



FETAKGOMO – GREATER TUBATSE
LOCAL MUNICIPALITY
(LIM476)



The **GTM**
GREATER TUBATSE
MUNICIPALITY

South Africa's first democratic platinum city

TRAVEL AND OUT OF POCKET EXPENSES POLICY FOR COUNCILLORS

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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. AIM OF POLICY

2.1 The express aim of the Policy is to provide the municipality with a comprehensive travel and out of pocket expenses policy framework for councillors for implementation within the municipality.

2.2 This policy sets out the basis for the payment of travel allowances and out of pocket expenses for official purposes.

3. SCOPE OF APPLICATION

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

4. LEGISLATIVE FRAMEWORK

- 4.1 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.
- 4.2 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.
- 4.3 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").
- 4.4 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.
- 4.5 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.
- 4.6 Section 167 of the Municipal Finance Management Act of 2003 (MFMA) has a major impact on the remuneration of councilors. 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.

4.7 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.

4.8 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.

5. TRAVEL ALLOWANCES AND REIMBURSEMENT FOR TRAVEL

5.1 Travel Allowances

5.1.1 All Councillors receive a total remuneration package from the municipality that includes a travel allowance.

5.1.2 A councillor has the discretion and may include a travel allowance in the total remuneration package.

5.1.3 A councillor that elected to include a travel allowance within the total remuneration package structure, must meet the following requirements:-

5.1.3.1 A logbook acceptable to the South African Revenue Service (SARS) must be kept recording the official and private kilometers travelled;

5.1.3.2 The travel allowance will be included in the IRP5 of a councillor for purposes of accounting to SARS.

5.1.3.3 On Income Tax Assessment, a councillor must account to SARS for the use of the travel allowance.

5.2 Reimbursement Allowance for Travel

5.2.1 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.

5.2.2 Such official distances travelled shall be reimbursed in accordance with the applicable tariffs prescribed by the Department of Transport.

6. OFFICIAL BUSINESS TRAVEL

6.1 Official Business related travel is travel for any purpose that directly relates to the business or job of a councillor and excludes travelling between the place of residence and ordinary place of work or business.

6.2 For the purpose of calculating official business travel the following shall be applicable for Councillors (be applied to either local or district municipality):-

6.2.1 Local Municipalities

6.2.1.1 Full-time councillors who are allocated offices at the municipal precinct shall have their ordinary place of business at the municipal precinct;

6.2.1.2 Part-time Proportional Representative Councillors shall similarly have ordinary place of business at the local municipal precinct, unless deployed to a specific ward.

6.2.1.3 Part-time Proportional Representative Councillors deployed to a specific ward shall have their ordinary place of business in that particular ward.

6.2.1.4 Part-time Ward Councillors shall have their ordinary place of business at their respective wards (ward office/home).

6.2.2 District Municipalities

6.2.2.1 Full-time councillors who are allocated offices at the municipal precinct shall have their ordinary place of business at the municipal precinct.

6.2.2.2 Part-time Proportional Representative Councillors shall similarly have ordinary place of business at the local municipal precinct.

6.2.2.3 Part-time appointed Councillors from Local Municipalities shall have their ordinary place of business at their respective local municipalities (municipal precinct).

7. QUALIFICATION REQUIRMENTS OR ENTITLEMENT TO A REIMBURSEMENT FOR TRAVEL

- 7.1.1 A travel reimbursement may only be extended to councillors that have included the travel allowance within the total remuneration package structure.
- 7.1.2 All travel on business of the municipality must be approved as such before a councillor is entitled to claim for the travel reimbursement.
- 7.1.3 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.
- 7.1.4 A councilor will be reimbursed, in accordance with the kilometre tariff prescribed by the Department of Transport, for official kilometres travelled as approved by the Speaker/Mayor
- 7.1.5 A travel reimbursement claim must be supported by proof of such travel and related documents.
- 7.1.6 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.

8. PROCESS FOR TRAVEL REIMBURSEMENT

- 8.1.1 The duly prescribed claim form must be fully completed by a councillor.
- 8.1.2 The prescribed form must be submitted, within predetermined dates, to the Finance Department or the duly delegated official to be considered for reimbursement.
- 8.1.3 All claims will be reimbursed or paid with the next salary of such a councillor.
- 8.1.4 A claim for a travel reimbursement must be supported by:-
 - A logbook acceptable to SARS recording the official kilometres travelled in a defined month.
 - Any relevant supporting documentation. The approve his or her own travel on Municipal business, provided the expenses to be incurred are on the approved budget of the Municipality, and provided further that the Shall or reports to the following Council meeting on the nature of and reasons for such travel and the expenses incurred.
 - Any relevant supporting documentation

- 8.1.5 The approve his or her own travel on Municipal business, provided the expenses to be incurred are on the approved budget of the Municipality, and provided further that the Shall or reports to the following Council meeting on the nature of and reasons for such travel and the expenses incurred.
- 8.1.6 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 Mayor or Speaker.
- 8.1.7 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 Mayor or Council, 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.

9. ACCOMODATION COSTS AND OUT OF POCKET EXPENSES

- 9.1 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.
- 9.2 Higher graded accommodation shall be considered subject to approval by the Municipal Manager.
- 9.3 No Councillor must be accommodated in a lodge or hotel located more than 15km away from the meeting or event.
- 9.4 The actual cost of accommodation will be borne by the Municipality, subject to a maximum set out in the tariffs published by the CFO from time to time, for domestic travel.
- 9.5 The recoverable cost of accommodation, and subsistence allowance, for international travel will be as set out in the CFO tariffs per day.
- 9.6 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.

9.7 Out of pocket expenses may be paid to councilors for expenses they incurred in their official capacity which have not been paid for by the municipality

10. 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

Council Resolution No:	
Date	:
Speaker	:
Reference	: