

**SWARTLAND MUNICIPALITY**

**POLICY WITH REGARDS TO THE PAYMENT OF  
TRAVEL- AND ACCOMMODATION- AND  
SUBSISTENCE COSTS**

**REVIEWED & AMENDED**

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## TABLE OF CONTENTS

	<u>Page</u>
1. Word definition .....	1
2. Application of policy .....	2
3. Purpose of policy .....	2
4. Authorization for payment of travel- accommodation- and subsistence costs .....	3
5. Payment of accommodation- and subsistence costs .....	5
6. Payment of travel costs .....	6
7. Reimbursement of expenses incurred by an official or council member .....	7
8. Use of own or private transport instead of authorized air transport .....	7
9. Air travel and accommodation reservations .....	8
10. Travel- and accommodation- and subsistence costs payable to persons invited for job interviews .....	8

### SCHEDULE A

1. **Payment of accommodation- and subsistence costs**
  - 1.1 Accommodation- and subsistence costs payable when an official or council member is actual and necessarily absent for less than 24 hours of his/her usual abode or work place.
  - 1.2 Accommodation- and subsistence costs payable when an official or council member is actual and necessarily absent for more than 24 hours of his/her usual abode or work place.
2. **Payment of travel expenses**
  - 2.1 For the execution of official obligations within the area of jurisdiction of the municipality.
  - 2.2 For the execution of official obligations outside the area of jurisdiction of the municipality.

**SWARTLAND MUNICIPALITY****POLICY WITH RESPECT TO PAYMENT OF TRAVEL, ACCOMMODATION AND  
SUBSISTENCE COSTS**

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**1. DEFINITIONS**

In this policy document, unless the context otherwise indicates -

“accommodation” means overnight accommodation including or excluding breakfast;

“bargaining council” means the Western Cape division of the South African Local Government Bargaining Council;

“fringe benefit vehicle scheme” means a scheme in terms of which a travel allowance is included in the remuneration package for the applicable position, as resolved by the council of the municipality from time to time, and in respect of which a monthly travel allowance is paid;

“essential users scheme” means a scheme, as negotiated in the bargaining council, in terms of which specified personnel, in accordance with the criteria laid down by the bargaining council and adopted by the municipal council, use their own vehicles for official business;

“subsidised vehicle” means a vehicle used by an officer or councilor of the municipality for official business and which, in the case of officials, was acquired in pursuance of a fringe benefit vehicle scheme or an essential users scheme and, in the case of a councilor, his/her own vehicle used for official business for which a travel allowance is paid;

“chief financial officer” means an official who has been appointed as such by the accounting officer in accordance with section 80(2)(a) of the Municipal Financial Management Act, 2003 (Act 56 of 2003);

“municipality” means the Swartland Municipality;

“private vehicle” means a vehicle which is not a subsidized vehicle and is registered in the name of an official or councilor, which is used by such official or councilor for official business;

“councilor’s own vehicle” means a vehicle used by a councilor for official business, which is his/her property, in respect of which a fixed travel allowance, as determined by the municipal council from time to time, is paid to the said councilor and which allowance is subject to the conditions as determined by the Minister of Provincial and Local Government in terms of the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998);

“accounting officer” means the Municipal Manager of the municipality;

“subsistence” means meals and incidental costs as contemplated in paragraph 1.2 of Schedule A excluding accommodation.

“Mfma” means Local Government: Municipal Finance Management Act No 56, 2003

“Application form” means an electronic form on the municipal’s system that must be completed with estimated costs before traveling overnight

“Claim form” means the electronic form on the municipal’s system where a person claims their actual traveling expenses

“Late Claim” means a claim form submitted for authorization after the 10th of the following month travelled

“Daily Allowance” means a subsistence allowance given to an official or councilor in line with the Income Tax Act no 58 of 1962

“Incidental cost” means cost incurred (excluding meals) by an official or councilor while travelling to a work orientated activity whereby the actual cost are reimbursed (with supporting documentation) to the official or councilor.

## 2. **APPLICATION OF POLICY**

This policy applies to councilors as well as officials of the municipality and also incorporates provisions pertaining to reimbursement of persons invited by the municipality for job interviews.

This policy is not applicable to official obligations to be carried out beyond the borders of the Republic of South Africa.

In such cases permission must be obtained from the executive mayor for the relevant trip and reimbursement for the travel, accommodation and subsistence costs will be determined by the executive mayor in consultation with the accounting officer, on a case by case basis, as and when necessary, provided that in such cases travel, accommodation and subsistence costs will only be paid if provision has been made in the current budget for such expenditure.

When the executive mayor have to carry out official obligations outside the Republic of South Africa the travel, accommodation and subsistence costs for such visits must be approved in advance by the full council of the municipality.

## 3. **PURPOSE OF THE POLICY**

From time to time it is necessary for officers and councilors of the municipality to perform official duties within as well as outside the area of jurisdiction of the municipality and of necessity travel, accommodation and subsistence costs in respect of these officials has to be incurred.

The purpose of this document is therefore to document a policy clarifying in which instances and to what extent, travel, accommodation and subsistence costs may be incurred and expenditure so incurred by an official or councilor will be reimbursed to him or her.

#### **4. AUTHORIZATION FOR PAYMENT OF TRAVEL, ACCOMMODATION AND SUBSISTENCE COSTS**

4.1 Where travel, accommodation and subsistence costs has to be incurred in respect to the carrying out of an official obligation by an official or a councilor (for example representation of the municipality at a conference, workshop, meeting, seminar or any other official obligation) the related travel, accommodation and subsistence costs will only be paid –

- if the discharge of such official obligation has been authorized in advance as set out in paragraphs 4.2 to 4.4, and
- an application form is duly completed and authorized by the signature of executive mayor, or the accounting officer, or the head of the department, or the head of the division on the understanding that the completion of the application form and authorization thereof must occur prior to person's traveling and will be mandatory in the following instance -
  - in all cases where an official obligation must be undertaken outside the area of jurisdiction of the municipality and in respect of which travel, accommodation (only applicable if the distance to travel exceeds 250km radius from the municipal office or when there is an evening function or when the municipality don't incur any cost concerning accommodation) and subsistence costs, as contemplated in paragraphs 1 and 2.2 of Schedule A, must be paid;
- an claim form is duly completed and authorized by the signature of executive mayor, or the accounting officer, or the head of the department, or the head of the division and will only be mandatory in the following instances -
  - in all cases where an official obligation must be undertaken outside the area of jurisdiction of the municipality and in respect of which either travel or accommodation (only applicable if the distance to travel exceeds a 250km radius from the municipal office or when there is an evening function or when the municipality don't incur any cost concerning accommodation) and subsistence costs, or both, as contemplated in paragraphs 1 and 2.2 of Schedule A, must be paid;
  - in those instances where an official obligation must be carried out within the area of jurisdiction of the municipality in respect of which travel costs as contemplated in paragraph 1 and 2.1 of Schedule A must be paid.
- the provisions set out in this policy are duly met.

4.2 Authorization for the carrying out of an official obligation involving payment of accommodation, subsistence, air travel (economy class) and/or vehicle travel costs as contemplated in paragraph 4.1 may only be granted by -

- the executive mayor to councilors and the municipal manager
- the municipal manager to the various heads of department and executive mayor; and
- the heads of department or division to officials in their respective departments.
- The accounting officer, or the mayor in the case of the accounting officer, may approve accommodation costs that exceed an amount as determined from time to time by the National Treasury through a notice only -
  - during peak holiday periods; or
  - when major local or international events are hosted in a particular geographical area that results in an abnormal increase in the number of local and /or international guests in that particular geographical area

The accounting officer, or the mayor in the case of the accounting officer, may approve the purchase of business class tickets for an official or a political office bearer with a disability or a medically certified condition.

The number of officials or political office bearers attending international meetings or events must be limited to those officials or political office bearers directly involved in the subject matter related to such meetings or events.

provided that -

- there is adequate provision in the budget for the commitment of such expenditure and the budget for the respective votes has not been exhausted or will not be exceeded;
- the authorization granted is in compliance with the provisions of this policy document; and

4.3 When authorization is given in terms of paragraph 4.2, the executive mayor, accounting officer, head of department or head of division, as the case may be, states that he/she authorizes any of the following in respect of the relevant official duty -

- air travel;
- garaging for a private or subsidized vehicle at the airport;

- hire of a vehicle for travel from the airport of destination to lodging, or from lodging to place where the official duty has to be fulfilled; or
- use of a private or subsidized vehicle.
- available public transport or a shuttle service (when traveling by air) if the cost of such a service is lower than -
  - the cost of hiring a vehicle;
  - the cost of parking.

Where the expenditure is not duly authorized by the executive mayor, accounting officer, head of department or head of division, no such expense may be reimbursed to an official or councilor who incurred the expenditure.

4.4 When the executive mayor, accounting officer, head of department or head of division is in terms of the provisions of paragraph 4.3 considering whether air transport or a private or subsidized vehicle should be used in those instances where more than one official and/or councilor has to attend the same official occasion, the executive mayor, accounting officer, head of department or head of division must take into account that it could be more economical to authorize the use of a private or subsidized vehicle rather than air transport, as such a vehicle will provide transport for one or more passengers. The most economical means of transport have to be approved with all relevant factors and in the best interests of the municipality, taken in account when considering the use of air transport or not.

4.5 When an official obligation is authorized in accordance with the above mentioned provisions, the completed application and/or claim forms should be submitted to the relevant official in the offices of the director of finances.

## 5. **PAYMENT OF ACCOMMODATION AND SUBSISTENCE COSTS**

5.1 Where authorization in accordance with the provisions of paragraph 4 hereof is given, accommodation and subsistence costs will be paid in terms of and in accordance with the conditions and limitations as set out in paragraph 1 of Schedule A.

5.2 Where an official or councilor spends one or more nights away from home on official business, the said official or councilor may stay in a hotel, motel, guest house, bed and breakfast establishment or hire a chalet or similar self-catering accommodation for this purpose. If an official stays at a family member or friend no accommodation expenses will be paid. Subsistence expenses will, however be paid in accordance with the provisions of this policy.

5.3 As a general rule councilors and officials must make every effort to secure accommodation as close to the place of the official duty as possible.

- 5.4 Air travel, Accommodation cost and Vehicle hiring are payable through Supply Chain Management and Expenditure processes. Deviations will be handled in accordance with the Supply Chain Management Policy. Travel Agencies must only make booking arrangements on behalf of the municipality in accordance with negotiated rates for flights and accommodation as communicated from time to time by the National Treasury through notice or any other available cheaper flight and accommodation. .
- 5.5 In the event of meals being part of the accommodation package of the hotel, quest house or bed and breakfast establishment or where meals or snacks during any official obligation which is attended by an official or councilor, are being provided by the host or a sponsor free of charge, or is included as a portion of the total financial package of, for example, a conference, seminar, workshop, etc., the cost of meals as contemplated in paragraph 1.2 of Schedule A shall not be payable and may to be claimed by an official or councilor.

## 6. **PAYMENT OF TRAVEL COSTS**

- 6.1 Where authorization in terms of the provisions of paragraph 4 is issued, travel costs shall be paid in accordance with and subject to the terms of paragraph 2 of Schedule A.
- 6.2 As a rule, air travel subject to the terms of paragraph 4.4, will be authorized in all instances where the official business is within a reasonable distance of an airport. The executive mayor, accounting officer, head of department or head of division responsible in terms of this policy for authorization of air travel, shall have discretion, on a case by case basis, in determining “a reasonable distance”.
- 6.3 Payment of expenses with regard to air travel will be restricted to economy class with the carrier quoting the most economical fare on each occasion in order that the official or councilor leaves his/her workplace or home at the latest possible time in order to reach the place of the official business on time, and which will enable him or her to return to his/her home or place of work at the earliest opportunity after completion of the official business.

The effect of the above stipulation shall be that the supply chain management division, for purposes hereof, may accept a less favorable quote form if the time of departure or arrival of the carrier whose quotation is the most favorable, departs to such an extent from the above-mentioned provisions that it will cause excessive inconvenience for the official or councilor.

- 6.4 Payment for garaging of a vehicle at an airport will only be made if it has been authorized in terms of the provisions of paragraph 4.3.
- 6.5 The hiring of a vehicle shall be restricted to class B category vehicles or below unless it proves more cost effective to hire an upgraded group (i.e. the upgraded group if offered free or at a lower charge).

Thus the expenditure of an official or councilor will only be paid provided that it is authorized in accordance with the provisions of paragraph 4.3.

The hiring of a vehicle may only be authorized if alternate transport is not available, too expensive or not practical.

When a motor vehicle is hired, insurance cover must be taken out through the company renting out the vehicle.

Where a different class of vehicle is required for a particular terrain or to cater for the special needs of an official, seek the written approval of the accounting officer before hiring the vehicle.

6.6 Claims for reimbursement of travel costs must be based on the shortest route from the normal working place or the home of the official or councilor to the place of the official obligation.

6.7 In the case of air travel the cost of air tickets will be paid directly to the travel agent used by the municipality, unless an arrangement has been made in accordance with the provisions of paragraph 8.

6.8 Where one or more persons are transported -

- in a private or subsidized vehicle to carry out official business within or outside the area of jurisdiction of the municipality,

an additional 30 cents per kilometer will be paid to the owner of the relevant vehicle for every additional person up to 3 additional municipal officials or councilors traveling in the same vehicle.

## **7. REIMBURSEMENT OF EXPENSES INCURRED BY AN OFFICIAL OR COUNCILLOR**

7.1 On completion of an approved official obligation the travel, accommodation and subsistence costs incurred by the official or councilor, and which was authorized in advance, must be claimed by the incumbent on the prescribed claim form, together with the authorization referred to in paragraph 4.5 and submitted to the designated official in the office of the financial director.

Expenditure thus incurred, in compliance with this policy, will be reimbursed to the said official.

## **8. USE OF OWN OR PRIVATE TRANSPORT INSTEAD OF AIR TRANSPORT**

Any traveling by vehicle outside of the Western Cape will be limited to the cheapest of the air fares (economy class) or the traveling cost by vehicle.

9. **AIR TRAVEL AND ACCOMMODATION RESERVATIONS**

Air travel and/or accommodation reservations must be made by the designated officials of the Municipality (Refer to 5.4) and in this regard the provisions of the council's supply chain management policy should be strictly adhered to.

10. **TRAVEL, ACCOMMODATION AND SUBSISTENCE COSTS PAYABLE TO PERSONS INVITED FOR JOB INTERVIEWS**

10.1 Where persons are invited by the municipality for job interviews, they will -

- not be reimbursed for accommodation or living expenses; and
- be reimbursed for travel expenses calculated at R1,50 per kilometer x 2, for the distance traveled to the interview. If the accounting officer authorizes air travel for such a person he/she may claim the expense in respect of an air ticket, plus R1.50 per kilometer from his/her home to the nearest airport. In this respect the stipulations of paragraph 6.3 shall apply.

10.2 The accounting officer will make the necessary accommodation arrangements for account of the municipality if, in his opinion, it is considered necessary or reasonable that a person who has been invited for a job interview, must stay overnight.

10.3. Payment of claims for travel and/or an air ticket shall be made -

- to candidates whose application was unsuccessful, as soon as possible after a decision in this regard has been made;
- to the successful candidate, within 5 working days after he/she has notified the municipality in writing of his/her acceptance of appointment.

## SCHEDULE A

### 1. PAYMENT OF ACCOMMODATION AND SUBSISTENCE [PAR 5 OF POLICY]

#### 1.1 Accommodation- and subsistence costs payable when an official or council member is actual and necessarily absent from his/her usual abode or working place – and does not overnight:

- (1) The actual cost of meals up to a maximum amount of R120,00 for breakfast, R150,00 for lunch and R180,00 for dinner per person per occasion, on condition that the actual cost thus claimed, must be verified with specified invoices (only payable when representing the Municipality for duties outside normal practice). A 10% table fee/administrative levy, calculated on the total account, may be added to the account, should the menu not indicate that such a fee is already included in the prices quoted on the menu; and
- (2) The actual traveling cost incurred where you do not travel with your own vehicle, must be verified with specified invoices or pay slips (for example traveling with public transport).
- (3) Incidental costs incurred.

#### 1.2 Accommodation- and subsistence costs payable when an official or council member is actual and necessarily absent from his/her usual abode or working place and an overnight is applicable. (only payable when official obligations has to be fulfilled outside the area of jurisdiction of the municipality) –

- (1) Accommodation (this means overnight lodging where meals may be included or excluded) - the actual cost of accommodation subject to the allocation made in terms of Council's Procurement Policy and the rates table as set in Circular No 82 of the MFMA, in conjunction with the directorate of the division concerned, provided that the actual cost thus claimed, will only be paid if it can be verified with specified invoices from the service provider.
- (2) Subsistence (this means only meals and daily allowance, excluding accommodation) – the actual cost of meals is subject to the maximum amounts as set out hereafter, on condition that verifying, specified invoices from the service provider must be submitted before any claims will be paid out.  
Meals as specified below must ordinarily be taken as near as possible to normal meal hours, subject to approval by the relevant directorate. A 10% table fee/administrative levy, calculated on the total account, may be added to the account, should the menu not indicate that such a fee is already included in the prices quoted on the menu –
  - breakfast – to a maximum of R120,00 – when breakfast is excluded from the accommodation tariff;
  - lunch – to a maximum of R150,00;
  - dinner – to a maximum of R180,00.

In addition to before mentioned costs of meals an official or council member will also be entitled to an allowance to cover casual expenses. The amount of the daily allowance will be determine by the Receiver of Revenue from time to time and is applicable for each completed period of 24 hours of absence and for each following period of less than 24 hours<sup>1</sup>. No verification for casual expenses needs to be submitted. [For the purposes hereof, casual expenses are expenditures with regards to tips, refreshments, private phone calls etc.].

The total daily Subsistence (Meals and Daily Allowance) will not exceed the maximum daily subsistence allowance as determined annually by the Receiver of Revenue.

- (3) Where a seminar or congress is held in a specific hotel/center, etc. and accommodation at such hotel/center forms an integrated part of the monetary package payable, the Procurement Policy shall not be applicable. Where the organizers of such congress, seminar, etc. offers various hotel or guest house options, the Procurement Unit shall endeavor to procure the cheapest hotel/guest house situated nearest to the center where the conference, seminar, training, etc. will be taking place, provided that the facility shall not be worse than a 3 or 4 star grading, whichever is the cheapest. Selection of accommodation shall, however, always take place in conjunction with the directorate of the delegating division.
- (4) The actual traveling cost incurred where you do not travel with your own vehicle, must be verified with specified invoices or pay slips (for example traveling with public transport).
- (5) Incidental costs incurred.

## **2. PAYMENT OF TRAVEL EXPENSES [PAR. 6 OF POLICY]**

### **2.1 For the execution of official obligations within the area of jurisdiction of the municipality –**

#### **2.1.1 Officials:**

- (1) Use of private vehicle –  
  
a tariff per km according to the engine capacity of the concerned vehicle, as determined from time to time by the Department of Transport.
  - (2) Use of vehicle acquired in accordance to the essential user scheme –  
  
a tariff per km according to the engine capacity of the norm vehicle, as determined from time to time by the Bargaining Council for fixed and running costs.
  - (3) Use of vehicle acquired in accordance to the benefit vehicle scheme (for ad-hoc kilometers as defined in the benefit vehicle scheme contract) –
-

by officials within the area of jurisdiction of Swartland Municipality, 60% of the tariff per km according to the engine capacity of the concerned vehicle, as determined from time to time by the Department of Transport.

(4) Processing of late claims –

Claim forms received late (Later than the following month travelled with the exception of year-end) for authorization will not be processed for payment.

Year end (June) claims will not be processed for payment if it is not approved before the 10<sup>th</sup> of the following month.

**2.1.2 Council Members:**

(1) Use of own vehicle –

no remuneration payable save for the fixed allowance as from time to time determined by the council of the municipality in accordance with the conditions determined from time to time by the Minister of Provincial and Local Government in terms of the Remuneration of Public Office Bearers Act, 1998 (Act no. 20 of 1998).

(2) Processing of late claims –

Claim forms received late (Later than the following month travelled with the exception of year-end) for authorization will not be processed for payment.

Year end (June) claims will not be processed for payment if it is not approved before the 10<sup>th</sup> of the following month.

**2.2 For the execution of official obligations outside the area of jurisdiction of the municipality –**

**2.2.1 Officials**

(1) Use of private vehicle –

a tariff per km according to the engine capacity of the norm vehicle, as determined from time to time by the Department of Transport.

(2) Use of vehicle acquired in accordance to the essential user scheme –

a tariff per km according to the engine capacity of the norm vehicle, as determined from time to time by the Bargaining council for running costs.

(3) Use of vehicle acquired in accordance to the benefit vehicle scheme –

60% of the tariff per km according to the engine capacity of the concerned vehicle, as determined from time to time by the Department of Transport.

#### 2.2.2 Council Members:

For the use of the member's own vehicle –

a tariff per km according to the engine capacity of the concerned vehicle, as determined from time to time by the Department of Transport for fixed and running costs.

2.2.3 In addition to the travel expenses as indicated in 2.1 en 2.2 the following expenses incurred by an official or council member will be reimbursed to him/her, on the condition that verification is submitted, whether a private vehicle or an authorized vehicle is used –

- rent of a car garage at the place of accommodation (only when staying overnight);
- parking costs;
- tollage; and
- stabling of vehicles at airport (only if authorized in advance).

#### 2.2.4 Officials and council members (authorized air transport)

Where air transport is authorized for the execution of official obligations outside the area of jurisdiction of the municipality by an official or council member, transport expenses and additional costs is paid as follows –

(1) Where an official or council member uses his/her private or authorized vehicle to travel to and from the Cape Town International Airport –

- km covered between the normal working place or concerned official/member's abode and the airport x 2 at the relevant tariff as indicated in paragraphs 2.2.1 or 2.2.2; and
- km covered between the airport and the normal working place or the concerned official or member's abode x 2 at the relevant tariff as indicated in paragraphs 2.2.1 or 2.2.2.

[where stabling of such a vehicle on the airport is authorized beforehand, the distance as indicated above is not multiplied and such a member or official or council member will only be reimbursed for to and from the airport once and where an official vehicle is used to transport an official or council member between the municipal offices and the airport, no travel expenses are payable];

(2) the stabling costs of a vehicle if it is authorized beforehand;

(3) the cost of an economic class return ticket with consideration of the stipulations of paragraph 6.3 of the policy document;

- (4) taxi fees, bus fees and/or public transport costs and/or rent of a vehicle (if the rent of a vehicle is authorized beforehand) for traveling between the airport to the final destination and the place of accommodation and place where official obligations are executed;
- (5) parking costs when a rented vehicle is used; and
- (6) tollage

on the condition that the costs mentioned in (2), (4), (5) and (6) above, will only be paid on the submission of verification thereof.