

DANNHAUSER LOCAL MUNICIPALITY



SUBSISTANCE AND TRAVELLING POLICY

2025/2026

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SUBSISTENCE AND TRAVEL POLICY

1. INTRODUCTION

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

1.2 Purpose

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

The official subsistence and travel should be in the best interest of the Municipality and therefore travelling should not take place if the business can be conducted in another way i.e. telephone, facsimile, correspondence, video conference, etc.

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

Officials and councillors should not enrich themselves but that they remain in the same financial position on their return as they were before the trip concerned.

1.2.1 Matters not specifically dealt with in this document.

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

1.3 Delegation of authority

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

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

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

1.3.2 Documentation

All documentation pertaining to the trip (e.g. details of the meeting attended, meeting agenda, hotel bills, prior authorisation, number of kilometres travelled, Attendance register etc.) must accompany the subsistence and travel claim form.

2. LOCAL TRAVEL

2.1 Definition

Delegation of authority for the purpose of this policy, "local travel" includes South Africa and the following neighbouring countries, Namibia, Botswana, Lesotho, Swaziland, Mozambique and Zimbabwe. Business trip shall mean travelling from the place of work to the destination and return to the place of work.

2.1.1 Qualification

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

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

2.2 Request for an advance

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

2.2.1.1 An employee or Councillor requesting an advance must complete the prescribed application; and

2.2.1.2 Approval form and hand it in to their Head of Department, the Speaker or the Mayor (whoever is responsible) who will obtain final approval from the Accounting Officer two (2) days prior to undertaking such travel.

2.3 Proof of expenditure

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

2.3.1 Deduction of advance from salary

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

If, after five (5) working days after returning from business trip, the documentation has not been submitted, the Head of Department or the Speaker and or the Mayor, must contact the employee or the Councillor concerned, insisting that the necessary documentation be submitted.

If the necessary documentation is not submitted to the Head of Department, the Speaker or the Mayor within a further five working days, the Speaker or the Mayor will advise the Accounting Officer to take appropriate action to recover the amount of the advance in case of a Councillor, but the Head of Department will advise the finance department to recover the amount of the advance or any outstanding amount from the employee's salary on the pay day of the following month.

Any money that has not been utilized must be repaid within five (5) working days after returning from a trip.

2.4 Account settlement

The municipality will settle lunch to a maximum of R100 in the event of training or meetings if the latter is not provided, a written confirmation from the facilitator or service provider needs to be provided. Actual dinner, bed, breakfast and parking accounts, all air travel and leasing of vehicles will also be provided. Other expenses such as telephone calls and laundry are to be settled by means of personal credit card or cash.

2.5 Expenses to be paid by the municipality

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

2.5.1.1 Meals and refreshments

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

POSITION	LIMIT	PROOF OF EXPENDITURE
All staff members and Councillors	R570 per day inclusive of R176 of daily subsistence allowance	Required

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

2.5.1.2 The incidental costs limitation of R 570.00 per day is made up as follows:

MEAL	LIMIT	TIMES
Breakfast	R150	06:00 – 08:00
Supper	R244	18:00 – 20:00
Daily Subsistence Allowance	R176	

The above amounts may only be claimed if the employee and a Councillor is away over the 24hr period and qualifies as per paragraph 2.1.1. The amounts include expenditure on liquid refreshments.

2.1.2 If the employee or the Councillor eat supper at the hotel it must not exceed R400 if it's more the difference will be paid by employee or Councillor.

2.5.1.3 Business travel outside the Municipal boundaries.

2.5.1.4 If the employee or the Councillor stays with relatives or friend, an accommodation allowance of Eight hundred rands. **(R800.00)** may be claimed **inclusive of daily allowance and meals.**

2.5.2 Where no proof of expenditure exists

A subsistence and travel allowance contribution of R570 per night will not be paid.

2.5.3 Expenses not to be paid by the municipality

The Municipal Council will not pay for the following expenditure incurred; movies, videos, and purchase of gifts. Room service will only be paid on arrival, if the official arrived later than 22:00 in the local Hotel. Laundry will be paid if the employee stay is longer than five days. Excluding where ironing services is compulsory provided by the Hotel and guests are not allowed to use their own or hotel borrowed irons.

The amount allowed for dinner and breakfast (R394) may not be claimed if a dinner, bed and breakfast booking was made and dinner and breakfast is included in the hotel bill.

Similarly, the amount allowed for breakfast (R150) may not be claimed if a bed and breakfast booking was made and breakfast is included in the hotel bill.

2.6 Accommodation and Travel arrangements

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

2.7 Hotel accommodation

All hotel accommodation must not exceed R2000. This applies to all employees and Councillors per classification.

2.8 Travel

2.8.1. Travel arrangements

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

2.8.1.1 **Flight credits**

Flight credit earned by frequent travellers is for the Municipality and may be claimed via the Finance Department for official business use.

2.8.2 **Vehicle hire:**

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

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

Train and bus

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

2.8.3 **Motor Vehicle Travel Costs.**

Staff members and temporary employees will only be permitted to the subsistence and traveling under the following circumstances:

- 2.8.3.1 If they are office based and travels outside their permanent office base;
- 2.8.3.2 Employees who do not participate in the Travel Allowance Scheme will be permitted to make use of their private vehicles for business purposes and will be reimbursed.

- 2.8.3.3 Employees participating in the Travel Allowance Scheme – Management and Non-Management will not be permitted to make use of an official pool vehicle except:
- 2.8.3.4 In instances where the terrain of an area is of such a condition that a 4x4 vehicle is the only mode of transport that is suitable to drive on such terrain, the claim must be supported by a log book.
- 2.8.3.5 Section 57 employees must make use of their own private vehicles even in instances where the terrain of an area is of such a condition that a 4x4 vehicle is the only mode of transport that is suitable to drive on such terrain.
- 2.8.3.6 Despite clause 2.8.3.3 and 2.8.3.5 above, in the event that more than one employee (including Section 57 employees) is required to travel to the same event, a pool vehicle may be used to transport such employees.
- 2.8.3.7 Traveling expenses will be paid on the basis of the most economical mode of transport, within reason, i.e., if the employee or Councillor needs to make use of air travel but elects to make use of a private vehicle, the lower of the 2 amounts will be paid.
- 2.8.3.8 Full time Councillors e.g. Mayor, Deputy Mayor and Speaker and/or part time councillors who receive a motor vehicle allowance which must not be more than twenty (20%) percent of the annual total remuneration package of a councillor, will not be permitted to make use of an official pool vehicle.
- 2.8.3.9 Official distances travelled may be claimed but must not exceed the applicable tariffs prescribed by the Department of Transport for the use of privately owned vehicles.
- 2.8.3.10 where a Municipal Council makes a vehicle available to a Councillor, other than a Mayor, for the use on official business, the Councillor would not be entitled to the twenty (20%) percent motor vehicle allowance that must be calculated on the annual total remuneration package, however nothing prevents a Councillor from making use of a Council owned vehicle for attendance at a specific function which that councillor has been delegated to attend.
- 2.8.3.11 Councillors or official who do not have vehicles will be paid R2.20 per kilometre travelled.
- 2.8.3.12 A logbook acceptable to the South African Revenue Service (SARS) must be kept recording the official and private kilometres travelled; the travel allowance will be included in the

IRP5 of the councillor for purposes of accounting to SARS. On Income Tax assessment, a councillor must account to SARS for the use of the travel allowance

- 2.8.3.13 As per Section 8(1) (a) all Subsistence and Travel Claims paid above the South African Revenue Travel Rates will be subject to Tax. The rate per kilometre is fixed by the minister of finance is R4.76 as from March 2025.

2.8.4. Incidental expenses such as toll fees, airport and general parking are reclaimable. Receipts / vouchers must be produced in order to claim. These are to be attached to the subsistence and travel Claim Form.

2.8.5. Reimbursement for travel using a private vehicle will be based on the following rates:

- 2.8.5.1 Section 57 employees and managers receiving travel allowance will be compensated for kilometres travelled.

- 2.8.5.2 All managers making use of their own motor vehicle transport, including employees who structured their salary package for car allowances, Section 57 employees and Councillors, will be compensated according to tariffs prescribed by DOT for privately owned vehicles.

2.8.6 The distance to which the reimbursement applies must be the shortest distance between the municipality's offices and the location where the official business is to be transacted.

2.8.7 SUBSISTENCE AND TRAVEL ALLOWANCES FOR PERSONS INVITED FOR INTERVIEWS

No subsistence costs will be paid to any candidate invited for an interview but traveling costs at Department of Transport (DOT) rates for privately owned vehicles per kilometre may be paid if the candidate has to travel more than 50km, return trip, to attend the interview.

2.8.8 Transport to the airport

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

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

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

2.9 Attendance at courses, seminars and conferences

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

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

Transport costs will be treated in the same way as the provisions set out in paragraph 2.8.

2.10 Private telephone calls

Private call will not be paid by the municipality.

2.11 Insurance

Employees and Councillors traveling locally will be insured as follows:

2.11.1. Vehicle hire

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

2.11.2 Personal belongings

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

3. OVERSEAS TRAVEL

3.1 Definition of "overseas"

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

3.2 Approval of application for overseas travel

The approval of the Council must be obtained prior to overseas travel and such approval should include a detailed itinerary specifying the destination(s), accommodation(s), subsistence and incidental expenses and also determine conditions and rates payable.

3.3 Obtaining an advance

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

- 3.3.1 An employee or Councillor requesting an advance must complete the prescribed application and approval form;
- 3.3.2 To purchase traveller's cheques;
- 3.3.3 To purchase foreign exchange;
- 3.3.4 To cover the subsistence and travel expenditure of employees who are not in possession of a personal credit card.

3.3.1 Foreign currency

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

3.4 Proof of expenditure

Please refer to 2.3

3.4.1 Deduction of advance from salary

Please refer to 2.3.1.

3.5 Account settlement

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

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

Courses/training abroad as well as visits on invitation to foreign countries must be approved by Council. Expenses, such as air travel should be paid through the Finance Department.

3.6 Exchange rates for amounts exceeding R50 000.00

Advanced amounts exceeding R50 000.00 in foreign currency payment for subsistence and travel must be arranged through the Finance Department. Advance notice of at least ten (10) working days must be given to the Finance Department. Approval for an amount exceeding R50 000.00 must be obtained from the Council. This payment will also be handled through the municipality's Accounts Payable system according to payment terms on receipt of the original invoices.

3.7 Expenses to be paid by the municipality

Accommodation, Meals, Traveling expenses (taxis, trains, buses, car hire, parking, etc.), Visas, Bank commission, Faxes, Airport tax, Official telephone calls provided a justification is given why the official cell phone or cell phone allowance was not used. Proof of actual expenses is required. The above expenses should be paid by credit card, traveller's cheques or cash. Please refer to paragraph 2.3, for the procedure to be followed.

3.8 Daily allowance

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

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

3.9 Where no proof of expenditure exists

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

3.10 Expenses not to be paid by the municipality

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

- 3.10.1 Gifts for customers/friends/colleagues;
- 3.10.2 Expenses for which no proof can be provided;
- 3.10.3 Tips to the meal bill;
- 3.10.4 Room service at hotel;
- 3.10.5 Movies, videos, other television channels provided by hotel at extra cost;
- 3.10.6 Mini bars;
- 3.10.7 Unforeseen expenditure when it is not for business purposes;
- 3.10.8 Any item of clothing;
- 3.10.9 Dry cleaning (unless trip is longer than 5 days);
- 3.10.10 Payments for excess on personal luggage.

3.11 Private telephone calls

Please refer to 2.10.

3.12 Travel and accommodation arrangements

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

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

3.12.1 Hotel accommodation

All hotel accommodation must be equivalent to a standard three star hotel; this applies to **ALL** employees and Councillors, except the Mayor, the Deputy Mayor, the Accounting Officer and Speaker.

3.12.1.1 Flight credits

Refer to 2.8.1.1.

3.12.3 Transport to the airport

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

3.12.4 Air travel classes

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

POSITION	CLASS
All Councillors and staff officials	Economy Class

3.13 Insurance

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

- 3.13.1.1 Medical;
- 3.13.1.2 Personal liability;
- 3.13.1.3 Cancellation and curtailment;
- 3.13.1.4 Personal accident; and
- 3.13.1.5. Luggage

4. Responsibility for subsistence and travel procedures, formulation and administration

The formulation of the subsistence and travel policy and procedures is the responsibility of the Finance Department.

The Accounting Officer and Heads of Department are responsible for the administration of this policy document.

5: Legal Requirements

In terms of Section 66 of the Municipal Finance Management Act No. 56 of 2003 the Accounting Officer of the municipality must report to the Council, in the format and for the periods prescribed, all expenses relating to staff salaries, allowances and benefits, separately disclosing (inter alia) travel, subsistence and accommodation allowances paid.

6. Scope

This policy is applicable to **DANNHAUSER LOCAL MUNICIPALITY** and all Councillors and officials.

7. Authorisation

- 7.1 For purposes of implementing this policy the following shall apply provided that in all instances the expenses to be occurred are on the approved budget.
- 7.2 Only the Municipal Manager or the delegated Head Of Department as the case may be, may authorise any travel to be undertaken by officials.
- 7.3 Only the Executive Committee may authorise any travel to be undertaken by the Mayor, Deputy Mayor, Speaker and any Councillor. Other than that, the Municipal Manager in consultation with the Mayor may authorise such travel where time is limited to obtain Executive Committee.
- 7.4 An invitation to attend a workshop, meeting or related event is not an automatic authorisation to attend such workshop or event. The required authorisation must still be obtained from the Municipal Manager or Mayor or Executive Committee, as the case may be.

8. EFFECTIVE DATE

- 8.1** This policy shall be effective on the date of approval and adoption by Council and the previous policy on Subsistence and Travelling policy shall be repealed as from the effective date.

9. Legal Requirements

In term of section 66 of the Municipal Finance Management Act No.56 of 2003 , the accounting officer of the municipality must report to the Council, in the format and for the period prescribed, all expenses relating to the officials / Councillors salaries, allowances and benefits, separately disclosing (inter alia) travel, subsistence and accommodation allowances paid.

10. POLICY ADOPTION

This policy has been considered and approved by the Council of **Dannhauser Municipality** on this day..... of 2024 and will be implemented as from 1 July 2024.