

BERGRIVIER MUNICIPALITY



TRAVEL AND SUBSISTENCE POLICY AND PROCEDURES

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TRAVEL AND SUBSISTENCE POLICY AND PROCEDURES

[4/5/2/1; 5/11/1]

1. OBJECTIVE

- 1.1. To create a guideline wherein the compensation for travelling and subsistence costs incurred or deemed to be incurred on behalf of Bergrivier Municipality (BM) can be handled in a practical, sensible, organized and effective manner.
- 1.2. 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 other parties, institutions and organizations operating in the sphere of local government. It is important for representatives to broaden their knowledge, the understanding of and comparing experiences in local government transformation, innovation and change in the rest of the country. This can effectively be done only through the medium of personal contact with a wide range of local government stakeholders and practitioners.
- 1.3. This policy sets out the basis for the payment of a subsistence and travel allowance for the purposes of such official travelling.

2. DEFINITIONS

- 2.1. Unless the context indicates otherwise the following definitions shall apply:

Council:- means the elected Councilors of the Bergrivier Municipality, in accordance with Chapter 3 of the Municipal Structures Act, Act 117 of 1998, as amended and Councilors has the correspondent definition;

Day Allowance:-	means an allowance payable to a person who is away from his/her place of work, for a period exceeding 5 hours, without requiring overnight accommodation, where meals are not provided as part of the visit. A day allowance as determined in terms of the SARS guidelines from time to time will be paid to an employee when travelling outside the boundaries of Bergrivier Municipal Area (WCo13).
Executive Mayor:-	means the Executive Mayor of Bergrivier Municipality as provided for in the Municipal Structures Act;
Municipal Finance Management Act:-	refers to the Local Government : Municipal Finance Management Act, Act 56 of 2003 (as amended);
Municipal Manager:-	means the person appointed as such in terms of Section 56 of the Systems Act and includes a person acting in his/her stead or in terms of a power delegated in writing to her/him by the Municipal Manager;
Municipal Structures Act:-	means the Local Government: Municipal Structures Act, No. 117 of 1998
Municipality:-	means the Bergrivier Municipality;
Occasion:-	means any business/official occasion outside the area of jurisdiction of the Municipality including a meeting, conference, congress, seminar, training course, training program, workshops, discussions or any other occasion to which a person is officially delegated to by the Council or the delegated Authority;
Overnight Allowance:-	means an allowance determined by Council from time to time, which will be payable only if the

person is away from his/her place of work for a period longer than 12 hours, calculated from 18:00 to 06:00. This will only be applied where an occasion is attended at a venue outside the municipal boundary of the Municipality;

Subsistence and Travel Allowance: -

Means an amount of money paid by the municipality to an official in respect of personal and incidental costs (for example refreshments, snacks, and drinks). It also includes any amount of money paid or advance given, to an official in respect of travelling expenses for business use. A Subsistence and Travel Allowance as determined in terms of the SARS guidelines from time to time will be paid to an employee when travelling outside the boundaries of Bergrivier Municipal Area (WCo13).

(A subsistence allowance does not cover any personal recreation, such as visits to cinemas, theatres, nightclubs or sightseeing);

Senior Manager:-

means the person appointed as such as defined in terms of Local Government: Municipal Systems Act, 2000 (Act 32 of 2000), Regulation on Appointment and Conditions of Employment of Senior Managers GG 37245 of 17 January 2014 as amended from time to time.

Weekdays:-

Mondays to Fridays as well as single days over weekends on which official occasions take place.

Weekends:-

Saturdays and Sundays except when an official occasion takes place on a Saturday or a Sunday in which case it shall be deemed as a weekday.

3. SPECIFICATION OF THE POLICY

- 3.1. Every representative who travels on the business of the municipality must comply with this policy in letter and in spirit.

- 3.2. Representatives who travel on the business of the municipality must appreciate, at all times, that they are ambassadors of 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.
- 3.3. Consistent with the municipality's performance monitoring and evaluation objectives, the municipal manager will ensure that a database of all representatives and officials travelling is kept.
- 3.4. The policy is formulated to achieve the following:
 - 3.4.1. To establish a fixed base for travelling and subsistence arrangements for employees.
 - 3.4.2. To accommodate the unique travelling and subsistence needs within the Bergrivier Municipality.
 - 3.4.3. To lay down a policy on the usage of official vehicles as well as private vehicles in terms of the transport allowance scheme.
 - 3.4.4. To establish a fixed framework for the attendance of official meetings, congresses, seminars and external training sessions outside the jurisdictional area of Bergrivier Municipality.
 - 3.4.5. To avoid or limit night travelling as far as possible.
- 3.5. Any changes in the amounts determined by the South African Revenue Service in terms of subsistence allowance will be immediately implemented by the Municipality.

4. ENTITLEMENT TO A SUBSISTENCE AND TRAVEL ALLOWANCE:

- 4.1. A representative may claim a daily subsistence allowance (if overnight accommodation is required) as provided in this policy with the understanding that all authorized personal expenses are covered by the subsistence allowance. No further expenses, with the exception of certain business expenses (see below), may be claimed.

- 4.2. The subsistence allowance may be claimed without the representative having to furnish proof of expenses.
- 4.3. Entertainment of external business associates or contacts or clients or potential investors or potential clients fall outside the scope of the subsistence allowance and will be separately reimbursed (subject to prior approval where applicable). 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.
- 4.4. A representative of the municipality may claim his or her subsistence allowance, if the trip or travel is 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.
- 4.5. For the purposes of a subsistence allowance, a representative shall mean:
- Municipal Manager;
 - Directors;
 - Any other official specifically authorized to represent the municipality or its employees on a particular occasion; and
 - Any official who is a member of a recognized professional institution and is granted permission to attend meetings and conferences of such institution.

5. RULES GOVERNING ATTENDANCE OF CONGRESSES, SEMINARS AND WORKSHOPS:

5.1. Delegates:

5.1.1. Municipal Manager

Although the Municipal Manager has to attend certain congresses/seminars either officially or as a member, he may also attend other congresses/seminars and should indicate during the budget meeting, which congresses/seminars he intends to attend for approval during the budget process.

Attendance by the Municipal Manager of congresses and/or seminars shall be pre-approved by the Executive Mayor.

5.1.2. Directors and employees

Only the director plus two employees as holders of specific positions may attend a congress or seminar. Employees should be rotated to enhance capacity building on a broader base in the municipality.

Should a director not attend a specific congress/seminar, the director shall decide on the employee-delegation, provided that the employee delegation is limited to three employees. Any employee delegation exceeding three employees per Directorate have to be specifically mandated by the Municipal Manager or his/her nominee.

Attendance by the Director of congresses and/or seminars shall be pre-approved by the Municipal Manager.

Attendance of employees shall be pre-approved by the relevant Director.

5.1.3. Executive member of Institutes / Study Groups

It may occur that employees are elected to serve on Executive Committees or study groups of institutions or funds. As this is a special privilege for the employee concerned and the public image of the Municipality is extended at the same time, such an employee will, regardless of his salary level, also be delegated to attend a specific congress/seminar, provided that no more than three employees as ruled above shall attend any congress/seminar.

Employees who are elected on Executive Committees or study groups of institutes or funds, and such election was approved by Council, should be free to attend the meetings of the institute concerned, provided that travelling and subsistence allowance and special leave with remuneration be limited to one institute per employee only.

5.1.4. SALGA and other Working Groups

In cases where employees serve on any advisory committee of SALGA, permission is granted to such employees to attend one or more than one-day workshops or advisory committee meetings.

Where Institutions pay for the expenditure to attend the occasion, Council will not reimburse the person and the request for attendance must indicate as such.

NOTE: It is nearly impossible to budget for all workshops to be attended during a financial year. Every Director must budget an additional amount for the attendance of workshops that cannot be foreseen during the budget process.

5.1.5. Attendance of training interventions by employees.

Employees, attending official training events scheduled by the Municipality outside the Bergrivier municipal area where no meals are provided, may claim a day allowance before the training event starts. The day allowance may be claimed without the representative having to furnish proof of expenses.

6. ACCOMMODATION AND SUBSISTENCE ALLOWANCE:

- 6.1. The approval of any claim for Subsistence and Travel policy and/or subsistence allowances is subject to the availability of the necessary funds on the applicable Operation Budget.
- 6.2. The general rule is that the Municipality will not pay any overnight costs for attendance within the municipal area.
- 6.3. If a person is delegated to attend a seminar/meeting and has to travel outside the Bergrivier Municipality area, the following subsistence is payable to employees, subject to the conditions as specified below:
- 6.4. A person can stay overnight when:
 - 6.4.1. The duration of such congress, seminar, course, meeting or workshop is more than one day and the delegates wish to stay overnight; or
 - 6.4.2. The duration of such congress, seminar, course, meeting or workshop is for one day or less and delegates must leave before 07:30 in order to reach the destination in time and will be out of office for more than 6 hours and the delegates wish to stay overnight instead of travelling to the venue and back on the same day.

6.5. When staying overnight:

- 6.5.1. Representatives who travel on the business of the municipality, where the business unavoidably entails one or more nights to be spent away from home, may stay in hotel, motel, guesthouse or bed and breakfast establishment.
- 6.5.2. Hotel accommodation for domestic and international travel may be utilized but will be restricted to a three or a four star grading.
- 6.5.3. When attending a conference, the less expensive of the following two hotels will be utilized:
 - Hotel at the conference center
 - A four star grading hotel.
- 6.5.4. Guest Houses and/or Bed and Breakfast accommodation can be utilized, provided that the related costs do not exceed the proposed three or a four star hotel.
- 6.5.5. The actual cost of accommodation per night will be borne by the municipality, subject to a maximum rate of a three or four star-grading establishment, in the vicinity where the event is taking place in respect of domestic travel. Where such accommodation is available, the rate for a single room will be payable.
- 6.5.6. Any additional cost incurred whilst staying overnight is for the account of the employee. Should the amount be included in the invoice of Bergvriër Municipality and not directly settled at the hotel, the difference will be deducted from the salary of the employee who stayed overnight.
- 6.5.7. If the cost of the accommodation includes, as it often does, the provision of breakfast, a subsistence allowance is payable according to SARS regulations regarding a tax-free allowance per day.

- 6.5.8. If a representative stays with a relative or friend, no accommodation allowance may be claimed, but the representative may claim a subsistence allowance of R500-00 per day all-inclusive.
- 6.5.9. The payments for overnight accommodation for officials should be paid directly through bookings to the preferred place of accommodation e.g. hotels, guesthouses, etc. The relevant official should submit request for payment of reservations at least two working days before departure to enable administration to process the payment beforehand so as to not cause inconvenience to the person staying overnight.
- 6.5.10. Bergrivier Municipality will not issue any cheque payments for the payment of hotel accommodation and the payment will be made directly to the preferred hotel or guesthouse. In legitimate cases where amounts are paid by officials to hotels or guesthouses, the Council will reimburse the paid amounts on submission of the relevant documentation.
- 6.5.11. Actual tollgate fees are payable on submission of a claim and proof of payment. Tollgate fees are not to be included on the IRP5 and are not taxable.
- 6.5.12. The original invoice from the hotel or guesthouse must be submitted and returned to the Finance Directorate within two days after attendance.
- 6.5.13. The Director: Corporate Services should negotiate Government rates as far as possible with various hotels and guesthouses frequently used.
- 6.5.14. If the venue of an official meeting requires that a delegate be forced to make use of the only accommodation the Council will pay the total expenses with regard to accommodation.
- 6.6. Courses:
- 6.6.1. Where an organization other than the Municipality pays a sitting allowance, or accommodation, no daily allowance nor accommodation costs, will be payable to the employee.

6.7. Subsistence and travel allowances for persons invited for interviews

- 6.7.1. Subsistence and travelling costs to be paid to any candidate invited for an interview will be handled as stipulated in the formal appointment policy of Bergrivier Municipality.

7. TRANSPORT ALLOWANCES:

- 7.1. The Council reserves the right to determine, on cost effective grounds, the means of transport when a person is delegated by the Council to attend an occasion.
- 7.2. Should four or fewer persons be delegated to attend the same occasion only one vehicle may be used and travelling costs will be payable for one vehicle only. Should a delegation consist of five to eight persons, the travelling costs for an additional vehicle will be payable if a second vehicle is used.
- 7.3. A person who is delegated to attend an occasion at a center that is serviced by a recognized and registered airline will be afforded the opportunity to make use of air transport.
- 7.4. A person delegated to attend an occasion presented over a continuous period of time will be entitled to a travelling allowance as determined in order to enable the person to visit normal home once a month within the duration of the occasion – International occasions excluded.

8. TRAVELLING ALLOWANCE:

- 8.1. If persons are delegated or if they pay visits outside the municipal area, the following travelling allowance is payable:
- 8.1.1. If official transport is provided, petrol, oil and other vehicle costs paid by the person whilst using the official vehicle, provided that legitimate documentation is submitted.
- 8.1.2. Employees not receiving a transport allowance are paid a running and fixed cost in accordance with the tariff recommended by SARS (tax free).

- 8.1.3. If a transport allowance scheme vehicle is used or a transport allowance is paid, the running cost is payable in accordance with the running cost rate (private rates) determined by the Department of Transport as published from time to time, in respect of approved journeys outside the borders of Bergrivier Municipality, where they utilize their own private vehicle for official duties.
- 8.2. Before any official not receiving a transport allowance may use a private vehicle for official purposes, the Director must authorize the utilization of the private vehicle for official purposes. The Municipality is not liable for any traffic penalties or damages that may be inflicted to or by the employee when using his/her private vehicle for official purposes.
- 8.3 Senior Managers will be entitled to claim business related kilometers inside and outside WCo13 based on the rates issued by the Department of Transport.
- 8.4. Travelling by air:
 - 8.4.1. Delegates to congresses, seminars, courses, meetings or workshops are remunerated for travelling costs at the rate of a normal return air ticket (economic class rates in accordance with a national airline service plus hired vehicle.)
 - 8.4.2. Delegates to congresses, seminars, courses, meetings or workshops which are held at destinations where it is impractical to travel by air can make use of official transport arrangement, provided that the Municipal Manager authorize use of private transport at the prescribed rates.
 - 8.4.3. When an economic class ticket is not available, a business class ticket may be used after approval by the Municipal Manager, subject to the travel agency normally used by Bergrivier Municipality submitting substantiating proof that an economic class ticket is not available. Should any employee elect to travel business class in the event of an economic class ticket being available, the difference in cost is for the account of the employee and will be deducted from his/her salary without notice.
 - 8.4.4. The Municipality will pay parking fees, travelling costs between the airport and accommodation as well as freight, if necessary, provided that satisfactory written proof and/or invoices are submitted for costs not

directly paid by the Municipality. Lock-up garages may be utilized at the cost of the Municipality.

- 8.4.5 If travelling by luxury bus, the cost of a return-ticket.
- 8.5. If proof of tollgate fees paid is submitted, the amount will be refunded.
- 8.6. In respect of journeys further than 450 km radius from place of residence and subject to the starting and closure time of the seminar/workshop to be attended, an extra day shall be allowed for travelling purposes to and from the venue, based on the anticipated travelling time from home on the forward journey. Should the anticipated travelling time, the additional booking-in time, registration, etc. necessitate departure from home before 16:00, the Municipal Manager may approve earlier departure the day before the commencement of the event to be attended. In the case of return trips, 19:00 is taken as a reasonable time to be back home, taking into account the availability of transport to the home of the employee concerned.
- 8.7. In the event where an official prefers to use a vehicle as opposed to a flight (plane) he/she will be accorded an amount equal to an economic class flight ticket applicable for that trip, plus the cost of the rental vehicle, i.e. the said amount shall be used by the employee for all expenses incurred during the trip e.g. toll gates, parking fees, kilometers travelled, etc. (the stipulation in paragraph 8.3 does not apply in this instance).
- 8.8. Any official, who receives a travelling allowance, will not be allowed to use an official vehicle within the jurisdiction of Bergrivier Municipality;
- 8.9. Travelling costs are paid from place of residence to the destination/accommodation and return to place of residence, only during working hours.

9. ACCOUNTABILITY

- 9.1. If any employee is delegated to attend a seminar/meeting/workshop and they have received the necessary allowances and anything should happen that they are not able to attend, that money shall be paid back immediately to Bergrivier Municipality.

If this is not done, the money paid will be deducted from his/her salary and such a person is guilty of misconduct and will be charged accordingly.

- 9.2. Delegates to any workshop, conference, meeting or seminar must ensure that they arrive on time and attend until the conclusion of such event, failing which the Municipal Manager must take the necessary steps to recover all or part of the costs incurred by the municipality to afford the delegate the opportunity to attend, provided that such delegate be afforded the opportunity to submit written reasons for not being on time or leaving before conclusion.
- 9.3. Should an official not attend a seminar/meeting/workshop or fail to cancel his/her attendance in time, any cancellation fee or cost incurred as a result of the non-attendance or late cancellation will be recouped from the salary of the delegate, provided that such delegate be afforded the opportunity to submit written reasons for not attending or not cancelling.
- 9.4. Should a delegated employee misplace an air ticket or bus ticket that has been paid for by Bergrivier Municipality and the ticket cannot be replaced free of charge as a result of it not yet being used, the said delegate will be responsible for replacing the lost ticket, provided that such delegate be afforded the opportunity to submit written reasons as to why the loss should be paid again for by Bergrivier Municipality. In the absence of valid reasons, the expenditure will be regarded as fruitless and will be recovered from the delegate should Bergrivier Municipality have replaced the ticket.

10. VISITS ABROAD

- 10.1. Applications for official trips abroad are handled in terms of the guidelines of the Department of Foreign Affairs for local government officials, as provided by SALGA.
- 10.2. Visits abroad must be pre-approved by the Municipal Manager.
- 10.3. The municipality will be responsible for costs in line with this policy as if the costs were incurred in South Africa.
- 10.4. The recoverable cost of accommodation for international travel may not exceed US\$350 per day. Daily subsistence allowance equal to US\$190 will be payable to the employee for costs incurred as a result of being away from home from the day that the delegate leaves South Africa until he returns to South Africa, both days included. The amounts mentioned in this subparagraph are determined by DPLG from time to time and must be

amended accordingly by the Municipality.

- 10.5. Should the equivalent monetary currency of the country to be visited vary substantially from the US\$, the currency of the country to be visited may be utilized to determine the subsistence allowance. The Municipal Manager must approve the utilization of any currency other than US\$.
- 10.6. The subsistence allowance will be to cater for bed and breakfast, lunch and dinner, as well as other personal costs incurred by the employee as a result of being away from home.
- 10.7. Should accommodation costs and meals be paid directly by Bergrivier Municipality, the daily subsistence allowance will be reduced by the cost already paid by Bergrivier Municipality.
- 10.8. Before the delegate leave South Africa, the travel agency normally utilized by Council may be requested to submit substantiating proof should the delegate believe that the subsistence allowance equal to US\$190 will not be enough for subsistence costs in the country to be visited. The Municipal Manager must approve such higher allowance before the delegate leaves the country.
- 10.9. Internet bookings will be preferred to a travelling agency, since up to 50% discounts are available on the Internet.

11. RENTING OF VEHICLES

- 11.1. Should a delegate of the Municipality have to attend a seminar/congress/meeting and travels by air, train or bus to the destination, a vehicle may be rented from an acknowledged vehicle hire company for official journeys regarding the seminar/congress/meeting, subject to the following conditions:
 - 11.1.1. Only "A" or "B" category vehicles may 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 microbus).
 - 11.1.2. Car rental must be approved as part of the travel package before the trip is embarked on. A representative who rents a vehicle whilst travelling on the business of the Municipality without having received prior authorization, 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.

11.1.3. If there are more than four attendees (delegates and spouses), two vehicles or a microbus, may be rented.

11.1.4. Delegates may use the rented vehicle for private journeys in the vicinity of the seminar. However, private journeys exceeding the free kilometers/day (maximum provided by the rental company) provided by the rental company will be for the account of the delegate using the vehicle and will be deducted from the salary of the delegate using the vehicle as such.

12. AUTHORISATION

12.1. For purposes of implementing this policy:

12.1.1. The Municipal Manager may authorize any travel to be undertaken by officials, provided that the expenses to be incurred are on the approved budget of the relevant directorate.

12.1.2. The Executive Mayor will approve the travel arrangements for the Municipal Manager.

12.2. 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 Municipal Manager or Executive Mayor.

12.3. 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 Executive Mayor or the Municipal Manager, as the case may be, may 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.

13. INDEMNITY

13.1. The municipality is not liable for the payment of-

13.1.1. Any damage to or breakages or loss of an employee's vehicle that she/he may incur whilst on official business; and

13.1.2. Any traffic fine issued to an employee whilst on official business, whether she/he used his/her own vehicle or an official vehicle.

13.2. Each employee making use of a municipal vehicle and or his /her own private vehicle for official business must sign an indemnity form that clearly sets out the conditions as determined by clause 11.1.

14. DOCUMENTATION

14.1. When applying for travel and subsistence allowances, the prescribed travelling form shall be completed in full.

14.2. Copies of the agenda or the invitation to the specific meeting must be attached to the application.

15. UP-KEEP OF POLICY

15.1. Adjustments to the policy will take place under the following circumstances:

15.1.1. Should the Municipality's approach to the policy change;

15.1.2. Should new legislation and/or regulations require adjustments to the policy;

15.2. Adjustments to the inflation rate should be considered annually with the operational budget.

16. LEGAL REQUIREMENTS – COUNCIL POLICIES

The accounting officer of the municipality must report to the Council, in the format and for the periods prescribed, all expenses relating to staff salaries, allowances and benefits, separately disclosing (inter alia) travel, subsistence and accommodation allowances paid.

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