the department shall obtain approval from the Directors.

6.10.2 The CFO shall publish and distribute all various self-explanatory forms to be

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used in claiming advances or reimbursable expenses under this policy. Claims must be submitted not later than 60 working days from the date of the trip, claims received after that date shall be forfeited unless approved by the Municipal Manager.

6.10.3 In the event that an employee was granted permission to attend a function, meeting or training at the cost of the municipality but could not attend and no valid reason provided cost incurred by the municipality shall be recovered from the employee's salary.

**7. DEFAULT**

Non-compliance to any of the stipulations contained in this policy shall constitute the violation of this policy and shall be treated in terms of the Disciplinary Code and procedures.

**8. INCEPTION DATE**

This policy shall be implemented and effective once recommended by the Local Labour Forum and approved by Council.

**9. APPROVAL OF THE POLICY**

This policy shall be implemented once approved by Council.

**10. COMMUNICATION**

This policy will be communicated to all municipal employees using the full range of communication methods available to the Municipality.

**11. POLICY REVIEW**

This policy will be reviewed annually and revised as necessary.

**12. BUDGET AND RESOURCES**

The financial and resource implications related to the implementation of this policy should be qualified and quantified by Human Resource Management.

**13. PENALTIES**

Non-compliances to any of the stipulations contained in this policy will be regarded as misconduct, which will be dealt with in terms of the Disciplinary Code.

#### 14. DISPUTE RESOLUTION

Any dispute arising from this policy due to ambiguous wording or phrasing must be referred to the Local Labour Forum for adjudication. Resolutions from the Local Labour Forum shall be incorporated into the policy.

<b>Council Resolution No:</b>	
<b>Date</b>	:
<b>Speaker</b>	:
<b>Reference</b>	:

