

# WATERBERG DISTRICT MUNICIPALITY



## FINAL TRAVEL AND SUBSISTENCE POLICY

APRIL 2008

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## **PART 1 : DEFINITIONS**

For the purpose of this policy, except where clearly indicated otherwise, the words and expressions set out below have the following meaning -

<b>“Accounting Officer”</b>	The Municipal Manager of Waterberg District Municipality
<b>“Africa”</b>	Means the African Continent but excluding states on the Mediterranean Basin, namely Egypt, Libya, Tunisia, Algeria and Morocco and thus – <ul style="list-style-type: none"><li>▪ “Outside South Africa but within Africa” means all states situated on the African Continent and including Madagascar, but nevertheless excluding Egypt, Libya, Tunisia, Algeria and Morocco; and</li><li>▪ “Outside Africa” means all states in the world, except Madagascar, not situated on the African Continent but nevertheless including Egypt, Libya, Tunisia, Algeria and Morocco.</li></ul>
<b>“Chief Financial Officer”</b>	The person appointed by the Council as Chief Financial Officer and includes any person acting in that position or to whom authority is delegated.
<b>“Council”</b>	The municipal council, as referred to in section 157 of the Constitution of the Republic of South Africa (Act 108 of 1996), of the Waterberg District Municipality;
<b>“Day”</b>	For the purpose of claiming travel and subsistence allowance per day, “day” means a completed period of twenty four hours, but also includes – <ul style="list-style-type: none"><li>▪ A period of not less than four hours spent by a representative travelling to a required destination outside the area of jurisdiction of the Waterberg District Municipality, if the representative is necessarily required to sleep over at such destination that night, or is necessarily travelling to board an aircraft or ship for travel outside of South Africa; and</li><li>▪ A period of not less than four hours spent by a representative travelling back from a required destination outside of the area of jurisdiction of the Waterberg District Municipality, if the representative was necessarily required to sleep over at such destination the previous night, or has spent the previous night travelling back from a foreign destination to South Africa on an aircraft or ship.</li></ul>
<b>“Domicile”</b>	Means the place where a councillor, official, or other party travelling officially on the business of the municipality normally resides or has his or her office place of work.
<b>“Executive Mayor”</b>	The Executive Mayor of the Waterberg District Municipality
<b>“Speaker”</b>	The speaker of Waterberg District Municipality

<b><i>“Head of Department”</i></b>	An official appointed by the Council to manage a directorate of the municipality in terms of Sec. 57 of Municipal System Act.
<b><i>“Municipality”</i></b>	Means the Waterberg District Municipality.
<b><i>“Mutatis Mutandi”</i></b>	Change as appropriate
<b><i>“Occasion”</i></b>	For the purpose of this policy means any business trip, congress, seminar, meeting, workshop, educational tour, training course or other instance that a representative is required to attend officially on behalf of the municipality.
<b><i>“Representative”</i></b>	Any councillor, official or other person travelling away from his or her normal place of domicile and employment on the official business of the Waterberg District Municipality.
<b>Jurisdiction</b>	means the geographical boundaries of the Waterberg District Municipality as determined by the Municipal Demarcation Board.
<b>Voucher</b>	the original supporting document confirming expenditure.
<b>Head Office</b>	refers to the Waterberg District Municipality offices situated in Harry Gwala Street Modimolle.

## **PART 2: OBJECTIVE**

1. The objective of this policy is to set out the basis for the payment of subsistence allowance and travel claim for the purposes of official travelling, either to outlying areas of the Municipality's area of jurisdiction or beyond.

## **PART 3: RESPONSIBILITIES OF REPRESENTATIVES WHO TRAVEL ON BUSINESS OF THE MUNICIPALITY**

2. Every representative who travels on the business of the municipality must comply with this policy in letter and in spirit.
3. Representatives who travel on the business of the municipality must appreciate, at all times, that they are ambassadors for 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.
4. 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.

## **PART 4: SUBSISTENCE ALLOWANCE AND TRAVEL CLAIM**

5. A subsistence allowance and travel claim is an amount of money paid by the municipality to a representative to cover the following expenses:
  - incidentals such as meals, refreshments, snacks, drinks and newspapers; and
  - all official - related travel.
6. A subsistence allowance does not cover any personal recreation, such as visits to a cinema, theatre or nightclubs or sightseeing.
7. Subsistence allowance is only payable when a person is obliged to spend at least one night away from his/her usual place of residence in the Republic.

## **PART 5 CATEGORIES**

8. Councillors and staff are divided into three categories for the purpose of determining highest class of accommodation permitted, class of car rental permitted and class of air travel permitted as follows –

<b>Classification</b>	<b>Qualifying Persons</b>	<b>Accommodation Approved</b>	<b>Car Rental Class Approved</b>	<b>Air Travel Class Approved</b>
<b>Category A</b>	Executive Mayor, Speaker and Municipal Manager.	3 – 5 Star Hotel	Grouping B – C	Economy/Business Class
<b>Category B</b>	Councillors and Heads of Departments	3 – 4 Star Hotel	Grouping A – B	Economy Class
<b>Category C</b>	All other representatives	3 Star Hotel	Grouping A - P	Economy Class

9. These limitations shall not apply when a representative is travelling in response to an invitation extended by an outside party that has undertaken to pay all such accommodation, car rental or air travel expenses and such outside party has offered to and is willing to pay such expenses for a higher/lower class than the representative would normally be entitled to.
10. These limitations shall likewise not apply where facilities by way of accommodation or car rental to the standard that the representative is normally entitled to are not available at the destination. In such circumstances the representative shall make use of the best facilities that may be available, including a guest house, motel or bed and breakfast establishment.
11. Any representative may opt to rather stay at a guest house, motel or bed and breakfast establishment or with a friend or relative rather than at a hotel and his or her subsistence and travelling expenses shall be dealt with as is hereinafter provided for.

## **PART 6: ACCOMMODATION AND MEAL COST LIMITS**

### **12. Destinations outside the area of jurisdiction of Waterberg District Municipality**

- 12.1. Where appropriate hotel accommodation is available, the rate for a single room will be payable. The actual cost of accommodation, to include breakfast, lunch and dinner if provided, will be borne by Council, subject to the approved list below in respect of domestic travel. Where meals are provided by the host, no claims will be honoured for such meals.

<b>Classification</b>	<b>Qualifying Persons</b>	<b>Accommodation Approved</b>
<b>Category A</b>	Executive Mayor, Speaker, and Municipal Manager.	3 – 5 Star Hotel
<b>Category B</b>	Councillors and Heads of Departments	3 – 4 Star Hotel
<b>Category C</b>	All other representatives	3 Star Hotel

- 12.2. If a representative is attending an occasion to which he or she has been invited and the host provides suitable accommodation and meals, the municipality will not pay the cost of accommodation and meals provided.
- 12.3. Depending upon the circumstances regarding the provision of meals included in the charge by the accommodation establishment that the representative is staying at, the following maximum costs will be paid by Council (vouchers to be furnished) to cover the cost of the meals and incidental costs not provided for.

<b>Classification</b>	<b>Qualifying Persons</b>	<b>Case 1 2 Meals Provided</b>	<b>Case 2 1 Meal Provided</b>	<b>Case 3 No Meals Provided</b>
<b>All Categories</b>	All staff are entitled to the same payment	R 96.00	R 156.00	R 240.00

- 12.4. If the accommodation establishment provides three meals per day (breakfast, lunch and dinner) no further costs for meals will be paid by Council.

- 12.5. If a representative makes own arrangements, no accommodation costs will be paid but the representative may claim the daily meal costs (to be supported by vouchers) according to Case 1, Case 2 or Case 3. The amount paid will be as per determination of SARS from time to time.
- 12.6. Where it is not necessary to stay overnight on any travel on official business, no accommodation costs will be paid.
- 12.7. In the case of and international travel, the day of departure and the day of return each qualify for a subsistence allowance.

13. **Destinations within the area of jurisdiction of Waterberg District Municipality**

13.1. It is the Council's policy that councillors and officials should not be compelled to drive motor vehicles and travel after sunset, which means after 18h00 from April to August and after 19h00 from September to March. If a councillor or official must necessarily attend an occasion at a destination which is more than 80 kilometres away from his or her domicile and –

- the occasion terminates at such a late hour that the official would necessarily be compelled to drive after sunset to return to his or her domicile; or
- the occasion is scheduled to or in fact extends over a period of two or more days

The subsistence allowance and accommodation and meal costs shall be paid according to the provisions of Section 12.3 (entitlement to subsistence allowance and accommodation costs).

- 13.2. Trips envisaged in section 13 above must be authorised prior to departure unless unforeseen circumstances arise that could not have reasonably been foreseen, such as the breakdown of a motor vehicle or an accident.
- 13.3. Where no overnight stay is necessary, no subsistence allowance, accommodation costs or meal costs will be paid.



14. (a) **Candidates invited for interview**

- 14.1. No subsistence allowance, accommodation costs or meal costs will be paid to any candidate invited for an interview whose domicile is within 100 kilometres of the municipality's (Head Offices).
- 14.2. If a candidate's domicile is more than 100 kilometres from the municipality's offices and the hour set for the interview is in the late afternoon or evening (i.e. at 15h00 or later), his or her accommodation for one night will be arranged by the municipality only if it is not possible for the candidate to make a return journey on the day of interview, (establishment that provides dinner, bed and breakfast and paid in accordance with the provisions of Category C set out in section 12.1 above). No subsistence allowance will be paid.
- 14.3. If such candidate declines to accept the accommodation arranged and offered by the municipality no moneys in respect of or in lieu of accommodation will be paid to the candidate.

14 (b) **Removal costs**

Newly appointed staff members will be eligible for reimbursement of removal costs under the following circumstances.

1. Removal costs will only be paid to newly appointed staff.
2. Removal costs will only be paid, if moving from area outside a radius of 200 km's.
3. 3 Quotations must be obtained and the lowest quotation will be accepted.
4. A maximum of R20, 000 will be reimbursed upon submission of proof of payment.

15. **Destinations outside of Africa**

- 15.1. If representatives are required to travel outside of Africa the actual cost of accommodation will be borne by the municipality, subject to a maximum per night for the

accommodation itself, on a scale that will be determined by the Council from time to time and which at present is the following –

<b>Classification</b>	<b>Qualifying Persons</b>	<b>Accommodation Approved</b>
<b>Category A</b>	Executive Mayor, Speaker, and Municipal Manager.	3 – 5 Star Hotel
<b>Category B</b>	Councillors and Heads of Departments	3 – 4 Star Hotel
<b>Category C</b>	All other representatives	3 Star Hotel

**The above grading will be applicable to the grading in the Countries travelled.**

- 15.2. If a representative is attending an occasion to which he or she has been invited and the host provides suitable accommodation, the municipality will not pay the cost of accommodation.
- 15.3. Depending upon the circumstances regarding the provision of meals included in the charge by the accommodation establishment that the representative is staying at, daily subsistence allowances will be paid at a rate to be determined by the Council from time to time, and which at present is set as follows –

<b>Classification</b>	<b>Qualifying Persons</b>	<b>Case 1 3 Meals Provided</b>	<b>Case 2 2 Meals Provided</b>	<b>Case 3 1 Meal Provided</b>	<b>Case 4 No Meals Provided</b>
<b>All Categories</b>	All staff are entitled to the same payment	\$95	\$127	\$158	\$215

- 15.4. If the accommodation establishment provides three meals per day but only some of the meals, or none of the meals, are included in the daily rate but constitute additional costs, the representative shall be entitled to claim the subsistence allowance according to 15.3, depending upon which meals are not included in the daily rate.
- 15.5. If a representative is attending an occasion to which he or she has been invited and the host provides any meals, he or she will not be paid a subsistence allowance, as

illustrated in 15.3 above *mutatis mutandis*, in respect of such meals that the host provides, subject to there being no health or religious circumstances preventing the representative eating any meals provided by the host.

- 15.6. If a representative stays with a relative or friend, no accommodation allowance may be claimed, but can claim the daily subsistence allowance provided for Section 15.3.
- 15.7. Notwithstanding anything to the contrary, the accommodation and subsistence costs enumerated in United States dollars above shall only be payable from the time that the representative boards an aircraft or ship for departure from South Africa until the time that the representatives alights on South African soil again. Any accommodation or subsistence costs arising from the representative travelling from his or her domicile to the point of international departure, or returning from the point of international departure to his or her domicile, shall be paid in South African Rands.
- 15.8. Train fares and any personal costs not covered such as any telephone calls or toiletries etc. shall be paid by the representative out of the Daily Subsistence Allowance.
- 15.9. The daily subsistence allowance shall be claimed by the representative not later than three days before departure and shall be paid in South African Rands calculated at the prevailing rand / US dollar exchange rate, it being the responsibility of the representative to make arrangements, such as travellers cheques, to enable him or her to have the funds available in the country of destination and in the currency of the country of destination. If the trip concludes before the anticipated date, excess Subsistence and Travelling must be reimbursed to WDM.

**16. Destinations outside of South Africa but within Africa**

- 16.1. If representatives are required to travel outside of South Africa but within the continent of Africa the actual cost of accommodation will be borne by the municipality, subject to a maximum per night for the accommodation itself, at a scale that will be determined by the Council from time to time and which at present is the following –

<b>Classification</b>	<b>Qualifying Persons</b>	<b>Accommodation Approved</b>
<b>Category A</b>	Executive Mayor, Speaker and Municipal Manager.	3 – 5 Star Hotel
<b>Category B</b>	Councillors and Heads of Departments	3 – 4 Star Hotel

<b>Category C</b>	All other representatives	3 Star Hotel
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**Or equivalent grading in Country visited**

- 16.2. If a representative is attending an occasion to which he or she has been invited and the host provides suitable accommodation, the municipality will not pay the cost of accommodation.
- 16.3. Depending upon the circumstances regarding the provision of meals included in the charge by the accommodation establishment that the representative is staying at, daily subsistence allowances will be paid as per Section 15.3.
- 16.4. If a representative is attending an occasion to which he or she has been invited and the host provides any meals, he or she will not be paid a subsistence allowance, as illustrated in 15.3 above *mutatis mutandis*, in respect of such meals that the host provides, provided that there are no health or religious circumstances preventing the representative eating any meals provided by the host.
- 16.5. If a representative stays with a relative or friend, no accommodation allowance may be claimed, but the representative may claim the daily subsistence allowance provided for as per Sec 15.3.
- 16.6. Notwithstanding anything to the contrary, the accommodation and subsistence costs enumerated in United States dollars above shall only be payable from the time that the representative boards an aircraft or ship for departure from South Africa until the time that the representatives alights on South African soil again. Any accommodation or subsistence costs arising from the representative travelling from his or her domicile to the point of international departure, or returning from the point of international departure to his or her domicile, shall be paid in South African rands.
- 16.7. Any other personal cost such as any further telephone calls or toiletries etc. shall be paid by the representative out of the Daily Subsistence Allowance.
- 16.8. The daily subsistence allowance shall be claimed by the representative not later than three days before departure and shall be paid in South African rands calculated at the prevailing rand / US dollar exchange rate, it being the responsibility of the representative to make arrangements, such as travellers cheques, to enable him or her to have the

funds available in the country of destination and in the currency of the country of destination.

## **PART 7: TRAVEL CLAIM – For sec 57 officials**

In terms of the PMS regulations Section 57 employed officials can only claim business km in excess of 500 km's.

### **17. Destinations within the Waterberg District Council area.**

17.1. Representatives travelling officially to destinations within the Waterberg District Municipality's area of jurisdiction will be –

- (a) Officials using vehicles provided by the municipality; or
- (b) Sec 57 Managers or officials paid a travel allowance using their own vehicles; or
- (c) Officials driving privately owned vehicles.

17.2. No additional travelling costs will be paid by the municipality in respect of case (a) above.

17.3. In case (b) above, no additional travelling claim, will be paid for claims up to km's allowed in the travel allowance as this is covered by the allowance, will only be reimbursed for claims that exceed the allowance per month. The rate for excess km will be reimbursed at a maximum of **R2.92** per km.

17.4. In case (c) above, a travelling claim of **R2.92** per kilometre or any other amount prescribed by the South African Revenue Services will be paid. The distance for which the reimbursement applies, must be the shortest distance between municipality's head offices and the location where the official business is to be transacted.

18. **Destinations outside the Waterberg District Council area**

- 18.1. Representatives travelling officially to destinations outside the Waterberg District Municipality's area of jurisdiction will be –
- (a) Officials using vehicles provided by the municipality; or
  - (b) Sec 57 Managers or officials paid a travel allowance using their own vehicles; or
  - (c) Officials driving privately owned vehicles.
- 18.2. No additional travelling costs will be paid by the municipality in respect of case (a) above.
- 18.3. In case (b) above, travelling claims calculated (see 17.3.) A return journey will be calculated from WDM head office to place of destination capped at **R2.92** per km.
- 18.4. In case of (c) above a representative has to utilise his or her personal motor vehicle outside the boundaries demarcated for the municipality he or she will be reimbursed at **R2.92** per kilometre or any other amount prescribed from time to time by the South African Revenue Service. The distance to which the reimbursement applies, must be the shortest distance between the municipality's offices and the location where the official business is to be transacted.
- 18.5. When planning a trip, comparison must be made between the relative cost in terms of anticipated travel claim to be paid in accordance with the distance to be travelled and the cost of airfare, if available, plus car rental, if available, and the cost of an official's absence from his or her place of work (which could be reduced by quicker air travel). If air travel and car rental is available and is calculated to be cheaper than travelling by road vehicle, the representative shall be required to travel by air. Calculation must be made prior to undertaking the travel.
- 18.6. Where possible representatives must travel together, up to a maximum of four in a vehicle, to minimise travelling expenses.

19. **Domestic air travel and car rental**

19.1. All official domestic airfares and car rental will be paid by the municipality. The class of travel and rented car will be as set out in section 8 above, namely –

<b>Classification</b>	<b>Qualifying Persons</b>	<b>Car Rental Class Approved</b>	<b>Air Travel Class Approved</b>
<b>Category A</b>	Executive Mayor Speaker, and Municipal Manager	Grouping B – C	Economy/Business Class
<b>Category B</b>	Councillors and Heads of Departments	Grouping A – B	Economy Class
<b>Category C</b>	All other representatives	Grouping A - P	Economy Class

19.2. If more than one representative is travelling on a specific trip, they shall share one rented car for up to four passengers or, if there are a greater number, hire a microbus. If the party is too large to be accommodated by a microbus, the minimum number of vehicles which can comfortably accommodate the party will be hired.

19.3. 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.

19.4. All hired vehicles must be insured comprehensively insured.

20. **Candidates invited to attend an interview**

- 20.1. A travelling allowance of **R2.92** per kilometre or any other amount prescribed from time to time by the South African Revenue Service will be paid to a candidate invited to attend an interview if he or she has to travel more than 100 kilometres to attend such interview.
- 20.2. The cost of airfare and car hire, if available, must be compared with the anticipated cost of travel by road vehicle and, if deemed to be cheaper, such candidate should be flown to attend the interview.

## 21. **International travel**

- 21.1. Airfares for official international travel will be paid by the municipality. Notwithstanding anything to the contrary, all representatives shall travel Economy Class on international flights, unless they have been invited to an occasion and the host is paying the airfare. If such host is paying the airfare, the representative shall have no claim against the municipality for air travel costs.
- 21.2. If there is no air service available to the country of destination, or no air service all the way to the country of destination and the trip, or part of the trip, has to be undertaken by ship, boat or ferry, the municipality will pay the fare subject to the same conditions *mutatis mutandis* set out in section 21.1 above.
- 21.3. Unless the representative has been invited to an occasion and the host is paying all costs, the municipality will pay the entire representative's train fare, bus fare or taxi fare costs necessarily incurred in the country of destination. Such costs must be approved as part of the travel package before the trip is embarked on. A representative who incurs additional such costs whilst travelling abroad on the business of the municipality without having received prior authorisation will only be reimbursed for such costs if proof of expenditure can be produced and the representative can demonstrate that costs were reasonably necessitated by the circumstances.

## **PART 8: AUTHORISATION**

22. For purposes of implementing this policy, the Delegation Policy of Council will govern the authorisation of travel.



23. 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.
24. 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, Council 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.

## **PART 9: LEGAL REQUIREMENTS**

25. In terms of Section 66 of the Municipal Finance Management Act No. 56 of 2003, 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.
26. All subsistence and travel claims paid to representatives will be reflected on their payslip as prescribed by South African Revenue Services. It is therefore in the representatives own interest to ensure that all bookings for flights, car rental, hotels and meals connected to hotel accommodation is arranged through Council's travel agent.
27. Claims in terms of this policy are categorised as "out of pocket expenses" in terms of the Act dealing with the remuneration of Public Office Bearers.