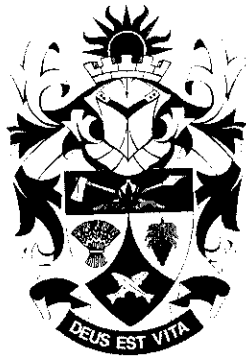


BERGRIVIER MUNICIPALITY



TRAVEL AND SUBSISTENCE POLICY AND PROCEDURES

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COMMITTEE : MAYORAL COMMITTEE

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TRAVEL AND SUBSISTENCE POLICY AND PROCEDURES

(4/5/2/1; 5/11/1)

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1. OBJECTIVE

To create a guideline wherein the compensation for travelling and subsistence costs incurred or deemed to be incurred on behalf of Bergrivier Municipality (BM) can be handled in a practical, sensible, organized and effective manner.

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 organisations operating in the sphere of local government. It is important for representatives to broaden their knowledge, the understanding of and comparing experiences in local government transformation, innovation and change in the rest of the country. This can effectively be done only through the medium of personal contact with a wide range of local government stakeholders and practitioners.

This policy sets out the basis for the payment of a subsistence and travel allowance for the purposes of such official travelling.

2. DEFINITIONS

Unless the context indicates otherwise the following definitions shall apply:

OCCASION:

Any occasion outside the area of jurisdiction of the Council including a meeting, conference, congress, seminar, training course, training program, workshops, discussions or any other occasion to which a person is delegated to by the Council or by the delegated authority.

WEEKENDS:

Saturdays and Sundays except when an occasion takes place on a Saturday or a Sunday in which case it shall be deemed as a weekday.

PERSON:

A person appointed by the Council and also duly elected and appointed Councillors.

COUNCIL:

The Council, its Executive Mayor or any employee of the Council acting in accordance with delegated authority in terms of section 117 of the Municipal Systems Act, Act No 32 of 2000.

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 and drinks;
- all business-related travel; and

A subsistence allowance does not cover any personal recreation, such as visits to a cinema, theatre or nightclubs, or sightseeing. An allowance as determined from time to time by the Council and which differentiates between an overnight allowance and a day allowance.

WEEKDAYS:

Mondays to Fridays as well as single days over weekends on which occasions take place.

OFFICIAL TRANSPORT:

The official transport specifically provided by Council for the use of the Executive Mayor, Executive Deputy Mayor and Councillors to attend official occasions. Where a Councillor is delegated to attend a ceremonial occasion on behalf of the Council, spouses are allowed to accompany the Councillor and may travel with the official transport provided.

OVERNIGHT ALLOWANCE:

An allowance determined by Council from time to time which will be payable only if the person is away from his place of work for a period longer than 12 hours, calculated from 18:00 to 06:00. This will only be applied where an occasion is attended at a venue outside the municipal boundary of BM.

DAY ALLOWANCE:

An allowance is payable to a person who is away from his place of work, for a period exceeding 5 hours or stay overnight and where meals are not provided as part of the visit, a day allowance equal to the actual cost of the meal, not exceeding the amount of R120-00 (determined by council from time to time) will be paid to a person on receipt of proof of expenses outside the boundaries of Bergrivier Municipal area.

3. SPECIFICATION OF THE POLICY:

- 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 of the municipality, that their actions, 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 database of all representatives and officials travelling is kept.

The policy is formulated to achieve the following:

- a. to establish a fixed base for travelling and subsistence arrangements for Councillors and employees.
- b. to accommodate the unique travelling and subsistence needs within the BM.
- c. to lay down a policy on the usage of official vehicles as well as private 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 Bergrivier Municipality.
- e. To avoid or limit night travelling as far as possible.

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 authorised personal expenses are covered by the subsistence allowance. No further expenses, with the exception of certain business expensed (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 may claim his or her subsistence allowance, if the trip or travel is 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 purposes of a subsistence allowance, a representative shall mean:
 - Executive Mayor;
 - Deputy Executive Mayor;
 - Speaker;
 - Full time Councillors;
 - Other Councillors specifically authorised to represent the municipality on a particular occasion;

- Municipal Manager;
- Directors;
- Any other official specifically authorised to represent the municipality or its employees on a particular occasion; and
- Any official who is a member of a recognised professional institution and is granted permission to attend meetings and conferences of such institution.

5. **RULES GOVERNING ATTENDANCE OF CONGRESSES, SEMINARS AND WORKSHOPS:**

5.1 **Delegates:**

5.1.1 **Councillors**

A list of congresses and seminars to be attended should be considered annually together with the compilation of the Operational Budget, to enable the Municipality to assign a Councillor delegate per event for that specific financial year and budget accordingly.

After the delegates have been assigned, Councillors may, due to unique personal circumstances, change assignments. In such cases, the Municipal Manager or the Speaker shall be informed of the change.

Should the Director : Administration not have compiled together with the Speaker such a list for a specific municipal financial year, the attendance of any Councillor of congresses and seminars shall be approved in writing by the Speaker. The same applies for the attendance of any other meeting where delegates of the municipality are invited to.

The Speaker should take into account the value to be added to BM in relation to the total cost of a Councillor attending, taking into account the cost of attendance, travelling and subsistence, accommodation and registration fees.

Any attendance by Councillors shall be pre-approved by the Speaker (*see Annexure A*).

5.1.2 **Municipal Manager**

Although the Municipal Manager has to attend certain congresses/seminars either officially or as a member, he may also attend other congresses/seminars and should indicate during the budget meeting, which congresses/seminars he intends to attend for approval during the budget process.

Attendance by the Municipal Manager of congresses and/or seminars shall be pre-approved by the Executive Mayor (*see Annexure B*).

5.1.3 Directors and employees

Only the director plus two employees as holders of specific positions may attend a congress or seminar. Employees should be rotated to enhance capacity building on a broader base in the municipality.

Should a director not attend a specific congress/seminar, the director shall decide on the employee-delegation, provided that the employee delegation is limited to three employees. Any employee delegation exceeding three employees per Directorate have to be specifically mandated by the Municipal Manager or his nominee.

Attendance by the Director of congresses and/or seminars shall be pre-approved by the Municipal Manager (*see Annexure C*).

Attendance of employees shall be pre-approved by the relevant Director (*see Annexure D*).

5.1.4 Executive member of institutes / Study Groups

It may occur that employees are elected to serve on Executive Committees or study groups of Institution or funds. As this is a special privilege for the employee concerned and the public image of the Municipality is extended at the same time, such an employee will, regardless of his salary level, also be delegated to attend a specific congress/seminar, provided that no more than three employees as ruled above shall attend any congress/seminar.

Employees who are elected on Executive Committees or study groups of institutes or funds, and such election was approved by Council, should be free to attend the meetings of the institute concerned, provided that travelling and subsistence allowance and special leave with remuneration be limited to one institute per employee only.

5.1.5 SALGA and other Working Groups

In cases where Councillors or employees serve on any advisory committee of SALGA, permission is granted to such Councillor or employees to attend one or more than one-day workshops or advisory committee meetings.

Where Institutions pay for the expenditure to attend the occasion, Council will not reimburse the person and the request for attendance must indicate as such.

NOTE: It is nearly impossible to budget for all workshops to be attended during a financial year. Every Director must budget an additional amount for the attendance of workshops that cannot be foreseen during the budget process.

6. ACCOMMODATION AND SUBSISTENCE ALLOWANCE:

The approval of any claim for Subsistence and Travel policy and/or subsistence allowances is subject to the availability of the necessary funds on the applicable Operation Budget.

The general rule is that overnight costs will not be paid by the Municipality for attendance **within** the municipal area.

If a person is delegated to attend a seminar/meeting and have to travel **outside** the Bergvriër Municipality area, the following subsistence is payable to Councillors and employees, subject to the conditions as specified below:

A person can stay overnight when:

- a) the duration of such congress, seminar, course, meeting or workshop is more than one day and the delegates wish to stay overnight; or
- b) the duration of such congress, seminar, course, meeting or workshop is for one day or less and delegates must leave before **07:30** in order to reach the destination in time and will be out of office for more than 6 hours and the delegates wish to stay overnight instead of travelling to the venue and back on the same day.

When staying overnight:

- a) The actual cost of accommodation will be borne by the municipality, subject to a maximum of R1 000-00 per night for the accommodation itself in respect of domestic travel. Where such accommodation is available, the rate for a single room will be payable.
- b) If the accommodation costs, including bed and breakfast exceed R1 000-00 per night, the Municipal Manager, in the case of employees, or the Speaker, in the case of Councillors, may approve accommodation to a maximum of R1 300-00 per person per day. If accommodation for the amount of R1 300-00 is not available the Municipal Manager, in case of the employees or the Speaker, in case of Councillors, may approve accommodation that will be restricted to a three or four star grading. Any additional cost incurred whilst staying overnight is for the account of the employee or Councillor. Should the amount be included in the invoice of BM and not directly settled at the hotel, the difference will be deducted from the salary of the Councillor or employee who stayed overnight.
- c) If the cost of the accommodation includes, as it often does, the provision of breakfast, a subsistence allowance is payable according SARS regulations regarding tax free allowance per day.

- d) If a representative stays with a relative or friend, no accommodation allowance may be claimed, but the representative may claim a subsistence allowance of R500-00 per day all inclusive.
- e) The payments for overnight accommodation for Councillors and officials should be paid directly through bookings to the preferred place of accommodation e.g. hotels, guesthouses, etc. Request for payment of reservations should be submitted by the relevant Councillor or official at least 2 working days before departure to enable administration to process the payment beforehand so as to not cause inconvenience to the person staying overnight.
- f) BM will not issue any cheque payments for the payment of hotel accommodation and the payment will be made directly to the preferred hotel or guest house. In legitimate cases where amounts are paid by Councillors or officials to hotels or guest houses, the Council will reimburse the paid amounts on submission of the relevant documentation.
- g) Actual toll gate fees are payable on submission of a claim and proof of payment. Toll gate fees not to be included on IRP5 and is not taxable.
- h) The original invoice from the hotel or guesthouse must be submitted and returned to the Finance Directorate within two days after attendance.
- i) The Director : Administrative Services at BM should negotiate Government rates as far as possible with various hotels and guest houses frequently used.
- j) If the venue of an official meeting requires that a delegate be forced to make use of the only accommodation the total expenses with regard to accommodation will be paid by the Council.

6.1 **COURSES:**

Where an organisation other than the Municipality pays a sitting allowance, or accommodation, no daily allowance nor accommodation costs, will be payable to the Councillor or employee.

6.2 **SUBSISTENCE AND TRAVEL ALLOWANCES FOR PERSONS INVITED FOR INTERVIEWS**

Subsistence and travelling costs to be paid to any candidate invited for an interview will be handled as stipulated in the formal appointment policy of BM.

7. TRANSPORT ALLOWANCES:

- 7.1 The Council reserves the right to determine, on cost effective grounds, the means of transport when a person is delegated by the Council to attend an occasion.
- 7.2 Should four or less persons be delegated to attend the same occasion only one vehicle may be used and travelling costs will be payable for one vehicle only. Should a delegation consist of five to eight persons the travelling costs for an additional vehicle shall be payable if a second vehicle is used.
- 7.3 A person who is delegated to attend an occasion at a centre which is serviced by a recognised and registered airline shall be afforded the opportunity to make use of air transport.
- 7.4 A person delegated to attend an occasion presented over a continuous period of time will be entitled to a travelling allowance as determined in order to enable the person to visit normal home once a month within the duration of the occasion – International occasions excluded.
- 7.5 A Councillor delegated by the Council to attend an occasion, the Executive Mayor or his spouse who attends official functions without having been delegated by Council, must make use of the official transport.

8. TRAVELLING ALLOWANCE:

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

- 8.1 If official transport is provided, petrol, oil and other vehicle costs paid by the person whilst using the official vehicle, provided that legitimate documentation is submitted.
- 8.2 Employees not receiving a transport allowance are paid a running and fixed cost in accordance with the tariff recommended by SARS (tax free).
- 8.3 If a transport allowance scheme vehicle is used or a transport allowance is paid, the running cost is payable in accordance with AA-tariffs for the specific vehicle used, based on the actual cash purchase price of the vehicle used and based on the following principle:
- ❖ Owner only – running cost;
 - ❖ Owner plus 1 – running cost + 25% additional;
 - ❖ Owner plus 2 – running cost + 50% additional;
 - ❖ Owner plus 3 – running cost + 75% additional.

- 8.4 Before any official not receiving a transport allowance may use a private vehicle for official purposes, the Director must authorize the utilization of the private vehicle for official purposes. The Municipality is not liable for any traffic penalties or damages that may be inflicted to or by the employee when using his private vehicle for official purposes.
- 8.5 Travelling by air:
- ❖ Delegates to congresses, seminars, courses, meetings or workshops are remunerated for travelling costs at the rate of a normal return air ticket (economic class rates in accordance with a national airline service plus hired vehicle.
 - ❖ Delegates to congresses, seminars, courses, meetings or workshops which are held at destinations where it is impractical to travel by air can make use of official transport arrangement, provided that the Municipal Manager (for officials) or the Speaker (for Councillors) authorise use of private transport at the prescribed rates.
 - ❖ When an economic class ticket is not available, a business class ticket may be used after approval by the Municipal Manager / Speaker, subject to the travel agency normally used by BM submitting substantiating proof that an economic class ticket is not available. Should any employee or Councillor elect to travel business class in the event of an economic class ticket being available, the difference in cost is for the account of the Councillor or employee and will be deducted from his/her salary without notice.
 - ❖ Parking fees, travelling 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. Lock-up garages may be utilised at the cost of the Municipality.
- 8.6 If travelling by luxury bus, the cost of a return-ticket.
- 8.7 If proof of toll gate fees paid is submitted, the amount will be refunded.
- 8.8 In respect of journeys further than 450 km radius from place of residence and subject to the starting and closure time of the seminar/workshop to be attended, an extra day shall be allowed for travelling purposes to and from the venue, based on the anticipated travelling time from home on the forward journey. Should the anticipated travelling time, the additional booking-in time, registration, etc. should necessitate departure from home before 16:00, the Municipal Manager may approve earlier departure the day before the commencement of the event to be attended. In the case of return trips, 19:00 is taken as a reasonable time to be back

home, taking into account the availability of transport to the home of the employee concerned.

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- 8.9 In the event where a Councillor or official prefers to use a vehicle as opposed to a flight (plane) he/she be accorded an amount equal to an economic class flight ticket applicable for that trip, plus the cost of the rental vehicle, i.e. the said amount shall be used by the Councillor or employee for all expenses incurred during the trip e.g. toll gates, parking fees, kilometres travelled, etc. (the stipulation in paragraph 8.3 does not apply in this instance).
- 8.10 Any official, who receives a travelling allowance, will not be allowed to use an official vehicle within the jurisdiction of BM;
- 8.11 Travelling costs are paid from place of residence to the destination/accommodation and return to place of residence, only during working hours.

9. ACCOUNTABILITY:

If any Councillor and/or employee is delegated to attend a seminar/meeting/workshop and they have received the necessary allowances and anything should happen that they are not able to attend, that money shall be paid back immediately to BM. 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.

Delegates to any workshop, conference, meeting or seminar must ensure that they arrive on time and attend until the conclusion of such event, failing which the Municipal Manager in the case of employees and the Speaker in the case of Councillors must take the necessary steps to recover all or part of the costs incurred by BM to afford the delegate the opportunity to attend, provided that such delegate be afforded the opportunity to submit written reasons for not being on time or leaving before conclusion.

Should a Councillor or 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 cancelling.

Should a delegated employee or Councillor misplace an air ticket or bus ticket that has been paid for by BM and the ticket cannot be replaced free of charge as a result of it 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 loss should be paid again for by BM. In the absence of valid reasons, the expenditure will be regarded as fruitless and will be recovered from the delegate should BM have replaced the ticket.

10. VISITS ABROAD:

- 10.1 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.
- 10.2 Visits abroad must be pre-approved by the Municipal Manager for employees and by the Speaker and in conjunction with the Municipal Manager for Councillors and in the case of the Municipal Manager the Executive Mayor for Council.
- 10.3 The BM will be responsible for costs in line with this policy as if the costs were incurred in South Africa.
- 10.4 The recoverable cost of accommodation for international travel may not exceed **US\$350** per day. Daily subsistence allowance equal to **US\$190** will be payable to the employee or Councillor for costs incurred as a result of being away from home from the day that the delegate leaves South Africa until he returns to South Africa, both days included. The amounts mentioned in this subparagraph are determined by DPLG from time to time and must be amended accordingly by the Municipality.
- 10.5 Should the equivalent monetary currency of the country to be visited vary substantially from the US\$, the currency of the country to be visited may be utilized to determine the subsistence allowance. The Municipal Manager to approve the utilization of the currency other than US\$.
- 10.6 The subsistence allowance will be to cater for bed and breakfast, lunch and dinner, as well as other personal costs incurred by the employee or Councillor as a result of being away from home.
- 10.7 Should accommodation costs and meals be paid directly by BM, the daily subsistence allowance will be reduced by the cost already paid by BM.
- 10.8 Before the delegate leave South Africa, the travel agency normally utilized by Council may be requested to submit substantiating proof should the delegate believe that the subsistence allowance equal to US\$190 will not be enough for subsistence costs in the country to be visited. The Municipal Manager must approve such higher allowance before the delegate leaves the country.
- 10.9 Internet bookings will be preferred to a travelling agency, since up to 50% discounts are available on the Internet.

11. 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:

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- 11.1 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 microbus).
- 11.2 Car rental must be approved as part of the travel package before the trip is embarked on. A representative who rents a vehicle whilst travelling on the business of the Municipality without having received prior authorisation 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.
- 11.3 If there are more than four attendees (delegates and spouses), two vehicles or a microbus, may be rented.
- 11.4 Delegates may use the rented vehicle for private journeys in the vicinity of the seminar. However, private journeys exceeding the free kilometres/day (maximum provided by the rental company) provided by the rental company will be for the account of the delegate using the vehicle and will be deducted from the salary of the delegate using the vehicle as such.

12. AUTHORISATION:

For purposes of implementing this policy:

- * The Municipal Manager may authorise any travel to be undertaken by officials, provided that the expenses to be incurred are on the approved budget of the relevant directorate.
- * Only the Speaker may authorise any travel to be undertaken by the Executive Mayor, Executive Deputy-Mayor and Councillors, provided that the expenses to be incurred are on the approved budget of the Municipality.
- * The Speaker in conjunction with the Municipal Manager shall approve his or her own travel on municipal business, provided the expenses to be incurred are on the approved budget of the Municipality, and provided further that the Speaker reports to the following council meeting on the nature of and reasons for such travel and the expenses incurred.
- * The Executive Mayor shall approve the travel arrangement for the Municipal Manager.

An invitation to attend a workshop, meeting or related event is not an automatic authorisation to attend such workshop or event. The required

authorisation must still be obtained from the Municipal Manager or Executive Mayor.

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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.

13. **DOCUMENTATION:**

When applying for travel and subsistence allowances, the prescribed travelling form shall be completed in full.

Copies of the agenda or the invitation to the specific meeting must be attached to the application.

14. **UP-KEEP OF POLICY:**

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

- * Should the Municipality's approach to the policy change;
- * Should new legislation and/or regulations require adjustments to the policy;

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

15. **LEGAL REQUIREMENTS – COUNCIL POLICIES:**

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.

7 September 2010