

**UMJINDI MUNICIPALITY**

**MTREF :2010/2011**

**ANNEXURE T**

**Travel and Subsistence Policy**

# UMJINDI LOCAL MUNICIPALITY

## TRAVEL & SUBSISTENCE POLICY


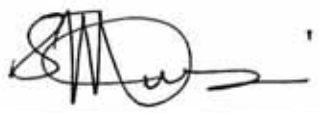
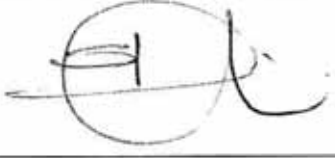

<b>Core Business Area</b>	Financial Services Directorate
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## **PART 1 : OBJECTIVE**

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 and understanding of and compare local experiences in Local Government transformation, innovation and change in the rest of the country, and this can effectively be done only through the medium of personal contact with a wide range of Local Government stakeholders.

The Policy sets out the basis for the payment of a subsistence and travel allowance for the purpose of such official traveling.

## **PART 2 : RESPONSIBILITIES OF REPRESENTATIVES WHO TRAVEL ON BUSINESS OF THE MUNICIPALITY**

- Every representative who travels on the business of the Municipality must comply with this policy in letter and in spirit
- 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 interest of the Municipality and that they must comply with any specific mandates they have been given.

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

## **PART 3 : SUBSISTENCE AND TRAVEL ALLOWANCE**

A subsistence and travel allowance is an amount of money paid by the Municipality to a representative to cover the following expenses:

- Meals (including reasonable gratuities)
- Incidentals such as refreshments, snacks, drinks and newspapers; and
- All business-related travel

If a representative has to utilize his or her personal motor vehicle outside the boundaries demarcated for the Municipality he or she will be reimbursed at the rates determined by SARS on an annual basis (**2009/2010** = R2.92) effective March of each year.

***All Travel and Subsistence Allowances will be reimbursed monthly included in the employees salary.***

## **PART 4 : ENTITLEMENT TO A SUBSISTENCE AND TRAVEL ALLOWANCE**

- A representative may claim a daily subsistence allowance 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**
- The subsistence allowance may be claimed without the representative having to furnish proof of expenses
- 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 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.
- A representative of the Municipality must claim his or her **travel and** subsistence allowance, as provided in this Policy, after embarking on any official trip **within 14 days after date of return**.
- No subsistence allowance will 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.
- For the purpose of a subsistence allowance, a representative shall mean:
  - (i) Speaker
  - (ii) Members of the Mayoral Committee as the case may be
  - (iii) Other Councillors specifically authorized to represent the Municipality on a particular occasion
  - (iv) Municipal Manager
  - (v) Heads of Departments
  - (vi) Any other official specifically authorized to represent the Municipality on a particular occasion
  - (vii) Any official who is a member of a recognized professional institution and is granted permission to attend meetings and conferences of such institution.

## **PART 5 : ACCOMMODATION COSTS AND SUBSISTENCE ALLOWANCE**

- 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 a hotel, motel, guesthouse or bed and breakfast establishment
- The actual cost of accommodation will be borne by the Municipality, subject to a maximum of R1 500.00 per night for the accommodation itself in respect of domestic travel which will include Dinner, Bed and Breakfast. Where such accommodation is available, the rate for a single room will be payable.

- Where only Bed and Breakfast is provided the maximum of R1 250.00 per night in respect of domestic will be payable
- Where only Bed is provided the maximum of R1 000.00 per night in respect of domestic travel is payable.
- If the cost of accommodation does not include the provision of Dinner and Breakfast, a subsistence allowance of R250.00 per day will apply (Dinner R150.00 and Breakfast R100.00) in respect of domestic travel.
- If a representative stays with a relative or friend, no accommodation allowance may be claimed, but the representative may claim a subsistence allowance of R250.00 per day.
- The recoverable cost of accommodation for international travel may not exceed US\$350 per day. The subsistence allowance will be US\$190 per day
- In the case of both domestic and international travel, the day of return qualify for a subsistence allowance *as per paragraph 6*.
- For purposes of this policy, domestic travel shall mean travel with South Africa and international travel shall mean travel to any country other than South Africa.

## **PART 6 : SUBSISTENCE ALLOWANCE IF TRAVEL IS FOR A DAY OR PARTY OF A DAY WITH NO OVERNIGHT STAY**

If a representative travels on the business of the Municipality for a day or part of a day, a subsistence allowance of R100.00 per day or part of a day is payable. No more than R100.00 shall be payable per day, irrespective of the number of trips undertaken.

## **PART 7 : CAR RENTAL AND OTHER TRAVEL COSTS**

- 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 micro-bus)
- Car rental must be approved as part of the travel package before the trip is embarked on. A representative who rents a vehicle whilst traveling 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.
- All flights by representatives of the Municipality shall be in economy class, unless another class of travel is specifically authorized by the Mayor or Executive Committee, as the case may be.
- If a representative has to utilize his or her personal motor vehicle outside the boundaries demarcated for the Municipality he or she will be reimbursed at the rate prescribed from time to time by the South African Revenue Services. The distance to which the reimbursement applies, must be the shortest distance between the Municipality's offices and the location where the official business is to be transacted. If the total number of kilometers for which such reimbursement is received exceeds 8

000 in any tax year, reimbursement for the excess kilometers over 8 000 must be taxed for PAYE purposes.

- Where possible representatives must travel together up to a maximum of two in a vehicle to minimize traveling expenses

## **PART 8 : SUBSISTENCE AND TRAVEL ALLOWANCES FOR PERSONS INVITED FOR INTERVIEWS:**

No subsistence costs will be paid to any candidate invited for an interview, but traveling costs as determined by SARS per kilometer may be paid if the candidate has to travel more than 50 kilometers to attend the interview or the cost of public transport

## **PART 9 : AUTHORISATION:**

For purposes of this policy:

- Only the Municipal Manager may authorize any travel to be undertaken by officials, 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.
- Only the Speaker or Municipal Manager, may authorize any travel to be undertaken by the Executive Mayor, Speaker or any Councillor or the Municipal Manager, but provided the expenses to be incurred are on the approved budget of the Municipality.
- The Executive Mayor shall approve his or her own travel and that the Municipal Manager on Municipal business, provided the expenses to be incurred are on the approved budget of the Municipality, and provided further that the Executive Mayor reports to the following Council Meeting on the nature of and reasons for such travel and the expenses incurred.

An invitation to attend a Workshop, meeting or related event is not an automatic authorization to attend such workshop or event. ***The required pre-authorization must still be obtained from the Municipal Manager or Executive Mayor as the case may be, before the Workshop or event is attended.***

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.

## **PART 10 : LEGAL REQUIREMENTS:**

In terms of Section 66 of the Municipal Finance Management Act No 56 of 2003 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.