



TRAVEL AND SUBSISTENCE POLICY

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1. DEFINITIONS

- 1.1 For the purposes of a subsistence allowance, a representative shall mean:
- Councillors
 - Municipal manager
 - Head of departments
 - Any other official specifically authorised to represent the municipality on a particular occasion
 - Any official who is a member of a recognized professional institution and is granted permission to attend meetings and conferences of such institution.
 - Any other person who is granted permission to attend meetings, conferences
- 1.2 A camping allowance is an allowance paid to employees who are required to overnight away from their location on official Council business, for extended periods up to completion. This allowance is payable to employees where the inherent requirements of a specific job, requires employees to work away from home for extended periods of time.
- 1.3 For the purposes of this policy, domestic travel shall mean travel within South Africa and international travel shall mean travel to any country other than South Africa.
- 1.4 A subsistence and travel allowance is an amount of money paid by the municipality to a representative.
- 1.5 Normal workplace means the town where the employee is stationed/ required to perform his or her duties.
- 1.6 Temporarily workplace means a place which the employee attends in the performance of the duties of the employment for the purpose of performing a task of limited duration or for some other temporary purpose.

- 1.7 Radius means the circle of distance travelled to and from the temporarily workplace

2. PURPOSE

- 2.1 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 or to perform work, subject to prior approval.
- 2.2 It is important for representatives, to broaden their knowledge and understanding and compare local experiences in local government transformation, innovation and opportunities to network and interact and this can effectively be done only through the medium of personal contact with a wide range of local government stakeholders.
- 2.3 The purpose of this policy is to regulate how travelling and subsistence costs are paid to representatives, who are required to represent Council which involves incurring expenses for travel, lodging, meals and other costs for attending conferences, meetings, seminars, training and duties as approved by the employer.
- 2.4 This policy sets out the basis for the payment of a subsistence and travel allowance for the purposes of such official travelling.
- 2.5 The camping allowance for employees applicable as annually determined by the Minister of Public Service and Administration.

3. OBJECTIVES OF THE POLICY

Responsibilities of representatives who travel on business of the Municipality

3.1 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 action, 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.
- Consistent with the municipality's performance monitoring and evaluation objectives, the municipal manager will ensure that a data base of all representatives and official travelling is kept.
- Council delegates or representatives that perform work or attend any conference, workshop or meeting must ensure that they arrive on time and attend until the conclusion of such event.

4. SCOPE OF THE POLICY

This policy will apply to all Councillors and Municipal employees.

5. LEGISLATIVE FRAMEWORK

(a) This policy must be read in conjunction with other policies of Council applicable to matters raised in this policy.

(b) The Cost Containment Regulations effective from 1 July 2019

(c) MFMA Circular 97 Cost Containment Measures 31 July 2019

(d) Upper limits applicable to Councillors

6. POLICY PRINCIPLES

This policy will apply to the procurement of the following goods and/or services:

- Accommodation
- Meals and non-alcoholic drinks
- Toll gate fees
- Official telephone calls
- Official travel expenses
- Washing and ironing of clothes if an employee is away for a week or are travelling overseas.
- Bank charges payable for the exchange of foreign currency
- Official parking fees
- Official car rental
- Travel and subsistence
- Domestic accommodation
- Conferences, meetings and study tours
- Any other related expenditure items

7. TRAVEL & SUBSISTENCE

7.1 Subsistence and travel allowance

- All journeys undertaken must contribute to the Council's business of developing, obtaining or transferring of knowledge or to communicate and promote or administer the Council's interest.
- The object of a journey is to justify the cost; therefore all journeys and medium of transport must be motivated.

- Compensation for business journeys is designed to cover the reasonable cost by employees for expenditure incurred as a result of the journey undertaken.
- Journeys must be planned in advance in order to ensure it in the most efficient and cost effective manner.
- Travelling must be done preferably within the working hours of Council. If not possible, travelling must be cost effective.
- Proposal to develop a Guideline/Standard Operating Procedure.
- Overtime for travelling purposes may only be claimed when an employee is expected to travel outside normal working hours, but up to a maximum of 4 hours at straight time taken off. Permission in this regard shall be obtained from the HOD.
- In order to ensure efficient and cost effective service delivery all group accommodations will be arranged per project, no alternative accommodation will be accepted.
- Requests for S & T allowance must be submitted on the first and second Tuesday of every month to enable administration to process the claim in due time before the deadline of Remuneration which is 10:00 on the Wednesday.
- If S & T allowances is paid out and the person did not attend, the allowance will be deducted on the next S & T claim or deducted from the employee's next salary, with formal communication to the employee. (Include in the S&T form)

7.2 Authorization

- All journeys must be authorized beforehand.
- Only the Municipal Manager may authorize any travel to be undertaken by Heads of Departments or payments to be made for persons invited for interviews.
- Only the Head of Department may approve any travel to be undertaken by officials in his/her department within the Garden Route area of jurisdiction.

- The approval is subject to the provision of funding for expenses incurred are on the approved budget of the relevant department/business unit.
- An invitation to attend a workshop, meeting or related event is not an automatic authorization to attend such workshop or event. Prior required authorization must still be obtained from the Municipal Manager, Executive Manager, as the case may be. If any representative fails to do so, the municipal manager, 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.
- Travelling and subsistence will not be paid in cases where it is being paid for by the inviter.
- If a representative is required to attend official Council business outside the Garden Route District Municipal area and has to travel, approval for accommodation and subsistence allowance will be subject to approval by the Municipal Manager.
- If a Councillor is required to attend official Council business outside the Garden Route District Municipal area and has to travel, approval for accommodation and subsistence allowance will be subject to approval by the Speaker.

7.3. Loss or damage

- Loss or damage which includes unauthorized payments or fruitless expenditure caused by officials will be brought under the attention of the Mayor or municipal manager for further investigation and action.
- A subsistence allowance does not cover any personal recreation.

8. COMPENSATION

8.1. Domestic Accommodation

- The accounting officer must ensure that costs incurred for domestic accommodation and meals are in accordance with the maximum allowable rates for domestic accommodation and meals, as communicated by National Treasury, from time to time.
- Overnight accommodation may only be booked where the return trip exceeds 300 kilometres.
- There may be circumstances that such limitations may be impractical and the policy may allow for exceptions subject to the approval by the Accounting officer.

8.2. Accommodation

- Representatives who travel on the business of the municipality, where the business unavoidable entails one or more nights to be spent away from home, may stay in an hotel, motel, guesthouse or bed and breakfast establishment.
- The actual cost of accommodation will be borne by the municipality, subject to an amount not exceeding R2000.00, subject to SCM policy. Claims exceeding this rate are subject to proper motivation to the Municipal Manager for authorization. Where such accommodation is available, the rate for a single room will be payable.
- If a representative uses alternative accommodation, no accommodation allowance may be claimed, but the representative may claim an all inclusive amount of R800.00 per day.
- If a representative uses alternative accommodation, no proof of the R800.00 of evidence is needed.
- The payments for overnight accommodation will be paid directly through

bookings to the preferred place of accommodation/representative will pay and submit requisition claims for payment of their expenditure.

- Request for payment of reservation must be submitted at least five days before departure to enable the administration to process the claim.
- Where an event starts on or before 10:00 on the first day, accommodation maybe arranged for the previous night when a delegate has to travel for more than 250km.
- Where an event concludes after 15:00, delegates may arrange for overnight accommodation when a delegate has to travel 250km or more to reach his/her place of residence. Consent from the HOD will be required.

8.2.1 Camping Allowance (Only applicable inside the region)

Employees who are required to work away from their location may claim a camping subsistence allowance subject to prior approval, as annually determined by the Minister of Public Service and Administration.

8.2.2 Councillor compensation

Council Resolution DC 614/02/14 (Report (6/9/1/1) dated 14 February 2014):

1. *"That approval be granted that the respective workplaces of Full-time and PR Councillors be their respective residences.*
2. *That full-time Councillors may claim up to a maximum of 9 trips per month between their residences and Head Office (George).*
3. *That PR Councillors may claim for official trips between their residences and Head Office (George), after approval has been given by the Speaker.*
4. *That the implementation date will be regarded as 1 January 2014."*

In addition to the above-mentioned Council resolution, PR Councillors may also claim up to a maximum of 9 trips per month between their residences and Head Office (George), after approval has been given by the Speaker.

8.3. On the road costs

- Where it is not necessary to overnight on any travel on municipal business outside the boundaries of Garden Route District (only for longer than 4 hours), no accommodation costs will be paid, but incidental cost may be claimed, in accordance with the SARS guidelines as revised annually.
- Where it is necessary to overnight, on any travel for municipal business outside the boundaries of Garden Route District, incidental cost may be claimed in accordance with the SARS guidelines as revised annually.

8.4. Meals:

- When an employee has to overnight a meal subsistence allowance in accordance with the SARS guidelines per night will apply in respect of domestic travel, and will be adjusted annually.
- A meal subsistence allowance is not applicable when:
 - A representative claims the amount of R800.00 when using alternative accommodation;
 - Claiming incidental cost (outside Garden Route District area);
 - Accommodation includes dinner (outside Garden Route District area)

8.5 Transportation:

Representatives must utilize the most economic means of transport available.

- Whatever means of transport is used (airplane, motor car, taxi, train, etc.), the

cost factor must be calculated in term of monetary value (Rand and sent).

The following aspects must be taken into consideration.

- Cost of economic class airplane ticket
- Car rental
- Time to reach destination
- Productivity aspects
- Cost of private transport
- Cost of vehicle motor scheme
- Number of delegation
- GRDM transport
- Private vehicles (officials not participating in motor car scheme) may only be used if authorized by the employee's manager in advance, at the ad hoc rates of the Essential User's Scheme.
- The distance to which the reimbursement applies, must be the shortest distance between the municipality's offices or the place of residence of the delegate and the location where the official business is to be transacted.
- Where possible representatives must travel together to minimize travelling expenses.
- All claims submitted must be supported by corroborating documentation, where required.
- On returning an employee can submit additional invoices which will then be reimbursed after approval, where applicable.
- 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.

8.6. Air Travel

Where Air travel is used to conduct official business of the Municipality, it is preferred that Economic class be used. The Accounting Officer may determine the class to be travelled subject to the availability of funds

8.6.1 The accounting officer:

- a) May approve the purchase of economy class tickets for officials or political office bearers where the flying time for a flight is five (5) hours or less; and
- b) May only approve the purchase of business class tickets for officials, political office bearers and persons reporting directly to the accounting officer for flights exceeding five hours.
- In the case of the accounting officer, the mayor may approve the purchase of economy class tickets where the flying time is five hours or less and business class tickets for flights exceeding five hours.
- Notwithstanding above paragraphs, the accounting officer, or the mayor in the case of an accounting officer, may approve the purchase business class tickets for an official or a political office bearer with a disability or a medically certified condition.
- International travel to meetings or events will only be approved if it is considered critical to attend the meeting or event, and only the officials that are directly involved with the subject matter will be allowed to attend the meeting or event.
- The accounting officer, or the mayor in the case of the accounting officer, may approve accommodation costs that exceed an amount as determined from time to time by the National Treasury through a notice only -
 - a) during peak holiday periods; or
 - b) when major local or international events are hosted in a particular geographical area that results in an abnormal increase in the number of local and /or

international guests in that particular geographical area.

- An official or a political office bearer of the municipality must:
 - a) utilize the municipal fleet, where viable, before incurring costs to hire vehicles;
 - b) make use of available public transport or a shuttle service if the cost of such a service provider is lower than:
 - I. the cost of hiring a vehicle;
 - II. the cost of kilometres claimable by the official or political office bearer; and
 - III. the cost of parking.
 - a) not hire vehicles from a category higher than Group B or an equivalent class;] and
 - b) where a different class of vehicle is required for a particular terrain or to cater for the special needs of an official, seek the written approval of the accounting officer before hiring the vehicle.
- The municipality must use the negotiated rates for flights and accommodation as communicated by National Treasury, from time to time, or any other cheaper flight or accommodation that is available.

8.7. Entertainment of other people

8.7.1 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).

8.7.2 If a representative of the municipality has an entertainment allowance, the entertainment of external business associates or contacts or other parties must be claimed against the entertainment allowance

8.8 Car rental

8.8.1 B-Class 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).

8.8.2 Car rental must be approved as part of the travel package before the trip is embarked on.

8.8.3 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.

8.9 Insurance

8.9.1 Official transport

8.9.1.1 Accidents with official transport will be investigated.

8.9.1.2 Disciplinary action will be based on the ruling of the investigation.

8.9.2 Private transport:

8.9.2.1 Accidents with private transport will be covered by the owner of the vehicle.

8.9.2.2 Council is not responsible for any payment thereof.

8.9.2.3 Insurance for officials travelling in private vehicles will be investigated.

8.10 Transport of private persons

8.10.1 The use of official transport to transport private persons is strictly forbidden.

8.11 Subsistence and travel allowances for persons invited for interviews

- 8.11.1 Subsistence costs will be paid to an external candidate invited for an interview, but travelling costs at 60% of the rate of Department of Transport may be paid if the candidate has to travel more than 100km to attend the interview.
- 8.11.2 The most cost-effective transport must be utilized and will be paid for.
- 8.11.3 No subsistence costs will be paid to an internal candidate invited for an interview, but transport will be arranged if the candidate must travel more than 50km to attend the interview.

8.12 Traffic Fines

The driver of an official vehicle at the time of an offence is responsible for the payment of any fine.

8.13 Foreign Trips

- Visas

South African and other passports need visas for entry into certain countries and the application for these visas is essential for entry into those countries. The Municipality will be responsible for the visa application and the costs thereof.

- Passports

Travellers are solely responsible for ensuring that their passports are applied for and valid for at least six months longer than the last day of their intended stay abroad. The traveller shall timeously apply for a new, or renewal of their passport from the department of home affairs.

- Permits and Formalities

The travel agent is to advise the traveller about any requirements and to offer assistance where possible in obtaining these permits. Examples are driving permits,

vaccinations, re-entry or departure permits. Travellers are to ensure that formalities are attended to prior to their departure.

- Accommodation

Accommodation arrangement with regard to travelling abroad must be made through the travel agency. The official travel agency can arrange traveller's cheques and visas for the traveller.

Accommodation expenses, dry-cleaning and laundry expenses are not included in the day allowance. The travel agency will charge this cost to the Municipality's account or the traveller can claim these expenses on return after paying them his/herself.

- Day Allowance

The non-accountable daily allowance as determined by SARS.

The amount per day as determined by SARS will be paid as a daily allowance for the duration of the trip.

8.14 Applicable Forms

Claim form for travel and subsistence expenses

9. CONFERENCES, MEETINGS & STUDY TOURS

- 9.1 Appropriate benchmark costs must be considered prior to granting approval for an official to attend a conference or event within and outside the borders of South Africa. (Note that "conference or event" referenced above excludes attendance of government forums, user groups and workshops.)
- 9.2 The benchmark costs may not exceed an amount determined by National Treasury.

9.3 When considering applications from officials to conferences or events within and outside the borders of South Africa, the accounting officer must take the following into account:

- (a) The officials role and responsibilities and the anticipated benefits of the conference or event;
- (b) Whether the conference or event will address the relevant concerns of the municipality;
- (c) The appropriate number of officials to attend the conference or event, not exceeding three officials; and
- (d) Availability of funds to meet expenses related to the conference or event.

9.4 The amount referred to in 9.2 above excludes costs related to travel, accommodation and related expenses, but includes:

- (a) Conference or event registration expenses; and
- (b) Any other expense incurred in relation to the conference or event.

9.5 When considering the cost for conferences or events the following items must be excluded, laptops, tablets and other similar tokens that are built into the price of such conferences or events.

9.6 Attendance of conferences will be limited to one (1) per annum with a maximum of two (2) delegates.

9.7 Meetings and planning sessions that entail the use of municipal funds must, as far as practically possible, be held in-house.

10. OTHER RELATED EXPENDITURE ITEMS

- 10.1 All commodities, services and products covered by a transversal contract by the National Treasury must be procured through that transversal contract before approaching the market, in order to benefit from savings and lower prices or rates that have already been negotiated.

11. **IMPLEMENTATION & REVIEW PROCESS**

This policy will be reviewed at least annually or when required by way of a council resolution, or when an update is issued by National Treasury.

12. **SHORT TITLE**

This policy shall be called the Travel and Subsistence (S&T) Policy of the Garden Route District Municipality.

ANNEXURE A

TABLE 1: Rates for Hotel Accommodation according to- National Treasury (MFMA Circular No.97) Municipal Finance Management Act No. 56 OF 2003

Voucher Includes	BAND 1	BAND 2	BAND3
	Room Only VAT	Bed & Breakfast Tourism Levy VAT	Dinner, Bed and Breakfast Tourism Levy VAT 2 x soft Drinks at Dinner
Grand Hotel, Boutique Hotel, Lodge or Resort			
	BAND 1	BAND 2	BAND3
1 Star	R 590	R 730	R 855
2 Star	R 920	R 1050	R 1230

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2 3 Star	R 1120	R1230	R1400
4 Star	R 1275	R1380	R 1550
5 Star	R 2140	R 2250	R 2500
Bed & Breakfast, Country House or Guest house			
	BAND 1	BAND 2	BAND3
1 Star	R3350	R495	R630
2 Star	R510	R670	R830
3 Star	R920	R1080	R1230
4 Star	R1020	R1180	R1330
5 Star	R1225	R1385	R1530
Self- Catering			
	BAND 1	BAND 2	BAND3
1 Star	R590		
2 Star	R920		
3 Star	R1120		
4 Star	R1275		
5 Star	R1475		

Meals			
	BAND 1	BAND 2	BAND3
Breakfast	R 110	R-	R-
Lunch	R160	R160	R160
Dinner	R180	R 180	R-
Total	R450.00	R340.00	R160.00
Accommodation costs are assumed to be inclusive of Parking and Wi-Fi (if available), and exclusive of Laundry expenses.			

*Including Exclusive and Shared Facilities. Exclusive facilities offer travelers a sole occupancy unit consisting of one or more bedrooms and self-contained public areas e.g. kitchen, dining area and lounge.

Shared Facilities consisting of one or more bedrooms and self-contained shared public area e.g kitchen, dining area and lounge.

** Maximum amounts that can be claimed for meals. The claim for the actual amounts must be supported by a receipt.

- If a negotiated rate for a specific star grading is equivalent to or lower than the rate for the lower star grading, the official may be accommodated in the establishment with the higher star grading. This means that an official may be accommodated at a four-star establishment if the rate at the four-star establishment is the same as or lower than a three-star establishment.
- Where there is an alternative star grading indicated in **Table 1** (i.e 4/5 or 3/4), the maximum allowable rate of the lower star grading will be benchmark. The higher star grading can only be booked if:
 - i. The higher star graded facility is the only available option due to location and availability; or
 - ii. The municipality or municipal entity has negotiated lower rates with the higher star graded facility.