BERGRIVIER MUNICIPALITY

TRAVEL AND SUBSISTENCE POLICY FOR COUNCILLORS

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Contents

1. **AIM OF POLICY** 4
2. **DEFINITIONS** 4
3. **LEGISLATIVE FRAMEWORK** 7
4. **TRAVEL ALLOWANCE AND REIMBURSEMENT FOR TRAVEL** 9
   - 4.1 **Travel Allowances** 9
   - 4.2 **Reimbursement Allowance for Travel** 9
5. **OFFICIAL BUSINESS TRAVEL** 10
6. **PROCESS FOR TRAVEL REIMBURSEMENT** 11
7. **ACCOMMODATION AND SUBSISTENCE ALLOWANCE** 12
8. **LEGAL REQUIREMENTS** 14
9. **ACCOUNTABILITY** 14
10. **VISITS ABROAD** 15
11. **RENTING OF VEHICLES** 16
12. **AUTHORISATION** 17
13. **INDEMNITY** 18
14. **DOCUMENTATION** 18
15. **UP-KEEP OF POLICY** 18

1. AIM OF POLICY

1.1 The aim of the policy is to provide the Municipality with a comprehensive travel policy framework for Councillors for implementation within the Municipality;

1.2 This policy sets out the basis for the payment of travel & subsistence allowances for the purposes of official travelling; and

1.3 This policy will only be applicable to Councillors, both full-time and part-time, within the Municipality.

2. DEFINITIONS

2.1 Unless the context indicates otherwise the following definitions shall apply:

Area of jurisdiction	Means the area demarcated as WC013 by the Municipal Demarcation Board
Council	Means the elected Councillors of the Bergrivier Municipality, in accordance with Chapter 3 of the Municipal Structures Act, 1998 (Act 117 of 1998), as amended and Councillors has the correspondent definition
Councillor	Means a person elected to the position of Councillor for Bergrivier Municipality in terms of the provisions of the Local Government Municipal Structures Act and includes the Executive Mayor
Day Allowance	Means an allowance payable to a person who is away from his/her place of work, for a period exceeding five hours of stay overnight where meals are not provided as part of the

	visit. A day allowance equal to the actual cost of the meal, not exceeding an amount as determined by Council from time to time, will be paid to a Councillor on receipt of proof of direct expenses when travelling outside the boundaries of Bergrivier Municipal Area (WC013)
Executive Mayor	Means the Executive Mayor of Bergrivier Municipality as provided for in the Municipal Structures Act, 1998 (Act 117 of 1998)
Fulltime Councillor	Means a councillor who has been elected or appointed to an office which has been designated as full-time in terms of section 18(4) of the Structures Act
International Travel	Means any trip outside the boundaries of South Africa
Municipal Finance Management Act	Refers to the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) (as amended)
Municipal Manager	Means the person appointed as such in terms of Section 56 of the Systems Act, 1998 and includes a person acting in his/her stead or in terms of a power delegated in writing to her/him by the Municipal Manager
Municipal Precinct	Refers to the official / main offices of Bergrivier Municipality in Piketberg
Municipal Structures Act	Means the Local Government: Municipal Structures Act, 1998 (Act 117 of 1998);
Municipality	Means Bergrivier Municipality

Occasion	Means any business / official occasion outside the area of jurisdiction of the Municipality including a meeting, conference, congress, seminar, training course, training program, workshops, discussions or any other occasion to which a person is officially delegated to by the Council or the delegated Authority
Official Transport	Means the official transport specifically provided by the Municipality 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 (when invited and appropriate) and may travel with the official transport provided
Overnight Allowance	Means an allowance determined by Council from time to time, which will be payable only if the person is away from his/her 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 the Municipality
Part-time Councillor	means a councillor other than a full-time councillor
Place of Work / business	means all municipal offices in the demarcated Bergrivier Municipal areas, including ward councillor offices
Speaker	Means the elected Speaker of the Municipality as provided for in the Municipal Structures Act, 1998 (Act 117 of 1998)
Subsistence Allowance	Means an amount of money paid by

	the municipality to a Councillor in respect of personal and incidental costs (for example refreshments, snacks, and drinks) (A subsistence allowance does not cover any personal recreation, such as visits to cinemas, theatres, nightclubs or sightseeing)
Travel Allowance	Means any amount of money paid or advance given to a Councillor in respect of travelling expenses for business use
Weekdays	Means Mondays to Fridays as well as single days over weekends on which official occasions take place
Weekends	Means Saturdays and Sundays except when an official occasion takes place on a Saturday or a Sunday in which case it will be deemed as a weekday

3. LEGISLATIVE FRAMEWORK

3.1 Section 219(1)(b) of the Constitution of the Republic of South Africa stipulates that an Act of Parliament must establish a framework for determining the upper limits of salaries, allowances or benefits of members of municipal councils of the different categories.

3.2 The Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998) gives effect to Section 219(1)(b) by providing a framework for determining salaries for Political Office Bearers, including members of municipal councils.

3.3 In terms of Section 7(1), 8(5)(a) and 9(5)(a) of the Remuneration of Public Office Bearers Act, the Minister will determine the Upper Limits of the salaries, allowances and benefits of the different members of Municipal Councils by notice in the Government Gazette (hereafter referred to as the “Upper Limits”).

3.4 The Upper Limits are published annually and deal inter alia with the following:

3.4.1 Grading of municipalities for purposes of determining the remuneration scales;

3.4.2 Upper Limits of annual total remuneration packages of full-time and part-time councillors;

3.4.3 Upper Limits of allowances of full-time and part-time councillors;

3.4.4 Upper Limits of remuneration or allowances in respect of appointed councillors;

3.4.5 Upper Limits of cell phone allowances for councillors; and

3.4.6 Upper Limits of pension fund contributions and medical aid benefits of councillors.

3.5 The salary and allowances of Councillors are determined by the municipal council by resolution of a supporting vote of a majority of its members, in consultation with the MEC for local government in the province concerned, having regard to the upper limits, the financial year of municipal councils and the affordability of the municipality to pay within the different levels of remuneration as determined.

3.6 Section 167 of the Municipal Finance Management Act has a major impact on the remuneration of Councillors. It stipulates that Councillors may only be remunerated within the framework of the Remuneration of Public Bearers Act and Section 219(4) of the Constitution. It declares that any payment, whether in cash of kind, made outside this framework will be regarded as an irregular expense.

3.7 The travel allowance is defined in Section 8(1)(b) of the Income Tax Act, 1962 (Act 58 of 1962), as any allowance paid or advance given in respect of travelling expenses for business purposes, which is included in the taxable income of any person of any year of tax assessment.

3.8 Section 8(1)(b) of the Income Tax Act further deems any allowance or advance in respect of travelling expenses not to have been expended on business travelling to the extent that it has been spent on private travelling.

4. TRAVEL ALLOWANCE AND REIMBURSEMENT FOR TRAVEL

4.1 Travel Allowances

4.1.1 All Councillors receive a total remuneration package from the municipality that includes a travel allowance of not more than 25% of the annual total remuneration package.

4.1.2 A Councillor has the discretion and may include a travel allowance in the total remuneration package.

4.1.3 A Councillor that elected to include a travel allowance within the total remuneration package structure, must meet the following requirements:-

4.1.3.1 The travel allowance may only be for an amount of up to 25% (twenty five percent) of the total remuneration package;

4.1.3.2 A logbook acceptable to the South African Revenue Service (SARS) must be kept, recording the official and private kilometres travelled;

4.1.3.3 The travel allowance will be included in the IRP5 of a Councillor for purposes of accounting to SARS;

4.1.3.4 On Income Tax Assessment, a Councillor will account to SARS for the use of the travel allowance; and

4.1.3.5 If a councillor structures a vehicle allowance, the councillor must provide proof of ownership of a private vehicle to the municipality and have the vehicle available for official duties.

4.2 Reimbursement Allowance for Travel

4.2.1 In addition to the travel allowance, as provided for under 4.1 above, a Councillor may claim for the official distances travelled from the

municipality for official business outside the municipal boundaries of Bergrivier Municipality.

4.2.2 A councillor who uses a privately-owned vehicle for execution of official duties on behalf of the municipality, may be reimbursed for official kilometres travelled, in addition to the total remuneration package of a councillor, as determined in terms of the notice on Determination of Upper Limits of Salaries, Allowances and Benefits of Different Members of Municipal Councils, not exceeding the applicable tariffs prescribed by the Department of Transport and in terms of council's policy.

4.2.3 No travel claim will be paid, and no Councillor will be entitled to the reimbursement, if the travel claim is not related to the official business of the municipality and the Councillor has been authorised to attend on behalf of the Municipality.

5. OFFICIAL BUSINESS TRAVEL

5.1 Official business-related travel is travel for official business purposes that directly relates to the business or job of a Councillor and excludes travelling between the place of residence and ordinary place of work or business. ***(The Income Tax Act No.58 of 1962 allows taxpayers who receive a travel allowance to claim a deduction for the use of their private vehicles for business purposes. It is important to note that travel between your home and place of work cannot be claimed and is regarded as private travel.)***

5.2 For the purposes of calculating official business travel, the following will be applicable for Councillors:

5.2.1 Full-time Councillors who are allocated offices at the municipal precinct will have their ordinary place of business at the municipal precinct;

5.2.2 Ward Councillors may claim travelling if he / she must travel from the place of residence to the place of work if he / she was elected in that ward; and

5.2.3 Proportional Representative Councillors shall similarly have ordinary place of business at the local municipal precinct, unless deployed to a

specific ward.

5.3 In addition to the stipulations in 5.1 and 5.2 above, the following events will qualify for payment of travel allowances:

5.3.1 Council meetings;
5.3.2 Mayoral Committee meetings;
5.3.3 Portfolio committee meetings of which the Councillor is a member;
5.3.4 When a Councillor represent the Municipality at an official event;
5.3.5 Community IDP & Budget meetings;
5.3.6 Ward Committee meetings;
5.3.7 SALGA meetings where the Councillor represent the Municipality; and
5.3.8 SALGBC meetings where the Councillor represent the Municipality.

6. PROCESS FOR TRAVEL REIMBURSEMENT

6.1 The duly prescribed claim form (official booklet) supported by proof of such travel and related documents (outside WC013), must be fully completed by a Councillor and approved by the Speaker (that a Councillor may travel) and recommended by the Speaker for administrative approval approval by the Municipal Manager.

6.2 The prescribed form must be submitted, within predetermined dates, to the Finance Department or the duly delegated official to be considered for reimbursement.

6.3 Councillors have the choice to submit their claims weekly or monthly.

6.3.1 All claims to be submitted weekly by Tuesday at 12:00 for processing on Thursday. Claims not submitted before the deadline will only be processed by Thursday the following week.

OR

6.3.2 All approved claims will be reimbursed or paid with the next salary of such a Councillor, provided the claim could be processed before the salary cut-off date.

6.4 A claim for a travel reimbursement must be supported by:

6.4.1 A logbook acceptable to SARS recording the official kilometres travelled in a defined month.

6.4.2 Any relevant supporting documentation.

7. ACCOMMODATION AND SUBSISTENCE ALLOWANCE

7.1 The approval of any claim for subsistence and travel and/or subsistence allowances is subject to the availability of the necessary funds on the applicable Operational Budget.

7.2 The general rule is that the Municipality will not pay any overnight costs for attendance within the municipal area.

7.3 If a Councillor is delegated to attend a seminar/meeting and has to travel outside the Bergrivier Municipality area, the following subsistence is payable to Councillors, subject to the conditions as specified below:

7.3.1 A Councillor can stay overnight when:

7.3.1.1 the duration of such congress, seminar, course, meeting or workshop is more than one day and the delegates wish to stay overnight; or

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

7.4 When staying overnight:

7.4.1 Representatives who travel for 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.

7.4.2 Hotel accommodation for domestic and international travel may be utilised but will be restricted to a three or a four-star grading.

7.5 When attending a conference, the less expensive of the following two hotels will be utilised:

7.5.1 Hotel at the conference centre

7.5.2 A four-star grading hotel.

7.6 Guest houses and/or bed and breakfast accommodation can be utilised provided that the related costs do not exceed the proposed three or a four-star hotel.

7.7 The actual cost of accommodation per night will be borne by the municipality, subject to a maximum rate of a three or four star-grading establishment, in the vicinity where the event is taking place in respect of domestic travel. Where such accommodation is available, the rate for a single room will be payable.

7.8 Any additional cost incurred whilst staying overnight is for the account of the 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 who stayed overnight.

7.9 If the cost of the accommodation includes, as it often does, the provision of breakfast, a subsistence allowance is payable according to SARS regulations regarding tax-free allowance per day.

7.10 If a Councillor stays with a relative or friend, no accommodation allowance may be claimed, but the Councillor may claim an all-inclusive subsistence allowance payable according to SARS regulations.

7.11 The payments for overnight accommodation will be paid directly through bookings to the preferred place of accommodation e.g. hotels, guesthouses, etc. The relevant Councillor should submit a request for payment of reservations at least two working days before departure to enable administration to process the payment beforehand so as to not cause

inconvenience to the person staying overnight.

7.12 BM will not issue any cheque payment for the payment of hotel accommodation, and the payment will be made directly to the preferred hotel or guesthouse. In legitimate cases where amounts are paid by a Councillor to hotels or guesthouses, the Council will reimburse the paid amounts on submission of the relevant documentation.

7.13 Actual tollgate fees are payable on submission of a claim and proof of payment. Tollgate fees are not to be included on IRP5 and are not taxable.

7.14 The original invoice from the hotel or guesthouse must be submitted and returned to the Finance Department within two days after attendance.

7.15 The Director: Corporate Services at BM should negotiate Government rates as far as possible with various hotels and guesthouses frequently used.

7.16 If the venue of an official meeting requires that a delegate be forced to make use of the only accommodation, the Council will pay the total expenses regarding accommodation.

7.17 Courses:

7.17.1 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.

8. LEGAL REQUIREMENTS

In terms of Section 66 of the Municipal Finance Management Act, the Accounting Officer of the Municipality must report to the Council, in the format and for the period prescribed, all expenses relating to the Councillors' salaries, allowances and benefits, separately disclosing (inter alia) travel allowances.

9. ACCOUNTABILITY

9.1 If any Councillor is delegated to attend an official occasion and he/she has received the necessary allowances and anything should happen that they

are not able to attend, that money will be paid back immediately to the Municipality. 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.

9.2 Delegates to any official occasion must ensure that they arrive on time and attend until the conclusion of such event, failing which the Speaker must take the necessary steps to recover all or part of the costs incurred by the Municipality to afford the delegate the opportunity to attend, provided that Such delegate be afforded the opportunity to submit written reasons to the Speaker and Municipal Manager for not being on time or leaving before conclusion.

9.3 Should a Councillor not attend an official occasion 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 Councillor, provided that such Councillor be afforded the opportunity to submit written reasons to the Speaker and Municipal Manager for not attending or not cancelling.

9.4 Should a Councillor misplace an air ticket or bus ticket that has been paid for by the Municipality and the ticket cannot be replaced free of charge as a result of it not yet being used, the said Councillor will be responsible for replacing the lost ticket, provided that such Councillor be afforded the opportunity to submit written reasons to the Speaker and Municipal Manager as to why the loss should be paid again for by the Municipality. In the absence of valid reasons, the expenditure will be regarded as fruitless and will be recovered from the Councillor should BM have replaced the ticket.

10. VISITS ABROAD

10.1 Applications for official trips abroad are dealt with 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 Speaker in conjunction with the Municipal Manager.

10.3 The Municipality 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 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 CoGTA from time to time and will be implemented as such 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 could be to cater for bed and breakfast, lunch and dinner, as well as other personal costs incurred by a Councillor as a result of being away from home.

10.7 Should accommodation costs and meals be paid directly by the Municipality, the daily subsistence allowance will be reduced by the cost already paid by the Municipality.

10.8 Before the Councillor leaves South Africa, the travel agency normally utilised by Council may be requested to submit substantiating proof should the Councillor believe that the subsistence allowance equal to US$190 would not be enough for subsistence costs in the country to be visited. The Municipal Manager must approve such higher allowance before the Councillor 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

11.1 Should a Councillor of the Municipality have to attend an official occasion and travels by air, train or bus to the destination, a vehicle may be rented from an acknowledged vehicle hire company for official journeys subject to the

following conditions:

11.1.1 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).

11.1.2 Car rental must be approved as part of the travel package before the trip is embarked on. A Councillor 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 Councillor can demonstrate that vehicle rental was reasonably but unexpectedly necessitated by the circumstances.

11.1.3 If there are more than four Councillors, two vehicles, a bigger vehicle or a microbus, may be rented.

11.1.4 Councillors 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 the vehicle as such.

12. AUTHORISATION

12.1 For purposes of implementing this policy:

12.1.1 The Speaker may authorise any travel to be undertaken by Councillors, provided that the expenses to be incurred are on the approved budget of the Municipality and approved by the Municipal Manager.

12.1.2 The Speaker in conjunction with the Municipal Manager shall approve his/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.

12.2 An invitation to attend a workshop, meeting or related event is not an automatic authorisation to attend such workshop or event. The required authorisation from the Speaker must still be obtained prior to attending such an event.

13. INDEMNITY

13.1 The municipality will not be liable for the payment of –

13.1.1 Any damage to or breakages or loss of a Councillor's vehicle that she/he may incur whilst on official business; and

13.1.2 Any traffic fine issued to a Councillor whilst on official business, whether she/he used his/her own vehicle or an official or hired vehicle.

13.2 Each Councillor making use of a municipal vehicle and/or his/her own private vehicle for official business must sign an indemnity form that clearly sets out the conditions as determined by clause 14.1.

14. DOCUMENTATION

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

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

15. UP-KEEP OF POLICY

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

15.1.1 Should the Municipality's approach to the policy change;

15.1.2 Should new legislation and/or regulations require adjustments to the

policy;

15.1.3 Should Council wish to make amendments.

15.2 Adjustments to the inflation rate should be considered annually with the operational budget related policies during the annual budget process.