

**UMZINYATHI DISTRICT MUNICIPALITY
SUBSISTANCE AND TRAVELLING POLICY**

UMZINYATHI DISTRICT MUNICIPALITY



SUBSISTANCE AND TRAVELLING POLICY

UMZINYATHI DISTRICT MUNICIPALITY SUBSISTANCE AND TRAVELLING POLICY

SUBSISTENCE AND TRAVEL POLICY

INDEX

- 1. INTRODUCTION**
- 2. LOCAL TRAVEL**
- 3. OVERSEAS TRAVEL**
- 4. POLICY MAINTENANCE AND FORMULATION**
- 5. LEGAL REQUIREMENT**
- 6. SCOPE OF APPLICATION**
- 6. EFFECTIVE DATE**
- 7. DATE ISSUED**
- 8. DATE APPROVED**
- 9. DISTRIBUTION**
- 10. MAINTENANCE**

UMZINYATHI DISTRICT MUNICIPALITY SUBSISTANCE AND TRAVELLING POLICY

SUBSISTENCE AND TRAVEL POLICY

1. INTRODUCTION

1.1 All official subsistence and travel must be in the best interest of UMZINYATHI DISTRICT MUNICIPALITY and beneficial to the municipality. Traveling should only take place if the business cannot be conducted in another way (i.e. telephone, facsimile, correspondence, video conference etc.)

1.2 Purpose

The purpose of subsistence and travel allowances is to reimburse an employee for unforeseen and incremental expenses that are necessarily incurred on lodging, meals, refreshments, laundry, hotel-board levies, service charges and traveling whilst on official municipality business.

The amounts reflected in this document are the maximum amounts that are payable. The approach towards expenditure of this nature should be that costs must be minimized where possible. The policy of the municipality is such that employees should not enrich themselves. Therefore, the overriding consideration is that employees must be in the same financial position on their return as they were before the trip.

1.2.1 Matters not specifically dealt with in this document.

Matters not specified within this policy must be clarified with the Accounting Officer prior to an employee undertaking a trip.

1.3 Delegation of authority

Approval/authorisation for subsistence and travel claims must always be on a level higher than that of the claimant and should in all cases be authorised by the Head of Department.

1.3.1 Further delegation of authority for approval of application for travel:

Only in exceptional cases the authority to approve Subsistence and Travel claims may be delegated to designated persons other than the Heads of Department. A list of names, the salary numbers, job titles and signatures must be forwarded to the Municipal Manager, who must approve the list prior to those authorizations becoming valid.

UMZINYATHI DISTRICT MUNICIPALITY SUBSISTANCE AND TRAVELLING POLICY

1.3.2 Documentation

All documentation pertaining to the trip (e.g. details of the meeting attended, meeting agenda, hotel bills, number of kilometers traveled etc.) must accompany the S&T claim form

2. LOCAL TRAVEL

2.1 Definition

For the purpose of this policy, “local travel” includes South Africa and the following neighboring countries, Namibia, Botswana, Lesotho, Swaziland, Mozambique and Zimbabwe.

2.1.1 Qualification

Only employees who are absent for a minimum of **24 hours** or on an **overnight stay** from their place of abode are entitled to claim subsistence expenses. Therefore, no claim will be accepted for periods less than 24 hours. Exceptional cases, for periods less than 24 hours, may be considered if forwarded to the Accounting Officer for approval prior to the expenditure being incurred.

2.1.2 Representatives will be entitled to accommodation if the business or businesses outside the jurisdiction of the municipality is for more than one day and/ or if the time of departure or the time of arrival at the official office base will be respectively before or after **06h00** and **19h00**.

2.2 Request for an advance

2.2.1 Requests for advances will only be authorized in the following instances:

- An employee requesting an advance must complete the prescribed application and approval form and hand it in to their Head of Department who will obtain final approval from the Accounting Officer two days prior to undertaking such travel.

2.3 Proof of expenditure

The following documentation must be furnished by the employees before S&T claims will be considered: air ticket, boarding pass, hotel invoice and credit card statement (where applicable) as well as any other receipts pertaining to the trip. No re-imbursements will be made if the prescribed application has not been completed and authorized prior to the expenditure being incurred.

2.3.1 Deduction of advance from salary

An employee will be held responsible for any unauthorized expenses as well as expenditure where no documentary proof exists.

UMZINYATHI DISTRICT MUNICIPALITY SUBSISTANCE AND TRAVELLING POLICY

If, after five working days after returning from business trip, the documentation has not been submitted, the Head of Department must contact the employee, insisting that the necessary documentation be submitted.

If the necessary documentation is not submitted to the Head of Department within a further five working days, the Head of Department will advise the finance department to recover the amount of the advance or any outstanding amount from the employee's salary on the pay day of the following month.

Any money that has not been utilized must be repaid within five working days after returning from a trip.

2.4 Account settlement

The Finance Department will settle actual dinner, bed, breakfast and parking accounts, all air travel and leasing of vehicles. Other expenses such as telephone calls and laundry are to be settled by means of personal credit card or cash.

2.5 Expenses to be paid by the municipality

2.5.1 Repayment of actual expenditure incurred in connection with accommodation, reasonable telephone calls and laundry, as per provisions, which follow.

Proof of expenditure must be furnished.

2.5.1.1 Meals and refreshments

The following limits are applicable when claiming actual expenditure on meals and refreshments:

POSITION	LIMIT	PROOF OF EXPENDITURE
All staff members	R 240.00 per day inclusive of R73.50 of daily subsistence allowance	Not Required

All accommodations are arranged with 3 Star Hotels or Hotels above 3 stars where government negotiated rates are applicable and if not available Hotels above 3 stars may be used.

UMZINYATHI DISTRICT MUNICIPALITY SUBSISTANCE AND TRAVELLING POLICY

2.5.1.2 The meal limitation of R 240.00 per day is made up as follows:

MEAL	LIMIT	TIMES
Breakfast	R36.50	06:00 – 08:00
Supper	R130.00	18:00 - 20:00
Daily Subsistence Allowance	R73.50	

The above amounts may only be claimed if the employee is away over the 24hr period and qualifies as per paragraph 2.1.1.

The amounts include expenditure on liquid refreshments.

2.5.1.3 If the employee stays with relatives or friend, an accommodation allowance of R450.00 may be claimed inclusive of daily allowance and meals.

2.5.2 Where no proof of expenditure exists

A subsistence contribution of R240.00 per night will be paid to defray all expenditure incurred on meals, but excluding travel expenditure. This amount may be claimed if an employee qualifies in terms of paragraph 2.1.1.

2.5.3 Expenses not to be paid by the municipality

The Municipal Council will not pay for the following expenditure incurred: movies, videos, purchase of gifts and room service. Laundry will be paid if the employee stay is longer than five days. Excluding where ironing services is compulsory provided by the Hotel and guests are not allowed to use their own or hotel borrowed irons.

The amount allowed for dinner and breakfast (R 166.50) may not be claimed if a dinner, bed and breakfast booking was made and dinner and breakfast is included in the hotel bill.

Similarly, the amount allowed for breakfast (R 36.50) may not be claimed if a bed and breakfast booking was made and breakfast is included in the hotel bill.

2.6 Accommodation and Travel arrangements

Accommodation and travel arrangements must be made via the Finance Department. The Department will make the most economical arrangements with the hotel groups, motor car rental companies and airlines with whom the municipality has negotiated special package deals

UMZINYATHI DISTRICT MUNICIPALITY SUBSISTANCE AND TRAVELLING POLICY

2.7 Hotel accommodation

All hotel accommodation will be in standard three star hotels or hotels above three star where government negotiated rates are applicable. This applies to **ALL** employees and Councillors.

2.8 Travel

2.8.1. Travel arrangements

All local air travel must be undertaken in economy class. This applies to **ALL** employees and Councilors

2.8.1.1 Flight credits

Flight credits earned by frequent travelers are for the Municipality and may be claimed via the Finance Department for official business use.

2.8.2 Vehicle hire:

Vehicles must be hired according to the following table based on their availability:

CATEGORY	VEHICLE GROUP	MAKE OF VEHICLE
Mayor	C	From 1.8 capacity vehicle and above.
Accounting Officer and Heads Of Departments	B	Toyota Corolla 1.6 or equivalent
Other levels	A	Toyota Corolla 1.3 or equivalent
Physically handicapped employees who are only able to drive an automatic vehicle and employees only possessing a drivers license for an automatic vehicle	D	Nissan Sentra Automatic or equivalent
Group of 5 or more employees	Z	Volkswagen Microbus 2.5 or equivalent

Train and bus

Approval for using trains and buses is not required (e.g. taxi or bus to hotel). The actual cost of bus, taxi or train may be claimed and proof of expenditure is required.

UMZINYATHI DISTRICT MUNICIPALITY SUBSISTANCE AND TRAVELLING POLICY

2.8.3 Motor Vehicle Travel Costs.

- 2.8.3.1 Staff members and temporary employees will only be permitted to claim subsistence and traveling under the following circumstances:
- 2.8.3.2 If they are office based and travels outside their permanent office base;
- 2.8.3.3 Employees who do not participate in the Travel Allowance Scheme will only be permitted to make use of a private vehicle should an official pool vehicle not be available.
- 2.8.3.4 Employees participating in the Travel Allowance Scheme – Management and Non-Management will not be permitted to make use of an official pool vehicle except:
- 2.8.3.5 In instances where the terrain of an area is of such a condition that a 4x4 vehicle is the only mode of transport that is suitable to drive on such terrain, the claim must be supported by a log book.
- 2.8.3.6. Section 57 employees must make use of their own private vehicles except in instances where the terrain of an area is of such a condition that a 4x4 vehicle is the only mode of transport that is suitable to drive on such terrain. In such instances a Section 57 employee will be permitted to make use of a suitable pool vehicle.
- 2.8.3.7. Despite clause 2.8.3.4 and 2.8.3.6 above, in the event that more than one employee (including Section 57 employees) is required to travel to the same event, a pool vehicle may be used to transport such employees.
- 2.8.3.8. Traveling expenses will be paid on the basis of the most economical mode of transport, within reason, i.e., if the employee needs to make use of air travel but elects to make use of a private vehicle, the lower of the 2 amounts will be paid,
- 2.8.4. Incidental expenses such as toll fees, airport and general parking are reclaimable. Receipts / vouchers must be produced in order to claim. These are to be attached to the S&T Claim Form.
- 2.8.5. Reimbursement for travel using a private vehicle will be based on the following rates:
 - 2.8.5.1 Section 57 employees and employees receiving travel allowance will be compensated for kilometers traveled in excess of 500km per month.

UMZINYATHI DISTRICT MUNICIPALITY SUBSISTANCE AND TRAVELLING POLICY

2.8.5.2 All employees making use of their own motor vehicle transport, including employees whom structured for car allowances, section 57 employees and Councilors, will be compensated according to tariffs prescribed by DOT for privately owned vehicles.

2.8.10 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.

2.8.11 SUBSISTENCE AND TRAVEL ALLOWANCES FOR PERSONS INVITED FOR INTERVIEWS

No subsistence costs will be paid to any candidate invited for an interview, but traveling costs at DOT rates for privately owned vehicles per kilometer may be paid if the candidate has to travel more than 50km to attend the interview.

2.8.12 Transport to the airport

Shuttle service from all major centers including hotels is available and must be utilized wherever possible. Employees are therefore urged to make use of it.

In cases where a taxi must be taken from home to and from the airport, a slip must be obtained as proof of expenditure.

Parking of privately owned motor vehicles at the airport for periods exceeding three days should be avoided. In cases where parking for more than three days is unavoidable, approval for the expenditure to park a privately owned motor vehicle at the airport must be obtained from the Head of Department prior to departure.

2.9 Attendance at courses, seminars and conferences

The extent, to which course attendees should be reimbursed, depends on the circumstances of each case, provided an employee qualifies in terms of paragraph 2.1.1.

- **Courses where meals and boarding are not included in the price**
Employees are allowed to claim for actual expenditure subject to the provisions set out in paragraph 2.5.
- **Courses where boarding is included but meals excluded from the price**
Employees are allowed to claim for meals subject to the provisions set out in paragraph 2.5.

UMZINYATHI DISTRICT MUNICIPALITY SUBSISTANCE AND TRAVELLING POLICY

- **Courses where boarding and meals are included in the price**
Employees may not claim for boarding or meals
- Transport costs will be treated in the same way as the provisions set out in paragraph 2.8.

2.10 Private telephone calls

Private call will not be paid by the municipality.

2.11 Insurance

Employees traveling locally will be insured as follows:

2.11.1. Vehicle hire

Municipality vehicles or leased vehicles will be adequately insured as part of the municipality's vehicle usage insurance arrangements. Employees using such vehicles on official journeys are therefore not required to take out insurance on the vehicle.

2.11.2.1 Use of Private vehicle

Employee's vehicles will not be covered by the Municipal Council when they use their private vehicles.

2.11.3 Personal belongings

The personal belongings of employees traveling locally will not be insured on municipality's cost. Only municipality assets and equipment under the care, custody and control of the traveler will be insured. Obtaining insurance cover at own expense will be the employee's prerogative.

3. OVERSEAS TRAVEL

3.1 Definition of "overseas"

For the purpose of this document "overseas" means all countries outside the borders of South Africa excluding traveling to the following neighboring countries: Namibia, Botswana, Swaziland, Mozambique, Zimbabwe and Lesotho.

3.2 Approval of application for overseas travel

The approval of the Council must be obtained prior to overseas travel.

3.3 Obtaining an advance

Requests for advances will only be authorized in the following instances:

- An employee requesting an advance must complete the prescribed application and approval form

UMZINYATHI DISTRICT MUNICIPALITY SUBSISTANCE AND TRAVELLING POLICY

- To purchase traveler's cheques
- To purchase foreign exchange
- To cover the subsistence and travel expenditure of employees who are not in possession of a personal credit card.

3.3.1 Foreign currency

Before returning to South Africa, ensure that any foreign currency purchased overseas is exchanged for currency acceptable by South African local currency dealers.

3.4 Proof of expenditure

Please refer to 2.3

3.4.1 Deduction of advance from salary

Please refer to 2.3.1.

3.5 Account settlement

The Finance Department will settle all air travel expenses. Leasing of vehicles and accommodation, all other expenses must be settled by the employee using his/her personal credit card, traveler's cheques or cash. Documentation must be furnished by the employee as per 2.5.

3.5.1 Courses/training abroad and visits on invitation to foreign countries

Must be approved by Council.

Expenses, such as air travel should be paid through the Finance Department.

3.6 Exchange rates for amounts exceeding R50 000.00

Forward cover to amounts exceeding R50 000.00 in foreign currency payment for S & T must be arranged through the Finance Department. Advance notice of at least 10 working days must be given to the Finance Department. Approval for an amount exceeding R50 000.00 must be obtained from Exco. This payment will also be handled through the municipality's Accounts Payable system according to payment terms on receipt of the original invoices.

3.7 Expenses to be paid by the municipality

Accommodation

Meals

Traveling expenses (taxis, trains, buses, car hire, parking, etc.)

Visas,

Bank commission

Faxes

Airport tax

Official telephone calls provided a justification is given why the official cell phone or cell phone allowance was not used.

UMZINYATHI DISTRICT MUNICIPALITY SUBSISTANCE AND TRAVELLING POLICY

Proof of actual expenses is required. The above expenses should be paid by credit card, traveler's cheques or cash. Please refer to paragraph 2.3. for the procedure to be followed.

3.8 Daily allowance

3.8.1 In addition to any other expenditure that may be refunded to a claimant in terms of this chapter, employees traveling overseas qualify for a daily allowance of **US\$215** or an amount of equal value. This is over and above expenditure incurred for business purposes.

3.8.2 The allowance should be utilized to defray small expenses for which receipts are not available as well as other personal expenses. With the exception of the daily allowance, municipality funds may, under no circumstances, be used for personal expenses.

3.9 Where no proof of expenditure exists

An amount not exceeding US\$ 390, but including the US\$ 215 daily allowance per night will be paid, to defray all expenditure incurred on accommodation, meals, drinks, taxi, bus, train, etc. This measure is only to be used where no documentation is available, due to an employee being robbed or proof can be given that the documentation was lost (An affidavit certified by the police of the relevant country is required).

3.10 Expenses not to be paid by the municipality

The following expenses will not be paid by the Municipal Council but will be deducted from the daily allowance:

- gifts for customers/friends/colleagues
- expenses for which no proof can be provided
- tips to the meal bill
- room service at hotel
- movies, videos, other television channels provided by hotel at extra cost
- mini bars
- unforeseen expenditure when it is not for business purposes
- any item of clothing
- dry cleaning (unless trip is longer than 5 days)
- payments for excess on personal luggage

3.11 Private telephone calls

Please refer to 2.10.

UMZINYATHI DISTRICT MUNICIPALITY SUBSISTANCE AND TRAVELLING POLICY

3.12 Travel and accommodation arrangements

Travel and accommodation arrangements should be made via the Finance Department who will make the most economical arrangements with motor car rental companies, airlines and hotel groups. The Finance Department are also responsible for obtaining the most favourable insurance cover. Overseas public transport excluding taxis is to be utilized wherever possible.

It will be the employee's responsibility to liaise with the Finance Department regarding these arrangements.

3.12.1 Hotel accommodation

All hotel accommodation must be equivalent to a standard three star hotel, this applies to **ALL** employees.

3.12.2 Flight credits

Refer to 2.8.1.1.

3.12.3 Transport to the airport

Please refer to 2.8.3.1. Overseas public transport is to be utilized wherever possible.

3.12.4 Air travel classes

Overseas travel by air must be undertaken in the following classes:

POSITION	CLASS
All Councilors and staff officials	Economy class

3.13 Insurance

3.13.1 Employees traveling abroad will be adequately insured, on municipality cost, by the Finance Department. Insurance cover will include the following items:

- Medical;
- Personal liability;
- Cancellation and curtailment;
- Personal accident; and
- Luggage

