



# VICTOR KHANYE

LOCAL MUNICIPALITY – PLAASLIKE MUNISIPALITEIT

## **SUBSISTENCE AND TRAVEL POLICY**

Policy Number: S&T - 01	Approved by Council:
Resolution No:	Review Date:

## **RATIONALE**

The purpose of this policy is to provide a standard determine and issue hereby the official Subsistence & Travel Policy for the Victor Khanye Local Municipality

## **1. BACKGROUND**

### **1.1. Policy Statement**

The Victor Khanye Local Municipality (VKLM) must determine a framework on how to claim subsistence and travel allowance and how travel should be managed and utilized for domestic and international trips.

### **1.2. Policy issue**

The Subsistence and Travel Policy is intended for use by all employees within the VKLM as a guide in all matters related to and associated with the utilization of subsistence and travel allowance and for both domestic and international undertakings

### **1.3. Objectives**

The objectives of this Policy ate to issue that---

- (a) Proper control is exercised in the granting and claiming of all subsistence and claiming of all subsistence and travel claims; and
- (b) Proper authorisation is obtained for official trips to be undertaken.

### **1.4. Relevant legislation and documentation**

- (a) The Local Government Municipal Finance Management Act, 2003 Act No.56 of 2003;
- (b) MFMA Treasury Regulations;
- (c) Local Government Municipal System Act 2000, Act 32 of 2000 as amended;
- (d) South African Local Government Bargaining Council Agreements.

## **A. SUBSISTENCE AND TRAVEL (LOCAL)**

### **2. SUBSISTENCE AND TRAVEL RATES AND ALLOWANCES**

#### **2.1 Official duty away from workplace (period less than 24 hours)**

2.1.1. Employees on duty not less than 75 km away from their office for more than 6 (six) but less than 24 hours are entitled to actual expenditure incurred in respect of meals only, but not exceeding the rates determined by the Municipal Manager (MM) from time as set out in **Annexure A** to this Policy.

2.1.2 Receipts or other supporting vouchers in respect of a claim referred to in paragraph 2.1.1 above, need not be attached.

#### **2.2 Official duty away from head office (period longer than 24 hours)**

2.2.1 The payment of a daily allowance is to compensate an employee for incidental expenditure where actual expenses are claimed.

2.2.2 An employee has a choice to claim compensation for his or her travel and subsistence expenditure on the basis of---

- a) His or her reasonable actual accommodation expenditure **PLUS** a daily allowance per day to compensate for his or her incidental expenditure;
- b) A fixed daily subsistence allowance ( covering accommodation, meals, refreshments and incidental costs where actual expenses are not claimed;
- c) A fixed daily allowance covering meals only.

#### **2.3 Official duty away from head office (local training courses)**

If an employee attends a training course or seminar in an environment away from his or her place of work, and must drive to the venue where he or she attends the course or seminar each day, but sleeps at home each night, the employee is entitled

to the following, provided that the meals are not provided by the host as part of the course or seminar costs or not included in the total costs of the course or seminar:

- (a) The cost pertaining to lunch in the cafeteria of the institution. If there are no cafeteria facilities, the amount determined by the MM from time to time as set out in Annexure A to this Policy, may be paid for lunch expenses substantiated with the necessary original invoices/receipts.
- (b) Parking expenses where no free parking is available if the expenditure can be substantiated with the necessary original receipt.

### **3. ACTUAL EXPENDITURE**

3.1 The following actual expenditure may be claimed, where applicable, if substantiated with the necessary original invoice and/or supporting documents:

- (a) Meals, but not exceeding the rates determined by the MM from time to time as set out in **Annexure A** to this Policy.
- (b) Bus tickets.
- (c) Official journey using private transport. The tariffs are as prescribed by the AA (see amended annexure to Transport Circular).
- (d) Accommodation (bed, breakfast and dinner).
- (e) Toll fees.
- (f) Parking
- (g) Public transport.
- (h) Safe deposit charges.

NB: Affidavits will not be accepted as proof of actual expenditure, unless they have been approved by the Head of the Department concerned.

3.2. Unless specifically regulated by a prescribed procedure, the following documents must be submitted:

- (a) The original air, bus and train tickets to verify the period away from Head Office.
- (b) The trip Authorisation form to verify the kilometres.
- (c) Where kilometres are claimed for the use of a private vehicle, the request for prior approval must be attached or a copy of the e-mail, memo, agenda or course details to verify the trip.

3.3. Candidates outside the VKLM attending official job interviews may be reimbursed for reasonable actual expenditure incurred for travelling expenses. A Candidate will also need to attach receipts or other supporting vouchers in support of the expenditure incurred need to be attached.

3.4. Employees from other municipalities assisting VKLM with activities such as Interviews, Disciplinary processes etc, may claim S&T in terms of their own institutions' policies, if not exceeding the government rates or the government rates set accordingly by the Department of Transport.

## **4. TRAVELLING AUTHORISATION AND ARRANGEMENTS**

### **4.1 Travel authorisation**

Before an employee undertakes a trip, the following must be adhered to:

- (a) The Official Transport Requested must be completed and signed by the employee.
- (b) The above form must be submitted to the relevant Head of the Department for approval and certification that the journey is official and that funds are available to cover the expenditure.
- (c) The relevant Head of the Department must approve a trip motivation in advance. Full details relating to the official business, dates and times must be clearly elaborated.
- (d) The complete Trip Authority Form with the approved trip motivation must accompany the invoice for payment of the expenditure.

## **4.2. Travel arrangements**

4.2.1. An officially appointed travel agent is responsible for arrangements relating to the flight, accommodation and vehicle hire.

### **Flight arrangements**

4.2.2. Classes of air travel (domestic) are as follows:

(a) The Executive Mayor and the MM : Business class.

(b) All other employees and Councillors : Economy class.

(c) The MM may in special circumstances approve a change to the requirements in paragraph (b), provided that a full motivation with financial implications must be given by the employee requiring such a waiver.

4.2.3. The efficient mode is to utilize the E-Ticketing facility only, and the officially appointed travel agent will be instructed accordingly. Where an E-Ticket is not issued, the employee concerned must forthwith report such deviation from the official policy to his or her supervisor. An official who fails to comply with the aforementioned policy may be held personally liable for any penalty fee as determined by the air flight company.

4.2.4. If available, employees must negotiate with the travel agent and make use of discount fares or free travel rands. Therefore, where possible, tickets must be booked one month in advance to qualify for such discount fares.

4.2.5. VKLM "Free Travel Rands" are regarded as a physical paper ticket and any charge will be levied and paid by the VKLM.

### ***Accommodation arrangements***

- 4.2.6. The official travel agent has instruments that the VKLM is responsible for the payments of accommodation, meals (excluding alcohol, tips and tray charge) and parking to hoteliers and that the employee is responsible to pay all other expenditure before leaving the hotel. The expenditure (sustained with vouchers) in respect of official telephone calls, entertainment, laundry, dry-cleaning, etc., must be claimed by an employee on his or her return to his or her office on the applicable Subsistence and Transport Form.
- 4.2.7. Accommodation will only be paid for an official trip a day before if the purpose for an official trip starts in the morning and ends so late that travelling back home afterwards may be risky. Driving at night after an exhausting event, may pose danger to the employee.

### ***Rental transport***

4.2.8. Classes transport are as follows:

(a) Executive Mayor and Municipal manager : Class "B" vehicle

(b) All other employees and Councillors : Class "A" vehicle

(c) The MM may from time to time in specific cases or in general circumstances approve a change to the requirement in paragraph (b), provided that full motivation with financial implications must be given by the employee requiring such a waiver.

## **5. USE OF PRIVATE VEHICLES AND COUNCILLORS TRANSPORT**

- 5.1 All official journeys must be undertaken using the most economical means with due regard to available transport on hand.

- 5.2. Prior written approval must be obtained from the Heads of Department for the use of a private vehicle for official purposes.
- 5.3. An employee who makes use of the fixed transport allowance, may not make use of Council Transport nor may such an employee travel in Council`s Transport with another employee, except in situations where it is cost effective and practical.
- 5.4. Only municipal employees may make use of Municipal Transport.

## **6. MOTOR FINANCE SCHEME FOR SEC. 56 EMPLOYEES**

The employee can be compensated for kilometres in excess of 500 km per month in accordance with tariffs as prescribed by the Department of Transport (See Municipal Performance Regulations)

## **7. GENERAL**

- 7.1. All subsistence and transport expenses must be claimed on the applicable Subsistence and Transport Form within 10 (ten) working days after the trip or (in case if the fixed term contract employee, the first week of the following month). Completed original claim forms must be submitted to the Executive Directorate: Finance Services (CFO).
- 7.2. All subsistence and transport advances must be requested on the applicable Subsistence and Travel Advance Form.
- 7.3. The employee applying for the claim or advance must complete all Subsistence and Travel Forms and Subsistence and Travel Advance Forms. The forms must be compiled and signed by the employee travelling. The checking officer, who is the reporting officer to the travelling employee must check and sign the form. The Authorising Official should sign the form. The Authorising Official is the reporting officer to whom the checking officer must report. The authorising official



should be delegated official (written delegation given by the head of the relevant department).

- 7.4. To claim subsistence and travel daily allowance, the original air, bus or train ticket must be attached to the Subsistence and Transport Claim Form.

## **8. ADVANCES**

8.1. The issue of an advance is subject to prior approval by the relevant Heads of Department, and must be assessed on a case-by-case basis.

8.2. The applicant must provide the Financial Services with a revised entity form if his or her registered bank particulars have changed. Should a payment be made into an incorrect account a substitute payment will not be made until the initial payment has been recovered.

8.3. Claims against an advance taken must be submitted to the Directorate: Financial Services within 10 (ten) working days after a journey.

8.4. If arrangements for the payments of an outstanding advance or an outstanding amount on a claim has not been made within 30 days, the outstanding amount will be deducted from an employee's salary.

## **9. PAYMENT OF SUBSISTENCE AND TRANSPORT CLAIMS**

9.1. Subsistence and Transport claims will be paid directly into the bank account of an employee by an electronic fund transfer (EFT).

9.2. The issuance of hand warrant vouchers must be minimise and will only be considered in urgent or emergency situations.

9.3. No claims will be paid from the petty cash.

## **B. SUBSISTENCE AND TRANSPORT (INTERNATIONAL)**

### **10. APPROVAL**

- 10.1. An approval by the Council, and the Municipal Manager, must be sought in a submission giving full details of the purpose, background, period, delegation and the financial implications of a trip.
- 10.2. Specific mention must be made if the trip is to be funded partly or totally by a donor. Details must be given as to what expenses will be carried by the host country/Donor and what will be borne by the VKLM.

### **11. DAILY ALLOWANCE**

The applicable tariff for daily allowance is the obtainable from the South African Revenue Services.

### **12. REQUEST FOR AN ADVANCE (FOREIGN EXCHANGE)**

The requested for an overseas advance must submit to the Directorate: Financial Services. The following documents need to be attached to the Advance Form:

- (a) A copy of the Council`s approval.
- (b) A copy of the itinerary.

### **13. FLIGHT ARRANGEMENTS**

#### **13.1. Request for official transport**

A copy of the signed Council`s approval must accompany the request for official transport.

#### **13.2. Travel classes**

- a) Executive Mayor and the Municipal Manager, travel business or a corresponding class or any lower class of their own choice.
- b) Heads of Departments and MMC`s travel business class or any lower class of their own choice.
- c) All other employees travel economy class.
- d) The MM may in special circumstances approve a change to the requirement in paragraph above, provided full motivation with financial implications can be provided by the employee requiring such a waiver.

13.3. Officials who travel internationally must utilize the E-Ticketing facility, unless a physical paper ticket is required, for example for visa purposes. If the E-Ticketing facility is utilised, the employee must obtain a voucher from the Travel Agency confirming the price paid for the ticket and verify that the amount is correct. When an official personally buys a ticket, he or she must obtain a physical paper ticket.

#### **14. PASSPORTS**

Expenditure for an official's passport is borne by the VKLM.

#### **15. VISAS**

Any expenditure in respect of visas issued for official purposes is borne by the VKLM.

#### **16. VACCINATIONS**

The expenditure may be claimed from the VKLM. The yellow card issued must be submitted as proof for payment.

#### **17. LAISON WITH DEPARTMENT OF FOREIGN AFFAIRS**

17.1. In countries where the RSA has trade missions, the Department of Foreign Affairs must be informed of any official visit abroad in order to ensure that

other representatives in the countries visited, can assist in making the visit a success. The Mission are often best placed to offer guidance and to make appointments with pertinent persons.

- 17.2. The Department of Foreign Affairs have experienced personnel who will assist the necessary logistical arrangements and can provide information on local currencies, holidays, climate and advice on customs, political climate, etc...

## **18. CALCULATION OF PERIOD OF ABSENCE**

Overseas Subsistence and Transport claims are calculated as follows:

- (a) From the place where the official lives to the airport should be claimed until the time he or she arrive back at his or her home or place of work.
- (b) Claims are calculated on full hours (fractions rounded off) e.g 1 hour 15 min rounded off to 1 hour and 1 hour 45 min rounded off to two hours.
- (c) No adjustment in respect of claims already paid out will be made unless the tariffs have been increased with retrospective effect.

## **C. GENERAL (DOMESTIC AND INTERNATIONAL)**

### **19. UNUSED OR CANCELLED FLIGHTS**

19.1. It is responsibility of the employee travelling, to inform the relevant Travel Agent of unused tickets or cancelled flights. If cancelled tickets are returned to the airline for a refund, cancellation fees will be charged by the airlines. Airline cancellation fees charged is regarded as fruitless expenditure and must be brought to the attention of the Directorate: Financial Services as soon as possible. Responsibility for the cancellation of reservations, including no-show fees, will be determined.

19.2. Airlines have the right to refuse refunds due to a loss of income when seats are not cancelled in advance. With timeous cancellations the normal refund costs will apply.

### **20. LOST AND STOLEN TICKETS**

All lost tickets must immediately be reported to the travel agent or airline so that the ticket may be blacklisted. In respect of domestic flights, the employee must visit the nearest office of the airline where an indemnity form must be completed and attached to an affidavit and submitted to the airline. All domestic airports have a police station that could assist with affidavits. A copy of all documents must be submitted to the Directorate: Financial Services for control purposes and ensuring that the relevant credit is allocated by the airline. Depending on the circumstances and an investigation surrounding the loss of an official ticket issued, the employee may be held personally responsible for any loss that the VKLM may incur.

## **21. EXCESS BAGGAGE**

Excess baggage is baggage over and above the weight allowed by airlines per purchased ticket. Excess baggage for official purposes must be motivated and approved by the relevant Heads of Department.

## **22. EXPENDITURE CONTROL**

Changes to booking should, wherever possible, be limited as this may result in increased costs as classes of travel or choice of airline to be used may change.

## **23. USE OF SHUTTLE SERVICES**

23.1 The use of shuttle services, where available, is compulsory, as this is in the majority of cases the most economical arrangement available. Employees can arrange to be collected or returned to the VKLM offices or their home. The shuttle service can be booked through the travel agent.

23.2 The above arrangements are not applicable to the sec. 56 employees and all other employees who participate in a travel allowance scheme, provided that such employees may make use of a shuttle service at airports away from his or her office.

## ANNEXURE A

### 1. Rates determined by MM in terms of paragraph 2.1.1 in respect of employees on official duty away from head office for a period more than 6 (six) but less than 24 hours for which the official need not to produce any receipts or vouchers

- (a) **Breakfast** (Departs home before 6:00 and returns 10:00)  
**R40,00**
- (b) **Lunch** (Departs office before 11:00 and returns after 15:00) **R50,00**
- (c) **Non- alcoholic beverages**  
(2x non-alcoholic beverages) **R30,00**  
(Departs before 8:30 and returns 12:00 (morning tea/coffee)  
(Departs before 14:00 and returns after 16:00(afternoon tea/coffee)
- (d) **Dinner** (Arrives home after 20:00) **R80,00**

### 2. Rates determined by the MM in terms of 2.2.2 - fixed daily subsistence allowance ( covering accommodation, meals, refreshments and incidental costs where actual expenses are not claimed **R500,00**

### 3. Rate determined by MM in terms of paragraph 2.3.1(a) respect of lunch expenses if there are no cafeteria facilities

**Lunch** (the necessary original invoices/ receipts must be produced) **R50,00**

### 4. Rates determined by MM in terms of paragraph 3.1(a) in respect of actual expenditure

Breakfast (if not included in accommodation)	<b>R80,00</b>
Lunch	<b>R80,00</b>
Supper	<b>R150`</b>

2 X non-alcoholic beverages

**R30,00**