

DRAKENSTEIN MUNICIPALITY



AD-HOC TRAVEL AND SUBSISTENCE POLICY

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CHAPTER 1

INTERPRETATION AND OBJECT OF POLICY

1. OBJECT OF POLICY

In terms of the Income Tax Act (No.58 of 1962) councilors and employees traveling to other destinations for official business purposes need be granted an ad-hoc travel and subsistence allowance. The object of this policy is to enforce the promulgated legislation in terms of ad-hoc travel and subsistence allowances, in order to set uniform guidelines for councilors and officials of Drakenstein Municipality.

2. DEFINITIONS

Councilor as defined in terms of the Municipal Structures Act (Act 117 of 1998)

Day allowance is equivalent to the total allowance granted for meals and incidental cost for a 24-hour period portion thereof to a minimum of 8 hours after the first 24 hours.

Holder of public office is any member of a municipal council, a member of a provincial House of Traditional Leaders and a member of the Council of Traditional Leaders

Incidental cost expenses, which are not necessarily incurred in performing the duties of employment whilst away on business (e.g. telephone cost, laundry cost, drinks, tips etc.)

Meals, any food / refreshment that an employee is entitled to whilst on official Council business away from the workplace.

Municipal official, in relation to a municipality or municipal entity, means-

- a) An employee of a municipality or municipal entity
- b) A person seconded to a municipality or municipal entity to work as a member Of the staff of the municipality or municipal entity; or
- c) A person contracted by a municipality or municipal entity otherwise than as an Employee.
“**Official duty**” approved official council business / activities

CHAPTER 2

TRAVEL ALLOWANCE

“Any allowance paid or advance given to an employee in respect of ad-hoc traveling expenses for business purposes. “

3. HOLDERS OF PUBLIC OFFICE

3.1 Holders of public office will be remunerated according to the guidelines as periodically determined by the National Department of Transport (Annexure A) for official municipal affairs having been attended to with private transport, outside of the Drakenstein Municipal area, only if -

- a. No other municipal transport was available at the time of travel.
- b. The travels were for the purposes of official approved council business / activities
- c. In the case of more than one councilor traveling together, only one claim per trip/ group of councilors traveling together can be made as per the periodic tariffs as determined by the National Department of Transport.
- d. Such allowances are taxable at the rate as prescribed by the Income Tax Act (no 58 of 1962) as annually promulgated by the Minister of Finance.

4. MUNICIPAL OFFICIALS

4.1 Any municipal official receiving a travel allowance, included in their remuneration package, and who travels outside of the Drakenstein Municipal area with private transport on official municipal affairs, will be reimbursed

- a) Through the tariff per kilometer method based on the running costs of the subsidised vehicle, as periodically determined by the Tables of the Automobile Association (Annexure B);
- b) Based on the actual amount of kilometers traveled from the departure point in the Drakenstein area to the destination and back.
- c) Employees staying outside the municipal area, will be reimbursed for the cost from the departure point to the destination and back to his / her place of residence, and/ or workplace subject to the conditions:

- i. That travels were for approved official council business / activities.
 - ii. That no other municipal transport was available at the time of the travel.
- 4.2 Any other officials who do not receive a travel allowance included in their remuneration package, but uses private transport for official municipal business, in- and outside of the boundaries of the Drakenstein Municipal area, will be reimbursed-
- a) A non-taxable reimbursement of rate determine by the AA per kilometer up to a maximum of 8 000 kilometers per annum. If kilometers traveled in the income tax year exceed 8 000 km, the portion exceeding 8 000 km will be taxable.
 - c) Based on the actual number of kilometers determined in the execution of their duties traveled from the departure point in the Drakenstein Municipal area and back.
 - d) Subject to the conditions:
 - i. That travels were for approved official council business / activities
 - ii. That no other municipal transport was available at the time of the travel.
 - e) Such allowances are taxable at the rate as prescribed by the Income Tax Act (No. 58 of 1962) as periodically determined by the South African Revenue Services.
 - f) In the case of more than one employee traveling together, only one claim per employee traveling together as per the relevant scheme can be made

5. ALTERNATIVE TRANSPORTATION

- a) In the case where an employee or holders of public office opts to make use of his own vehicle, instead of flying to the destination, with the prior approval of the accounting officer, the employee would be reimbursed for
 - i) *An amount equivalent to the cost of the economy class air ticket (SAA) at the time of the event*
 - ii) *In the event of the aforementioned leading to additional days at the destination, the individual would not be eligible for an added accommodation- and or day allowance.*
- b) Amounts can be adjusted at regular intervals / as prescribed by the relevant legislation.
- c) No employee may claim for travel between home and the office or visa versa, as such journeys are regarded for tax purposes as private and any reimbursement will be taxable.

CHAPTER 3

SUBSISTENCE ALLOWANCE

“Any allowance given to an employee or holder of public office for expenses incurred or to be incurred in respect of personal subsistence and incidental costs.”

6. HOLDERS OF PUBLIC OFFICE & MUNICIPAL OFFICIALS

6.1 Where an employee or holders of public office is away from his normal place of business and sleeps over at the destination and

A) is provided with accommodation

- i. They would receive a day allowance for each 24-hour period or portion thereof to a Minimum of 8 hours after the first 24 hours.
- ii. The above will be calculated from the period when they leave their place of Residence until they return to their place of residence
- iii. Refer allowances (point 7) for incidental cost and meals
- iv. Where accommodation is available at the venue priority must be given to stay on Premises.

B) Arranges his own accommodation

- i. An amount of R200.00 would be reimbursed to the employee per 24-hour period, or
- ii. The actual cost of accommodation would be reimbursed after provision of proof of Payment. (Limited to a maximum reasonable market related costs of a 3- to 4 star hotel). Where such accommodation is available, the rate for a single room will be payable.

6.2 Employees or holders of public office would only be allowed to claim for accommodation, or stay over if the destination is beyond a radius of 50 kilometers, or specifically authorised by-

- i. The executive committee, or
- ii. The Municipal Manager, or
- iii. The Executive Director
- iv. The Head of Department

6.3 Exceptional cases be approved by:

- i. The executive committee, or
- ii. The Municipal Manager, or
- iii. The Executive Director
- iv. The Head of Department

7. ALLOWANCES

7.1 In the Republic:

- a. Where the accommodation to which the allowance or advance relates is in the Republic, an amount equal to the following is deemed to be expended for a period of 24 hours or portion thereof to a minimum of 8 hours after the first 24 hours away from his/her usual place of residence:

- i. Only incidental costs- R80; or
- ii. Meals and incidental costs- R240.00

7.2 Incidental Cost

An employee or holder of public office is entitled to an amount of R80, 00 per period of 24 hours or portion thereof to a minimum of 8 hours after the first 24 hours, for incidental costs. (e.g. telephone cost, laundry cost, drinks, tips etc.)

7.3 Meals

An employee or holder of public office is entitled to an amount of R160.00 to cover the cost of meals per period of 24 hours:

- i. In cases where breakfast & supper are served at the occasion or are included in the Accommodation package, an employee or holders of public office will not be allowed to claim for meals.
- ii. Where an employee or holders of public office is away from his normal place of Business, but does not sleep over, they will be reimbursed for the actual cost incurred for meals to a maximum of R60, 00 (proof must be provided before reimbursement) if the period exceeds 6 hours

7.4 The total subsistence allowance granted to employees or holders of public office staying overnight at a destination for a period of 24 hours, is equal to R240.00

7.5 Parking & Toll fees

The cost of parking and toll fees will be reimbursed on actual cost incurred after proof of cost incurred has been provided

7.6 Outside the republic:

Where the accommodation to which the allowance or advance relates is outside the Republic, an amount equal to:

- i. US\$215.00 per day where the exchange rate is equal to, or more than 10:1

- ii. US\$150.00 per day where the exchange rate is equal to, or more than 8:1 less than 10:1;
- iii. US\$100 per day where the exchange rate is equal to, or more than 5:1, but less than 8:1
- iv. US\$50 per day where the exchange rate is less than, or equal to 5:1; but less than 3.1
- v. US\$20 per day where the exchange rate is less than, or equal to 3:1; is deemed to be expended for each 24 hour period or portion thereof to a minimum of 8 hours after the first 24 hours during which the employee or holder of public office is away from his /her usual place of residence.
- vi. Exchange rate is applicable at the time of the payment. (∇4 to 5 days before departure)

8. TRAVEL AND SUBSISTENCE ALLOWANCES FOR APPLICANTS INVITED FOR INTERVIEWS

- a) Traveling costs at AA tariff per kilometer may be paid if the applicant has to travel more than 100km in radius;
- b) Air tickets and booking of accommodation for applicants, must at all times be arranged by Human Resource Department, in accordance with the Supply Chain Management Policy as well as the stipulations and limits as prescribed in this policy;
- c) Booking of rental vehicles on behalf of applicants, as well as reimbursement of claims by applicants in this regard, is strictly prohibited;
- d) A daily subsistence allowance of R200,00 will only be applicable where the interview entails or more nights to be away from his/her home, with the understanding that all personal expenses are covered by the subsistence allowance. No further expenses may be claimed.

9. GENERAL

Any exception to the rule should be authorised by the Accounting Officer or his delegate.

TERMS OF REFERENCE

1. Income Tax Act (No. 58 of 1962)
2. Labour Relations Act (No. 66 of 1995)
3. Municipal Structures Act (No. 117 of 1998)
4. Guidelines for Employers, 2005, South African Revenue Services
5. Municipal Systems Act (No. 32 of 2000)
6. Municipal Finance Management Act (No.56 of 2003)