



# **SUBSISTENCE AND TRAVELLING POLICY**

**2023-2024**

## **DIRECTORATE CORPORATE AND SHARED SERVICES**

### **BUSINESS UNIT: HUMAN RESOURCES**

**ITEM:**

**REF NO:**

### **REVISED SUBSISTENCE AND TRAVELLING ALLOWANCE POLICY**

#### **Report of the Manager Human Resources**

#### **PURPOSE**

The purpose of the report is to obtain approval of the revised Subsistence and Travelling Allowance Policy.

#### **DISCUSSION**

Council resolved in 2008 to update the Subsistence and Travel (S & T) Allowance policy by agreeing on new tariffs. The S&T Policy differs from the travelling allowance that is paid to officials for using their personal vehicles to perform duties for the Municipality.

The rates that were approved in 2008 are reviewed annually and are adjusted in line with standard applicable procedures and guidelines (e.g. SARS annual guidelines applicable to S & T and MFMA Circular 97).

The rates are as follows:

| <b>DESCRIPTION</b>                                                                                                                                                                          | <b>PREVIOUS</b>                                                                                                                     | <b>NEW REVISED</b>                                                                                                                  |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------|
| *Day Allowance : Incidental Costs                                                                                                                                                           | R152.00                                                                                                                             | R161.00                                                                                                                             |
| Overnight Allowance – own booking (D,B&B incl)                                                                                                                                              | R789.00(Inclusive)                                                                                                                  | R843.00(Inclusive)                                                                                                                  |
| <b>Meals:</b>                                                                                                                                                                               | <b>MFMA Circular 97</b>                                                                                                             | <b>MFMA Circular 97</b>                                                                                                             |
| * Breakfast                                                                                                                                                                                 | R110(Band 1)                                                                                                                        | R110(Band 1)                                                                                                                        |
| * Lunch                                                                                                                                                                                     | R160(Band 1, 2 & 3)                                                                                                                 | R160(Band 1, 2 & 3)                                                                                                                 |
| * Dinner                                                                                                                                                                                    | R180(Band 1 & 2)                                                                                                                    | R180(Band 1 & 2)                                                                                                                    |
| * The above rates are applicable only where accommodation is arranged by Council but meals are not provided for in the package or where employees made their own accommodation arrangements |                                                                                                                                     |                                                                                                                                     |
| *Traveling outside border SA: Non adjacent Countries                                                                                                                                        | Prescribed amount applicable to the relevant country(SARS guidelines, PAYE-GEN-01-G03-A02 – Subsistence Allowance – Foreign Travel) | Prescribed amount applicable to the relevant country(SARS guidelines, PAYE-GEN-01-G03-A02 – Subsistence Allowance – Foreign Travel) |
| Traveling outside border SA: Adjacent Countries                                                                                                                                             |                                                                                                                                     |                                                                                                                                     |
| *Prescribed rate per kilometer:                                                                                                                                                             | Tariffs for the use of Motor Transport<br><b>(Department of Transport)</b>                                                          | Tariffs for the use of Motor Transport<br><b>(Department of Transport)</b>                                                          |
| NB = In all instances amounts exceeding the above must be supported by proof of actual payments / documentation or else ONLY the amounts reflected above will be paid.                      |                                                                                                                                     |                                                                                                                                     |

**\*Foot Note: The items marked with an asterisk will be amended annually in terms of the SARS Guidelines as attached marked “Annexure C” and/or applicable MFMA Circulars, e.g. MFMA Circular 97**

### **Day allowance**

Day allowance will be increased from R152.00 to R161.00 for incidental expenditure.

### **Overnight allowance**

Overnight accommodation may only be booked where the return trip exceeds 500 kilometers.

#### **1. Where all accommodation is being arranged and paid for Council in advance.**

In scenario 1, the person will only receive a day allowance of R161.00 for every day away from his home base.

| DESCRIPTION                                                                                                                                                            | PREVIOUS                                                            | NEW REVISED                                                         |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------|---------------------------------------------------------------------|
| Overnight Allowance                                                                                                                                                    | Council paid in advance                                             | Council paid in advance                                             |
| Day away (for every day)                                                                                                                                               | R152.00                                                             | R161.00                                                             |
| Day of return ( <b><u>longer</u></b> than 6 hours away from base)                                                                                                      | <b>MFMA Circular 97</b>                                             | <b>MFMA Circular 97</b>                                             |
| <b>Meals:</b>                                                                                                                                                          |                                                                     |                                                                     |
| * Breakfast                                                                                                                                                            | R110(Band 1)                                                        | R110(Band 1)                                                        |
| * Lunch                                                                                                                                                                | R160(Band 1, 2 & 3)                                                 | R160(Band 1, 2 & 3)                                                 |
| * Dinner                                                                                                                                                               | R180(Band 1 & 2)                                                    | R180(Band 1 & 2)                                                    |
| * The above rates are applicable only where accommodation is arranged by Council but meals are not provided for in the package.                                        |                                                                     |                                                                     |
| *Prescribed rate per kilometer:                                                                                                                                        | Tariffs for the use of Motor Transport<br>(Department of Transport) | Tariffs for the use of Motor Transport<br>(Department of Transport) |
| NB = In all instances amounts exceeding the above must be supported by proof of actual payments / documentation or else ONLY the amounts reflected above will be paid. |                                                                     |                                                                     |

#### **2. Where the person travelling pays for his own costs.**

In scenario 2 the person will be getting an overnight allowance only for the days away from his home base. The difference between the current and the proposed is as follows:

| DESCRIPTION                                                                                                                                                            | PREVIOUS                                                            | NEW REVISED                                                         |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------|---------------------------------------------------------------------|
| Overnight Allowance – own booking (D,B&B incl)                                                                                                                         | R789.00(Inclusive)                                                  | R843.00(Inclusive)                                                  |
| Day away (for every day)                                                                                                                                               | R152.00                                                             | R161.00                                                             |
| Day of return ( <b><u>longer</u></b> than 6 hours away from base)                                                                                                      | <b>MFMA Circular 97</b>                                             | <b>MFMA Circular 97</b>                                             |
| <b>Meals:</b>                                                                                                                                                          |                                                                     |                                                                     |
| * Breakfast                                                                                                                                                            | -                                                                   | -                                                                   |
| * Lunch                                                                                                                                                                | -                                                                   | -                                                                   |
| * Dinner                                                                                                                                                               | -                                                                   | -                                                                   |
| * The above rates are applicable only where accommodation is arranged by Council but meals are not provided for in the package.                                        |                                                                     |                                                                     |
| *Prescribed rate per kilometer:                                                                                                                                        | Tariffs for the use of Motor Transport<br>(Department of Transport) | Tariffs for the use of Motor Transport<br>(Department of Transport) |
| NB = In all instances amounts exceeding the above must be supported by proof of actual payments / documentation or else ONLY the amounts reflected above will be paid. |                                                                     |                                                                     |

### **International Allowance**

It is recommended that an all inclusive amount per day applicable to the relevant country, be paid for meals and incidental cost allowances for visits to countries outside the Republic of South Africa as stipulated in the SARS Guide for Employers in respect of Allowances (Subsistence Allowance – Foreign Travel).

It is the responsibility of the employee to keep documentation in respect of expenditure incurred for tax purposes.

### **Travel Allowance**

| DESCRIPTION  | PREVIOUS                                                            | NEW REVISED                                                         |
|--------------|---------------------------------------------------------------------|---------------------------------------------------------------------|
| Travel Costs | Tariffs for the use of Motor Transport<br>(Department of Transport) | Tariffs for the use of Motor Transport<br>(Department of Transport) |
| Toll Fees    | Will be paid on submitting proof of payment                         | Will be paid on submitting proof of payment                         |
| Parking Fees | Will be paid on submitting proof of payment                         | Will be paid on submitting proof of payment                         |

### **Comments: Chief Financial Officer**

### **RECOMMEND**

1. That Council approves the Revised Subsistence and Travelling Allowance Policy attached as Annexure "A", S & T Procedures attached as Annexure "B" and the claim form attached as Annexure "D".
2. That Council approves Subsistence and Travelling allowances as to be paid follows:

| DESCRIPTION                                                                                                                                                            | PREVIOUS                                                                                                                            | NEW REVISED                                                                                                                         |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------|
| *Day Allowance : Incidental Costs                                                                                                                                      | R152.00                                                                                                                             | R161.00                                                                                                                             |
| Overnight Allowance – own booking (D,B&B incl)                                                                                                                         | R789.00(Inclusive)                                                                                                                  | R843.00(Inclusive)                                                                                                                  |
| <b>Meals:</b>                                                                                                                                                          | <b>MFMA Circular 97</b>                                                                                                             | <b>MFMA Circular 97</b>                                                                                                             |
| * Breakfast                                                                                                                                                            | R110(Band 1)                                                                                                                        | R110(Band 1)                                                                                                                        |
| * Lunch                                                                                                                                                                | R160(Band 1, 2 & 3)                                                                                                                 | R160(Band 1, 2 & 3)                                                                                                                 |
| * Dinner                                                                                                                                                               | R180(Band 1 & 2)                                                                                                                    | R180(Band 1 & 2)                                                                                                                    |
| * The above rates are applicable only where accommodation is arranged by Council but meals are not provided for in the package.                                        |                                                                                                                                     |                                                                                                                                     |
| *Traveling outside border SA: Non adjacent Countries                                                                                                                   | Prescribed amount applicable to the relevant country(SARS guidelines, PAYE-GEN-01-G03-A02 – Subsistence Allowance – Foreign Travel) | Prescribed amount applicable to the relevant country(SARS guidelines, PAYE-GEN-01-G03-A02 – Subsistence Allowance – Foreign Travel) |
| Traveling outside border SA: Adjacent Countries                                                                                                                        |                                                                                                                                     |                                                                                                                                     |
| *Prescribed rate per kilometer:                                                                                                                                        | Tariffs for the use of Motor Transport<br>(Department of Transport)                                                                 | Tariffs for the use of Motor Transport<br>(Department of Transport)                                                                 |
| NB = In all instances amounts exceeding the above must be supported by proof of actual payments / documentation or else ONLY the amounts reflected above will be paid. |                                                                                                                                     |                                                                                                                                     |

**Day allowance / Overnight allowance:** (Where all accommodation is being arranged and paid for by Council in advance):

| DESCRIPTION                                                                                                                                                            | PREVIOUS                                                                     | NEW REVISED                                                                  |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------|------------------------------------------------------------------------------|
| Overnight Allowance                                                                                                                                                    | Council paid in advance                                                      | Council paid in advance                                                      |
| Day away (for every day)                                                                                                                                               | R152.00                                                                      | R161.00                                                                      |
| Day of return ( <b>longer</b> than 6 hours away from base)                                                                                                             | <b>MFMA Circular 97</b>                                                      | <b>MFMA Circular 97</b>                                                      |
| <b>Meals:</b>                                                                                                                                                          |                                                                              |                                                                              |
| * Breakfast                                                                                                                                                            | R110(Band 1)                                                                 | R110(Band 1)                                                                 |
| * Lunch                                                                                                                                                                | R160(Band 1, 2 & 3)                                                          | R160(Band 1, 2 & 3)                                                          |
| * Dinner                                                                                                                                                               | R180(Band 1 & 2)                                                             | R180(Band 1 & 2)                                                             |
| * The above rates are applicable only where accommodation is arranged by Council but meals are not provided for in the package.                                        |                                                                              |                                                                              |
| *Prescribed rate per kilometer:                                                                                                                                        | Tariffs for the use of Motor Transport<br>( <b>Department of Transport</b> ) | Tariffs for the use of Motor Transport<br>( <b>Department of Transport</b> ) |
| NB = In all instances amounts exceeding the above must be supported by proof of actual payments / documentation or else ONLY the amounts reflected above will be paid. |                                                                              |                                                                              |

**Day allowance / Overnight allowance:** (Where the person travels at his/her own costs):

| DESCRIPTION                                                                                                                                                            | PREVIOUS                                                                     | NEW REVISED                                                                  |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------|------------------------------------------------------------------------------|
| Overnight Allowance - own booking(D,B&B incl)                                                                                                                          | R789.00(Inclusive)                                                           | R843.00(Inclusive)                                                           |
| Day away (for every day)                                                                                                                                               | R152.00                                                                      | R161.00                                                                      |
| Day of return ( <b>longer</b> than 6 hours away from base)                                                                                                             | <b>MFMA Circular 97</b>                                                      | <b>MFMA Circular 97</b>                                                      |
| <b>Meals:</b>                                                                                                                                                          |                                                                              |                                                                              |
| * Breakfast                                                                                                                                                            | -                                                                            | -                                                                            |
| * Lunch                                                                                                                                                                | -                                                                            | -                                                                            |
| * Dinner                                                                                                                                                               | -                                                                            | -                                                                            |
| * The above rates are applicable only where accommodation is arranged by Council but meals are not provided for in the package.                                        |                                                                              |                                                                              |
| *Prescribed rate per kilometer:                                                                                                                                        | Tariffs for the use of Motor Transport<br>( <b>Department of Transport</b> ) | Tariffs for the use of Motor Transport<br>( <b>Department of Transport</b> ) |
| NB = In all instances amounts exceeding the above must be supported by proof of actual payments / documentation or else ONLY the amounts reflected above will be paid. |                                                                              |                                                                              |

### **Travel Allowance**

| DESCRIPTION  | PREVIOUS                                                                     | NEW                                                                          |
|--------------|------------------------------------------------------------------------------|------------------------------------------------------------------------------|
| Travel Costs | Tariffs for the use of Motor Transport<br>( <b>Department of Transport</b> ) | Tariffs for the use of Motor Transport<br>( <b>Department of Transport</b> ) |
| Toll Fees    | Will be paid on submitting proof of payment                                  | Will be paid on submitting proof of payment                                  |
| Parking Fees | Will be paid on submitting proof of payment                                  | Will be paid on submitting proof of payment                                  |

3. That all accommodation be booked in hotels or other accommodation in line with the policy.
4. That the allowances in respect of Day Allowance, Overnight Allowance – own booking, Breakfast, Lunch, Dinner, travelling inside and outside RSA borders and Prescribed rate per kilometer be amended annually in terms of the SARS Guide for employers in respect of allowances attached as Annexure “C”, and/or applicable MFMA Circulars, e.g. MFMA Circular 97; the inflation rate with specific reference to Overnight allowance – own booking and Tariffs for the Use of Motor Transport (**Department of Transport**); and that the amendments be effective from 1<sup>st</sup> July of each year.

## **ANNEXURE “A”**

### **POLICY FOR TRAVELLING AND SUBSISTENCE ALLOWANCES**

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## 1. POLICY VISION

Polokwane Municipality believes that human resources are its most valuable resource in the attainment of its goals and objectives and that it is in the interest of the Council to compensate the persons representing Council or their duly authorized delegates for additional expenses incurred by them in the execution of their official duties.

## 2. AIM

The aim of this policy is to lay down guideline for Councilors and Officials for the payment of traveling and subsistence allowances.

## 3. OBJECTIVES

Subject to the provisions of the standard Conditions of Services and any other Agreement with the Bargaining Council applicable to the Council and its employees, the objective of the policy is:

- a) To fairly compensate persons / employees representing the Council for essential additional expenses incurred by them in the execution of their official duties.
- b) To ensure uniformity in the payment of subsistence and traveling allowances.
- c) To limit or avoid night traveling as far as possible.

## 4. DEFINITIONS

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

**OCCASIONS:** Any occasions outside the area of jurisdiction of the Polokwane Municipality geographical area where an employee is required or expected to attend a meeting, Conference, Congress, seminar, Training course, Training program, Workshop, Discussions or any other occasion to which a person is delegated to by the Council.

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

**BARGAINING:  
COUNCIL** The Bargaining Council for the Local Government undertaking

**OFFICIAL:** A person appointed by the Council or duly elected and appointed Councilors.

**COUNCIL:** Polokwane Municipality, its Executive Committee or any employees of the Council acting in accordance with delegated authority.

**SUBSISTANCE:  
ALLOWANCE** An allowance as determined from time to time by the Council and which differentiates between an overnight allowance and a day allowance.

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

**OVERNIGHT ALLOWANCE** : An allowance determined by Council which will be payable if the delegate is obliged to travel outside a radius of 250 km from the Municipal Head Office and the travelling is at his/her own costs.

**DAY ALLOWANCE:** An allowance payable to a delegate who is away from his/her place of work for an occasion within a range of 160km from the Municipal Head Office or where accommodation is fully booked or paid for.

**ACCOMMODATION:** Overnight accommodation includes bed, breakfast and dinner. Where dinner is not included it will be handled as a reimbursive expense up to a maximum amount as determined by Council.

**INTERNATIONAL TRAVEL** : Travel to all countries not bordering South Africa where the R currency is not acceptable in all business.

**ADJACENT COUNTRIES** : All countries bordering South Africa where the R currency are acceptable in all business.

**INCIDENTAL EXPENSES** : Incidental expenses include laundry, telephone costs, busfare, taxi, gifts, repairs etc.

## 5. DELEGATIONS

5.1 The authority to delegate Councilors and officials to attend an occasion resides with the following authority:

| DELEGATED PERSON                              | APPROVAL                                   |
|-----------------------------------------------|--------------------------------------------|
| a. Executive Mayor, Chief Whip and Councilors | Speaker                                    |
| b. Municipal Manager and Speaker,             | Executive Mayor                            |
| c. Managers                                   | Municipal Manager or the delegated Manager |
| d. Officials                                  | SBU Manager or the delegated Manager       |
| e. Across border traveling                    | Executive Mayor/Mayoral Committee          |
| f. Occasions longer than 5 days               | Municipal Manager                          |

5.2 The acting or delegated municipal official cannot sign his or her own claim.

5.3 It is the responsibility of each manager to ensure that all expenditure of the travelling cost will be within the budget allocated to that department.

5.4 Budget adjustments for over expenditure on the vote for travelling and subsistence can only be done with the approval of the Municipal Manager on recommendations of the Chief Financial Officer.

5.5 All traveling arrangements and payment thereof will only be done once the prescribed form is approved by the delegated approving person.

## **6. CONDITIONS AND IMPLEMENTATION**

### **6.1. Traveling Allowance**

- 6.1.1. The Council reserves the right to determine on the cost effective grounds, the means of transport when an official is delegated by the Council to attend an occasion.
- 6.1.2. More than one official delegated by Council to attend the same occasion must as far as possible use one vehicle and the discretion lies with the relevant manager and that will be controlled by the availability of funds within the budget.
- 6.1.3. Subject to the provisions of sub clause 5.1 an official who is delegated to attend an occasion at a centre further than the Limpopo Province and which is serviced by a recognized and/or registered airline shall be afforded the opportunity to make use of air transport. The decision will be based on cost effectiveness.
- 6.1.4. Should a person be delegated to attend an occasion, he/she will be entitled to an accommodation allowance and 100% of the running cost or the tariff determined by the Council irrespective of whether the person get a traveling allowance or not. In case of public transport, the actual cost incurred will be payable.
- 6.1.5. Subject to sub clause 6.1.4. the person delegated to attend an occasion presented over a continuous period of time will be entitled to a travelling allowance as determined in 6.1.4 in order to enable the person to visit his normal home every second weekend within the duration of the occasion.

### **6.2. Subsistence during the week**

Where a person travels within this range, a day allowance as determined by Council from time to time will be paid.

- This will only be paid for an occasion outside Polokwane Municipality area of jurisdiction
- Where an occasion that will take place is of the nature that the person will have to sleep over it will have to be approved by the Delegations above under paragraph (5) and will be handled accordingly.

#### **6.2.1. Outside a radius of 250 km from the Municipal Offices**

- Where a person travels outside a radius of 250 km from the Polokwane Municipal Offices and no accommodation is paid for or compulsory accommodation (meals included) is supplied, that person will be paid an inclusive overnight allowance as determined by Council from time to time.
- Where an advance and or compulsory accommodation (meals included) is provided, a person will be paid a day allowance only.
- Where accommodation is arranged for and paid for by Council and where no dinner is provided within the paid accommodation an additional amount as determined by Council from time to time will be paid as prove of actual cost.

### **6.3. Subsistence allowance during weekends**

6.3.1. The payment of subsistence allowance during week days is *mutatis mutandis* applicable to the payment of subsistence during weekends.

6.3.2. Subsistence is not payable for those weekends wherefore in terms of sub clause 6.1.5 a locomotion allowance is payable in order to enable him to visit his/her home in the duration of the occasion.

### **6.4. Council has the choice between traveling costs and subsistence during weekends.**

Council reserves the right regarding the decision whether a person should be compensated for travelling costs to his/her home or subsistence costs in order to enable the person to stay over the weekend should the duration of an occasion include a weekend.

### **6.5. Delegation of officials to the funeral of a deceased colleague.**

6.5.1. If an employee in the service of Council dies, a maximum of four officials can be delegated to attend the funeral in an official capacity.

6.5.2. A maximum of one night and two days be paid to the officials delegated by Council within the rules as indicated in above clauses.

6.5.3. That only one vehicle be used and that travelling allowance be paid for one vehicle only.

6.5.4. That the travelling allowance as contemplated in 6.5.3 above be calculated as determined in 5.5.

### **6.6. Approval of Delegation**

6.6.1 That authority to delegate Councilors and officials to attend an occasion resides the following authority.

| <b>DELEGATED PERSON</b>                       | <b>APPROVAL</b>   |
|-----------------------------------------------|-------------------|
| a. Executive Mayor, Chief Whip and Councilors | Speaker           |
| b. Speaker                                    | Executive Mayor   |
| c. Municipal Manager                          | Executive Mayor   |
| d. Directors/ CFO                             | Municipal Manager |
| e. Manager                                    | Director/ CFO     |
| f. Officials                                  | SBU Manager       |

***(The acting or delegated Municipal officer cannot sign his/ her own claim).***

6.6.2. It is the responsibility of each Manager to ensure that all costs incurred because of travelling will be within the budget allocated to that Directorate.

6.6.3. Budget adjustments for over expenditure on the vote for travelling and subsistence can only be done with the approval of the Municipal Manager on recommendations of the Chief Financial Officer.

6.6.4. All travelling arrangements and payment thereof will only be done once the prescribed form is approved by the delegated approving person.

## 7. HOTEL ACCOMODATION(DOMESTIC)

- 7.1. Actual cost limited to an amount as determined by MFMA **Circular 97** per night to cover the cost of bed and breakfast.
- 7.2. Polokwane Municipality to be invoiced for accommodation by travelling agency on hotel groups / guests houses, before departure.
- 7.3. Where a block booking is done Polokwane Municipality is to be invoiced by the coordinating organization before departure.
- 7.4. Alternatively, the official may prefer to stay privately, for which he can claim an amount as determined by the inflation rate on costs per night. The limited amount per night, bed and breakfast as determined by Council will apply in all other cases.
- 7.5. A daily allowance as determined by SARS guidelines for incidental expenses and meals as determined by MFMA Circular 97 will be paid by the Polokwane Municipality for traveling outside the area of jurisdiction. This allowance will be calculated from the date of departure up to and including the date of arrival back to Polokwane Municipality
- 7.6. The Accounting Officer must ensure that costs incurred for domestic accommodation and meals are in accordance with the maximum allowable rates for domestic accommodation and meals as communicated from time to time by the National Treasury through a notice.
- 7.7. Overnight accommodation may only be booked where the return trip exceeds 500 kilometers.
- 7.8. National Treasury has established maximum allowable rates for domestic accommodation. When sourcing accommodation for officials, municipalities and municipal entities should find options that are equal to or lower than the rates in Table 1, as contained in Annexure A to MFMA Circular 97, depending on the allowable star grading and the band. Competition and cost effectiveness must remain a key principle.

**TABLE 1: RATES SET FOR DOMESTIC HOTEL ACCOMMODATION**

| <b>Accommodation Grid</b>                                                           |                                  |                                        |                                                                              |
|-------------------------------------------------------------------------------------|----------------------------------|----------------------------------------|------------------------------------------------------------------------------|
| <b>Voucher Includes</b>                                                             | <b>BAND 1</b>                    | <b>BAND 2</b>                          | <b>BAND 3</b>                                                                |
|  | Room Only<br>Tourism Levy<br>VAT | Bed & Breakfast<br>Tourism Levy<br>VAT | Dinner, Bed and Breakfast<br>Tourism Levy<br>VAT<br>2 x soft Drink at Dinner |
| <b>Graded Hotel, Boutique Hotel, Lodge or Resort</b>                                |                                  |                                        |                                                                              |
|                                                                                     | <b>BAND 1</b>                    | <b>BAND 2</b>                          | <b>BAND 3</b>                                                                |
| 1 Star                                                                              | R590                             | R730                                   | R855                                                                         |
| 2 Star                                                                              | R920                             | R1 050                                 | R1 230                                                                       |
| 3 Star                                                                              | R1,120                           | R1,230                                 | R1,400                                                                       |
| 4 Star                                                                              | R1,275                           | R1,380                                 | R1,550                                                                       |
| 5 Star                                                                              | R2,140                           | R2,250                                 | R2,500                                                                       |

| Bed & Breakfast, Country House or Guest house                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |             |             |             |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|-------------|-------------|
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | BAND 1      | BAND 2      | BAND 3      |
| 1 Star                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | R 350       | R495.00     | R630.00     |
| 2 Star                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | R 510       | R670.00     | R830.00     |
| 3 Star                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | R 920       | R1080.00    | R1230.00    |
| 4 Star                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | R 1020      | R1180.00    | R1330.00    |
| 5 Star                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | R 1225      | R1385.00    | R1530.00    |
| Self-Catering*                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |             |             |             |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | BAND 1      | BAND 2      | BAND 3      |
| 1 Star                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | R 590       |             |             |
| 2 Star                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | R 920       |             |             |
| 3 Star                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | R 1 120     |             |             |
| 4 Star                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | R 1 275     |             |             |
| 5 Star                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | R 1 475     |             |             |
| Meals**                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |             |             |             |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | BAND 1      | BAND 2      | BAND 3      |
| Breakfast                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | R110        | -           | -           |
| Lunch                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | R160        | R160        | R160        |
| Dinner                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | R180        | R180        | -           |
| <b>Total</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <b>R450</b> | <b>R340</b> | <b>R160</b> |
| <p><i>Accommodation costs are assumed to be inclusive of Parking and WI-FI (if available), and exclusive of Laundry Expenses.</i></p> <p><i>*Including Exclusive and Shared Facilities. Exclusive facilities offer travellers a sole occupancy unit consisting of one or more bedrooms and self-contained public areas e.g. kitchen, dining area and lounge. Shared Facilities consisting of one or more bedrooms and self-contained shared public areas e.g. kitchen, dining area and lounge.</i></p> <p><i>**Maximum amounts that can be claimed for meals. The claim for the actual amounts must be supported by a receipt.</i></p> |             |             |             |

- 7.9. If a negotiated rate for a specific star grading is equivalent to or lower than the rate for the lower star grading, the official may be accommodated in the establishment with the higher star grading. This means that an official may be accommodated in a four-star establishment if the rate at the four-star establishment is the same as or lower than a three-star establishment.
- 7.10. Where there is an alternative star grading indicated in Table 1(i.e 4/5 or 3/4), the maximum allowable rate of the lower star grading will be the benchmark. The higher star grading can only be booked if:
- The higher star graded facility is the only available option due to location and availability; or
  - The municipality has negotiated lower rates with the higher star graded facility.

## 8. FLIGHT ("Class" category of flight tickets)

The Accounting Officer –

- May approve the purchase of economy class tickets for all officials or political office bearers where the flying time for the flights is five hours or less; and
- May approve the purchase of business class tickets for officials, political office bearers and persons reporting directly to the accounting officer for flight exceeding five hours or less; and

In the case of the Accounting officer, the Mayor may approve the purchase of economy class where the flying time is five hours or less and business class tickets for flights exceeding five hours.

Notwithstanding the above, an Accounting Officer, or the Mayor in the case of an 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.

National Treasury has negotiated with South African Airways (SAA) and Comair/British Airways(BA) for upfront discounted air fares for government employees, including councillors, travelling domestically for official purpose.

For SAA, the discounts range from 5% (L class) up to 30% (Y Class) for Economy Class tickets; and 10% (D Class) up to 26% (C Class) for Business Class tickets. Business class is not encouraged, however where a single flight exceeds 5 hours, consideration may be applied.

For BA the discounts range from 10%(O, Q class) up to 25% (Y class) for Economy Class Tickets; and 20%(J Class) for Business Class tickets.

In order to make full use of the corporate discount with SAA and BA the municipality must instruct the appointed TMC's or persons making bookings for domestic airline tickets, to book against relevant deal codes as detailed in Annexure B of MFMA Circular 97.

## **9. VEHICLE RENTAL**

An official or a political office bearer of a municipality must utilize municipal fleet where viable, prior to hiring vehicles; make use of shuttle services, if the cost of such a service is below the cost of hiring a vehicle.

Officials and councilors must make use of the most cost effective option so as to reduce travel costs.

An official or a political office bearer of a municipality must not hire vehicles from a category higher than Group B or an equivalent class; and where a different class of vehicle is required for a particular terrain or to cater for the special needs of an official or where the number of officials attending a specific event necessitate a higher class vehicle; written approval of the Accounting Officer must first be sought prior to hiring such a vehicle.

Officials and councilors can be permitted to accept up-graded group of hired vehicles if such an upgrade is offered with no extra charge or at a lower charge than a Group B vehicle.

## **10. ALLOWANCES: INTERNATIONAL**

### **10.1. Hotel Accommodation**

Actual costs with a maximum rand equivalent as determined by the Rand/Dollar exchange rate per day. Polokwane Municipality to be invoiced by the travelling agency for the accommodation before departure.

### **10.2. Subsistence allowance**

The rand equivalent as determined by the Rand/ foreign currency exchange rate to a maximum prescribed amount applicable to the relevant country as per SARS guidelines, PAYE-GEN-01-G03-A02 – Subsistence Allowance – Foreign Travel will be paid per day. The day of arrival and day of departure to be calculated as full days. The allocated amount is to be utilized for meals and incidental expenses such as laundry, telephone costs, bus fare, taxi, train fare, gifts, repairs etc.

That subsistence allowance for foreign visits per person is brought into line with financial policies, which determines differentiated subsistence rates for individual countries. These rates are determined and adjusted on an ongoing basis according to a data base supplied primarily by SARS.

## **11. FLIGHT**

The Accounting Officer –

- (a) May approve the purchase of economy class tickets for all officials or political office bearers where the flying time for the flights is five hours or less; and
- (b) May approve the purchase of business class tickets for officials, political office bearers and persons reporting directly to the accounting officer for flight exceeding five hours or less; and

In the case of the Accounting officer, the Mayor may approve the purchase of economy class where the flying time is five hours or less and business class tickets for flights exceeding five hours.

Notwithstanding the above, an Accounting Officer, or the Mayor in the case of an 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.

## **12. VEHICLE RENTAL (International)**

The lowest class of rental will be allowed, unless otherwise approved by Council. Four or less delegated attending the same conference, etc. are required to hire only one vehicle, even in cases where they have booked different accommodation. No advances on vehicle rental will be made available. A certified invoice from a traveling agency issued by a vehicle rental agency must be submitted to the Council for payment. Should a delegate need to travel to the airport to embark on a flight, the chauffeur service of the Council should be utilized to transport the delegate to the airport. Should the chauffeur service not be available, a delegate may use his own vehicle and will be compensated in accordance with the applicable AA tariffs. The cost of parking tickets to leave the vehicle at the airport and may be claimed from Council upon submission of original receipts.

### **13. VISAS**

Where applicable a visa/s is required for international visits the costs will be paid by Polokwane Municipality upon submission of an invoice or receipt from the travelling agency or embassy.

### **14. PAYMENT OF TRAVELLING AND SUBSISTENCE ALLOWANCE TO CANDIDATES ATTENDING INTERVIEWS FOR VACANT POSITIONS AND EXTERNAL PARTICIPANTS FOR DISCIPLINARY HEARINGS.**

- 14.1. Travelling costs will be payable at 100% of the Department of Transport tariffs to candidates/external participants who have to travel far to attend interviews/disciplinary hearings and travel back again to their home/places of work. In the case of public transport, the actual costs incurred will be payable.
- 14.2. Travelling by air will only be allowed in exceptional cases after approval by the Municipal Manager. If a candidate/external participant on his/her own account do travel by air for an interview/disciplinary hearing and he/she has to rent a car to travel to Polokwane and back to the airport the payment for the latter will only be effected as per the stipulation of clause 14.1.
- 14.3. Payment of the above mentioned travelling costs will be subject to budget availability.

### **15. HOTEL ACCOMODATION FOR INTERVIEW CANDIDATES AND EXTERNAL PARTICIPANTS FOR DISCIPLINARY HEARINGS:**

- 15.1. If a candidate/participant has to travel further than 500km to Polokwane, then he/she may be allowed to sleep over at the Council's expense, subject to budget availability.
- 15.2. Human Resources Management and Legal Services will be responsible for arranging accommodation and meals for short listed candidates and external disciplinary hearings participants, where applicable.
- 15.3. In cases where accommodation for short listed candidates and external participants in disciplinary hearings is necessary the actual accommodation cost will be paid by Council.
- 15.4. The need for possible group arrangement for accommodation will be determined when the short listed candidates are invited for interviews and external participants are being invited for disciplinary hearings.
- 15.5. It is the responsibility of Human Resources Management and Legal Services to inform the candidates and external disciplinary hearings participants of the contents of clause 14 of this Policy.

### **16. PROCEDURE**

All claims and procedures in terms of this policy will be determined by the CFO and all persons submitting claims must adhere to the stipulations thereof.

## **17. RESPONSIBILITY**

It is the responsibility of Directors/SBU Managers to ensure that Council's Policy with regard to accommodation and subsistence allowance is adhered to and that it shall at all times be scientifically funded and that all statutory provisions be adhered to.

It is the responsibility of each individual to inform the CFO if an occasion was cancelled and to repay any monies received in advance within two days of becoming aware.

## **18. DEVIATIONS FROM THE POLICY**

- 18.1. Specific circumstances necessitate deviations from the approved policy. These relate to:
- No time for prior travel booking through travel agencies.
  - Where accommodation cannot be arranged within the cost limit as stipulated in the policy.
  - Vehicles as stipulated not available.
- 18.2. In order to manage the travel and subsistence policy it is of most importance that any deviation be limited to exceptional circumstances. Should there be any deviations from the Subsistence and Travelling Allowance Policy it is recommended that prior written approval have to be granted as follows:
- Officials by the Director/ CFO and Municipal Manager
  - Municipal Manager by the Executive Mayor
  - Councilors and Members of the Mayoral Committee by the Executive Mayor
  - Executive Mayor by the Speaker.

Any deviation from the Subsistence and Travelling Allowance Policy should be submitted to Municipal Manager for consideration and approval prior to any visit.

## **19. GENERAL**

- Any travel arrangements should only be made after approval in terms of the approved set of delegations.
- Travel arrangements should be made timely in order to ensure that the maximum discount is received thereby minimizing the cost to the municipality.
- Prescribed rates per kilometer will be amended in line with Tariffs for the use of Motor Transport (Department of Transport).

## **20. IMPLEMENTATION AND REVIEW OF POLICY**

- This policy shall be implemented on 1<sup>st</sup> July 2023 and shall be reviewed on an annual basis to ensure that is in line with the municipality's strategic objectives and with legislation.

## **ANNEXURE “B”**

### **PROCEDURES TO CLAIM TRAVELLING AND SUBSISTENCE ALLOWANCES**

#### **1. AIM**

The aim of this procedure is to lay down a procedure for Councilors and Officials to submit their claims for the payment of traveling and subsistence allowances and the use of their private vehicles.

#### **2. PROCEDURE**

##### **a. Application Form**

The relevant application form must be completed and approved by the delegated official for:

- Accommodation arrangements and payment therefore can be done;
- Flight tickets and or alternative transport arrangements can be done or payment can be made;
- Any motor vehicle hire arrangements can be done or paid for:

##### **b. Time limits**

All duly completed and approved claims must be submitted to the Office of the Financial Manager three (3) days before the actual cost will occur, in order to provide sufficient time for the Financial Manager to have enough cash available. A register with the Clerk processing the claims must be completed when a claim is submitted. The claim will be numbered and the Financial Manager will only be held responsible for claims written into the register.

##### **c. Payment Method**

Subsistence and traveling allowances will be handled as a cash advance to the maximum amount of R600-00. Any excess amount will be paid via cash focus directly into nominated accounts. Cash advances will be paid out the day before departure and cash will be transferred on Tuesdays for departures Wednesday and Thursday and on Thursdays for departures Friday, Monday and Tuesday.

##### **d. Cancellations**

In the event of the cancellation of an occasion after claims has been paid out and transferred repayment of such an advance must be within 2 working days with the official concerned with traveling claims.

##### **e. Dinner**

Claims in respect dinner not included in bookings will be limited to an amount as determined by Council. Claims in this regard will only be paid out as a reimbursement expense, which means that expense has to be incurred first before it can be claimed by a person.

##### **f. Supporting Documents**

- (i) prior principle approval for trip,
- (ii) agenda / purpose of trip and
- (iii) attendance register(s)etc.

##### **g. Responsibility**

It is the responsibility of each official / Councilor to make sure that he / she complies with this procedure.