

BOJANALA PLATINUM DISTRICT MUNICIPALITY

POLICY and PROCEDURES: TRAVELLING AND SUBSISTENCE FOR OFFICIALS

1. PURPOSE AND AIM OF THE POLICY

To create a guideline wherein the compensation for traveling and subsistence costs incurred or deemed to be incurred on behalf of BPDM can be handled in a practical, sensible, organized and effective manner.

The policy is formulated to achieving the following:

- a) To establish a fixed base for travelling and subsistence arrangements for Employees;
- b) To accommodate the unique traveling and subsistence needs within the BPDM;
- c) To lay down a policy on the usage of official vehicles as well as vehicles in terms of the transport allowance scheme;
- d) To establish a fixed framework for the attendance of official meetings, congresses, seminars and external training sessions outside the jurisdictional area of the Bojanala Platinum District Municipality.

2. DEFINITIONS

“District area” - for purposes of calculating traveling and subsistence be limited to the area of jurisdiction of the Rustenburg Local municipality.

“Allowance” – An amount of money granted by an employer to an employee in circumstances where the employer is certain that the employee will incur business related expenditure on behalf of the employer, but where the employee is not obliged to prove or account for the business expenditure to the employer

“Reimbursement” – it occurs when an employee incurred business related expenses on behalf of an employer out of his or her own pocket (i.e. without having had the benefit of an allowance or advance) and is subsequently reimbursed for this expenditure by the employer after having proved and accounted for the expenditure to the employer.

“Day” means a working day in the service of the participating Municipality;

“Running Transport Allowance” - means the running cost multiplied by the actual distance traveled for the execution of Official duties, subject to the maximum distance, as Stipulated by the scheme;

“Running Cost” - means the tariff in cent/km for a vehicle with a maximum cylinder capacity of 2000 cc, as specified in the appropriate AA Tables for fuel cost and maintenance cost;

“Ownership Cost” - means the sum of the fixed, fuel and maintenance costs;

“Private Transport” - means the private vehicle used by an employee for official purposes;

“Maximum Kilometer distance” - means the maximum kilometer distance applicable to calculate the running cost;

“Fixed average kilometer cost allowance” - means the running cost multiplied by the fixed average kilometer distance/meter; “Fixed average kilometer distance” means the fixed distance as determined by the Council for a specific position;

“Transport bearing position” - means a position that was determined as such by the Council, to which a fixed or running transport is coupled, and which qualifies for a transport allowance;

“Transport Allowance Scheme” - means this scheme, as was agreed upon between the Municipal Manager and the employee.

3. LEGISLATIVE REQUIREMENTS TO BE TAKEN INTO ACCOUNT:

In applying the Policy on Traveling and Subsistence, cognizance should be taken of the following:

- The Municipal Finance Management Act
- Conditions of Employment (Agreement: Government Gazette No 16047 dd 24/10/94)
- Regular circular on rates payable to certain capacity vehicles as issued by the Department of Transport
- Income Tax Act

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

4.1. Municipal Manager

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

4.2. Heads of departments and functionaries

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

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

5. SUBSISTENCE PAYABLE TO EMPLOYEES ON LEVEL 1 - 3 AND TRANSPORT BEARING POSITIONS (LEVEL 4 AND LOWER):

Approval of subsistence payable will be given as follows:

For the Municipal Manager:

To be approved by the Executive Mayor.

For Heads of Departments:

To be approved by the Municipal Manager.

For Officials

To be approved by the relevant Head of Department.

The general rule as defined is that overnight costs (subsistence) will not be paid by the Municipality for attendance **within** the district area.

The Municipal Manager and Directors are specifically authorized to approve applications of officials to stay overnight where meetings are scheduled and the circumstances are of such a nature that they have to stay overnight irrespective of whether the attendance is within the district area or not.

If a person is delegated to attend a seminar/meeting/on duty and have to travel (**outside** the Bojanala Platinum District Municipality area);

The following subsistence is payable to employees, subject to the conditions as specified below:

5.1 Subsistence shall be payable to any employee who attends a meeting/duty outside the jurisdiction of BPDM and do not sleep over;

5.2 When staying overnight:

a) Accommodation can be booked at a hotel, motel, guest house or bed & breakfast lodge rated as a 3 (three) star with a maximum ceiling of a 5 (five) star;

b) Any deviation from the above must be approved by the Municipal Manager;

c) BPDM will pay for bed, breakfast, Supper and parking at the hotel. **Any additional costs, like movies, telephone etc. incurred whilst staying overnight is for the account of the employee and must be settled by the delegate when checking out;**

d) The payments for overnight accommodation for officials should be paid directly through bookings to the preferred place of accommodation e.g. hotels, guesthouses etc. Request for payment of reservations must be submitted by the relevant official at least 2 days before arrival to enable

the administration to process the payment beforehand so as avoid inconvenience to the person staying overnight;

- (e) Only **two soft** drinks taken with a meal will be paid for by BPDM. No alcoholic drinks are paid for by BPDM, even if taken with a meal;
- (f) An amount of R80.00 per day as a result of the employee attending the seminar and being away from his normal place of residence for the day shall be payable to the person **after** the attendance has taken place;
- g) If an employee has supper while staying overnight when attending a congress, seminar, meeting, course or workshop, the actual cost for the meal and drinks taken with the meal will be paid by BPDM to a maximum of R200 per night, inclusive of any tip for service while having Supper. Any amount that exceeds the above limit of R200 per night will be for the account of the official and will be deducted from his or her salary without prior notification;
- h) The original invoice from the hotel or guesthouse must be signed by the delegate at the hotel and the copy handed over to the delegate at the hotel must be submitted and returned to the Finance Department within seven days after attendance;
- i) **Own accommodation** – subsistence amount of R500 (all inclusive Supper, Bed and Breakfast, R80.00 included) shall be paid to an Official who sleeps over, and be approved by the relevant authority.

The difference between the subsistence amount of R 500 and the prescribed subsistence amount of R 260 as per Income Tax Act shall be subjected to employee's tax.

6. TRAVELING ALLOWANCE PAYABLE TO EMPLOYEES

Officials receiving a monthly fixed travel allowance **should not** make use of Council vehicles unless otherwise approved by the Accounting Officer.

- a) All employees who uses private vehicles for official purposes shall be reimbursed for the actual distance travelled at a **non taxable** amount of R 2.92 per kilometre. (Rate per Kilometre shall be in accordance with the tax guidelines of every tax year).
- b) *Section 57 officials* and Contract employees shall be reimbursed at private rates supplied monthly by department of transport;
- c) Officials not receiving a fixed monthly travel allowance **should** make use of Council vehicles unless otherwise approved by the Accounting Officer or head of the department;
- d) Actual toll gate fees are payable on submission of a claim and proof of payment if paid by the delegate. Toll gate fees are not to be included on IRP 5 and are not taxable;
- e) The tax liability on the traveling and subsistence allowance is handled as follows:

No tax will be deducted from the R 80.00 daily allowance as well as the reimbursive travel allowance of R 2.92 per actual kilometer travelled.

C. TRANSPORT BEARING POSITIONS: LEVEL 4 AND LOWER

1. REQUIREMENT FOR PARTICIPATION

1.1 Participations is primarily determined by the requirement that the utilization of private transport will be more beneficial to the Council, than the provision of an official vehicle, participation in the scheme is thus determined and limited by cost advantages and economical considerations.

1.2 Positions will be declared to be Transport Bearing Positions when they perform duties as per powers and functions allocated to Bojanala Platinum District Municipality by the Demarcation Board.

2 QUALIFICATION CRITERIA

2.1 A minimum distance of 300km/m shall be traveled by an employee to execute normal official duties within the District' in his/her employer's service, excluding distances between work and residence.

2.2 It should be a necessity that the incumbent of a specific post shall have the exclusive use of a vehicle for the execution of his official duties, on a daily basis.

2.3 The private vehicle shall be available on a daily basis for official purposes.

2.4 A minimum of 650km/m can be allowed within the District; thereafter the Council can decide to provide official transport to the incumbents/s concerned and/or claim for access kilometer travelled.

2.5 Officials whose positions are declared transport bearing shall be paid as per clause 6 above

6.1 APPLICANTS INVITED TO ATTEND INTERVIEWS

Should applicants attend interviews for posts advertised by Bojanala Platinum District Municipality on invitation; a traveling allowance as prescribed by SARS guidelines per kilometer will be paid irrespective of the engine capacity of the vehicle used. BPDM employees will be excluded from the above benefit.

If it is necessary to stay overnight due to certain circumstances, the Municipal Manager may approve accommodation. Except for BPDM employees.

6.2 If persons are delegated or if they pay visits outside the municipal area, the following traveling allowance is payable:

- a) If official transport is provided, petrol, oil and other vehicle costs paid by the official whilst using the official vehicle, provided that legitimate documentation is submitted.
- b) If an employee uses a private vehicle, compensation is payable at the prescribed rate of R 2.92 per kilometer travelled (rate per kilometer shall be in accordance with the tax guidelines of every tax year.)
- c) Before any official not receiving a transport allowance may use a private vehicle for official purposes, The Head of the Department must authorize the utilization of the private vehicle for official purposes.

- d) The Municipality is not liable for any traffic penalties or damages that may be received or incurred by an employee when using his private vehicle for official purposes. Likewise BPDM is not liable for any traffic fines received by a employee when using a car rented whilst attending a seminar or workshop on behalf of BPDM. Traffic fines obtained while using municipal vehicle will be paid by BPDM and claimed from the employee's salary.
- e) If traveling by train: a first class train ticket.
- f) If traveling by air: Economic class. When economic class is not available, a business class ticket may be used after approval by the Municipal Manager, subject to the travel agency normally used by BPDM submitting substantiating proof that an economic class ticket is not available.
- g) Parking fees, traveling cost between the airport and accommodation as well as freight, if necessary, will be paid by the Municipality provided that satisfactory written proof and/or invoices are submitted for costs not directly paid by the Municipality. No connection- or transfer flights from Sun City to Johannesburg International Airport will be considered.
- h) If traveling by luxury bus, the cost of a return-ticket.
- i) If proof of toll gate fees paid is submitted, the amount will be refunded.

- j) In respect of journeys further than 300 km radius from Rustenburg and subject to the starting and closure time of the seminar/workshop to be attended, an extra day shall be allowed for traveling purposes to and from the venue, based on the anticipated traveling time from home on the forward journey. Should the anticipated traveling time, the additional booking-in time, registration etc. necessitate departure from home before 06h00, the Municipal Manager may approve earlier departure the day before the commencement of the event to be attended.
- k) The Municipal Manager may grant approval to employees from remote areas to stay over in Rustenburg the night prior to departure at 06h00 or the night of arrival back in Rustenburg at 20h00 or later, if transport from and to their homes is not available.
- l) Should an employee travel directly from home to his destination, kilometers will be paid from his/her home to his/her destination.

7. ACCOUNTABILITY

If any employee is delegated to attend a seminar/meeting/workshop and they have received the necessary subsistence allowances and anything should happen that they are not able to attend it, the official must notify BPDM and must pay back money paid to him immediately, as it will be deemed to be an advance in terms of the MFMA if not paid back immediately. 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.

- m) Delegates to any workshop, conference, meeting or seminar must ensure that they arrive on time and attend until the conclusion of such event.

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 canceling.

Should a delegated employee lose an air ticket or bus ticket that has been paid for by BPDM and the ticket can not be replaced free of charge as a result of 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 lost ticket should be paid again for by BPDM. In the absence of valid reasons, the expenditure will be regarded as fruitless and wasteful and will be recovered from the delegate should BPDM have replaced the ticket.

8. VISITS ABROAD

- a. Domestic trips are defined as trips to any destination within the boundaries of the Republic of South Africa. International trips are defined as trips to any other country other than South Africa;
- b. Subsistence allowances will be paid from the day of departure to the day of return, both days included and will be paid as follows
 - United State of America – US Dollars
 - Britain – British pounds
 - Europe – Euros
 - Any other destination - US Dollars
- c. 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;

- d. Visits abroad must be approved by the Municipal Manager for employees;
- e. BPDM will be responsible for the cost of accommodation when abroad to a maximum value or cost to Council. Accommodation is defined as including bed and breakfast;
- f. Daily subsistence allowance will be payable to the employee for costs incurred as a result of being away from home;
- g. This subsistence allowance will be to cater for lunch and Supper, as well as other personal costs incurred by the employee as a result of being away from home.

9. RENTING OF VEHICLES

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:

9.1 The cylinder capacity of the vehicle rented may not exceed the following:

9.1.1 Municipal Manager: 3 000 cc.

9.1.2 HOD's: 2000 cc

9.1.3 All other employees: 1600 cc

If there are more than four delegates, a microbus may be rented.

9.2 If a microbus is rented, the cylinder capacity may exceed 1 600 cm³.

9.3 All accounts for rented vehicles shall be certified as correct by the delegates, before submitting it to the Expense Accountant for payment.

9.4 Arrangements which cannot be accommodated by this paragraph (rental of vehicles) can be authorized by the Municipal Manager.

9.5 Delegates may use the rented vehicle for private journeys in the vicinity of the seminar. However, should private journeys result in the “free” kilometers per day being exceeded, including business kilometers; private kilometers traveled will be for the account of the delegate using the vehicle.

The Head of Departments recognize and accept the responsibility to see to it that recommendations to the Municipal Manager around travel and subsistence arrangements shall comply with this policy.

10. UP- KEEP OF POLICY:

Adjustments to the policy shall take place under the following circumstances:

10.1 Should the Municipality’s approach to the policy change;

10.2 Should new legislation and/or regulations require adjustments to the policy

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