

Blouberg Municipality



CHAPTER 20: ADVANCES AND REIMBURSABLE EXPENSES POLICY

1. PREAMBLE

It is essential that representatives of the Municipality from time to time travel outside the normal workplaces to establish and maintain links and relationships with other entities, government bodies, and international institutions operating in the municipal sector to broaden their knowledge and understanding of, and compare local and international experiences. In addition, the Municipality commits to reimbursing resettlement expenses of new staff members joining its ranks from outside the location of Municipality.

2. PURPOSE

The purpose of this policy is to set out the basis for the payment of subsistence and travel expenses for the purposes of business or work-related travelling, as well as to outline provisions for relocation and secondment expenses for staff members and prospective staff members.

3. SCOPE OF APPLICATION

The policy is applicable to all staff members and Councillors of the Municipality.

4. LEGISLATIVE AND POLICY FRAMEWORK

- Constitution of the Republic of South Africa Act, 1996 (Act No. 108 of 1996)
- Municipal Systems Act, 2000 (Act No. 32 of 2000)
- Municipal Structures Act, 1998 (Act No. 117 of 1998)
- Municipal Finance Management Act, 2003 (Act No. 56 of 2003)
- Labour Relations Act, 1995 (Act No. 66 of 1995)
- Employment Equity, 1998 (Act No. 55 of 1998)
- Basic Conditions of Employment Act, 1997 (Act No. 75 of 1997)

- South African Local Government Bargaining Council: Collective Agreements

5. DEFINITIONS

All terminology used in this policy shall bear the same meaning as in the Regulations or applicable legislation, or as defined and / or explained in the Glossary of Terminology in the Human Resources Policies Manual.

6. PROBLEM STATEMENT

Councillors and municipal staff member may be required to travel and attend meetings, conferences or seminars for more than one day away from home.

7. POLICY PROVISIONS

7.1 Subsistence and travel expenses

7.1.1 Responsibilities of managers and staff members on business travel

- (a) Every councillor, manager and staff member who travels on the business of the Municipality shall comply with this policy in letter and in spirit.
- (b) Councillors, managers and staff members who travel on the business of the Municipality shall appreciate, at all times, that they are ambassadors for the Municipality, that their actions, conduct and statements shall be in the best interests of the Municipality, and that they shall comply with any specific mandates they have been given.
- (c) Consistent with the Municipality's performance monitoring and evaluation objectives, the Municipal Manager shall ensure that a database of all councillors, managers and staff members and their business travels is kept.

7.1.2 Entitlement to subsistence and travel benefit

- (a) A councillor, manager or staff member may claim a daily subsistence benefit as provided in this policy with the understanding that all authorised personal expenses are covered by the subsistence benefit.
- (b) The subsistence benefit may be claimed without the councillor, manager or staff member having to furnish proof of expenses.
- (c) Entertainment of external business associates or contacts or clients or potential investors or potential partnerships falls outside the scope of the subsistence benefit, and shall be separately reimbursed, subject to approval, if the relevant councillor, manager or staff member of the Municipality qualifies for an entertainment allowance.

- (d) A councillor, manager or staff member of Municipality may claim his or her subsistence benefit, as provided in this policy, as an advance before embarking on any business trip. The subsistence benefit advance shall, in order to facilitate its timely payment, be claimed at least five working days before the planned trip.
- (e) No subsistence benefit shall be paid and no councillor, manager or staff member shall be entitled to the benefit if the trip or travel is not related to the authorised business of the Municipality. All Municipality business travel shall be approved as such before a councillor, manager or staff member is entitled to a subsistence benefit.
- (f) For the purposes of a subsistence benefit, a councillor, manager or staff member shall mean:
 - (i) Mayor,
 - (ii) Speaker;
 - (iii) Members of Executive Committee;
 - (iv) Other councillors specifically authorised to represent the Municipality on a particular occasion;
 - (v) Municipal Manager;
 - (vi) Heads of Department;
 - (vii) Any other manager or staff member specifically authorised to represent the Municipality on a particular occasion / duty; and
 - (viii) Any official who is member of a recognised professional institution and is granted permission to attend meeting / conference / seminar, etc. of such institution.

7.1.3 Accommodation costs and subsistence benefit

- (a) Councillors, managers or staff members who travel on the Municipality business where the business unavoidably entails one or more nights to be spent away from home may stay in a hotel, motel, guesthouse or bed and breakfast establishment.
- (b) The actual cost of accommodation shall be borne by the Municipality, subject to a maximum set out in the tariffs published by the CFO from time to time, for domestic travel.
- (c) If the cost of accommodation includes, as it often does, the provision of breakfast, a subsistence benefit shall be adjusted accordingly per day in respect of domestic travel. Where breakfast is excluded the subsistence benefit shall also be adjusted accordingly per day.

- (d) If a councillor, manager or staff member stays with a relative or friend, no accommodation benefit may be claimed, but the councillor, manager or staff member may claim the applicable subsistence benefit per day.
- (e) The recoverable cost of accommodation, and subsistence benefit, for international travel shall be as set out in the CFO tariffs, per day.
- (f) Where it is not necessary for overnight stay on any travel on the Municipality business, no accommodation benefit shall be paid, but the applicable subsistence benefit per day may be claimed.
- (g) In the case of both domestic and international travel, the day of departure and the day of return each qualify for a subsistence benefit.
- (h) For purposes of this policy, domestic travel shall mean travel within South Africa, and international travel shall mean travel outside South Africa.

7.1.4 Subsistence allowance for day or part day travel with no overnight stay

If a councillor, manager or staff member travels on the Municipality business for a day or part of a day, a subsistence allowance per day or part of a day is payable. Only one (1) allowance shall be payable per day, irrespective of number of trips undertaken.

7.1.5 Car rental and other travel costs

- (a) Only Group A or B vehicles shall be rented, unless:
 - (i) it is more cost effective to hire a more expensive vehicle (e.g. when number of councillors, managers or staff members involved justify the hire of a micro-bus); or
 - (ii) the Municipal Manager, or Mayor where applicable, authorises a different yet suitable group for the road conditions.
- (b) Vehicle rental shall be approved as part of the travel package before the trip is embarked on.
- (c) A councillor, manager or staff member who rents a vehicle whilst travelling on the Municipality business without receiving prior authorisation shall only be reimbursed for the cost of the vehicle rental if proof of expenditure and demonstration of necessity can be produced.

- (d) Bookings for all domestic and international air travel shall be made through a travel agent duly procured by the Municipality.
- (e) Class of air tickets / travel shall be as follows:
 - (i) Southern Africa destinations: - always economy class.
 - (ii) All other international flights: - economy class. Business class shall only be used when specifically, authorised by Council, / EXCO, Municipal Manager or his / her duly authorised delegate.
- (f) If a councillor, manager or staff member has to utilise his or her personal motor vehicle for business travel, he or she shall be reimbursed at the Minister of Finance (National Treasury), or Automobile Association (AA) rates per kilometre for a specific type of vehicle applicable at any given time. The choice of either rates published by Minister of Finance or the AA shall be made by the Council on recommendations of the CFO each year. The shortest distance to the area where business is done shall be reimbursed.
- (g) If the total number of kilometres for which such reimbursement is received exceeds the CFO's prescribed limit in any tax year, reimbursement for excess kilometres shall be taxed for PAYE purposes.
- (h) All travel between the councillor's, manager's or staff member's place of residence and the office where the councillor, manager or staff member normally reports for duty shall be for the account of the councillor, manager or staff member. Except for drivers of the Political Office bearers (i.e. the Mayor and Speaker)
- (i) All travel within the town or area where the councillor, manager or staff member normally report for duty shall be for the account of the councillor, manager or staff member.
- (j) All travelling done outside the perimeters of the town where the councillor, manager or staff member normally report for duty shall be claimable, provided that the travelling was approved by the Head of Department.
- (k) Where possible, councillors, managers or staff members shall travel together, up to a maximum of four in a vehicle, to minimise travelling expenses.

7.1.6 Subsistence and travel benefits for persons invited for interviews

No subsistence expenses will be paid to any candidate invited for an interview.

7.1.7 Authorisation

- (a) Only the Municipal Manager shall authorise any travel to be undertaken by Heads of Department, provided the expenses to be incurred are on the approved budget of the relevant Department.
- (b) Only a Head of Department or his/her duly authorised delegate shall authorise any travel to be undertaken by staff members in his/ her department, provided the expenses to be incurred are on the approved budget for the relevant Department.
- (c) Only the Mayor or Council, as the case may be, shall authorise any travel to be undertaken by the Speaker, any councillor, or the Municipal Manager, provided the expenses to be incurred are on the approved budget of the Municipality.
- (d) The Mayor shall approve his or her own travel on the Municipal business, provided the expenses to be incurred are on the approved budget of the Municipality.
- (e) An invitation to attend a workshop, meeting or related event is not an automatic authorisation to attend such workshop or event. The required authorisation shall still be obtained from the Municipal Manager, or Mayor, or Council.
- (f) The Municipal Manager shall approve all conferences attendance for all councillors in consultation with the Mayor and the Speaker. All Conferences of municipal staff shall be approved by the Municipal Manager.
- (g) The Municipality delegates or representatives to any conference, workshop or meeting shall ensure that they arrive on time and attend until the conclusion of such event. If any representative fails to do so, the Head of Department, or Municipal Manager, or EXCO, or Mayor, or Council, as the case may be, may recover all benefits and disbursements paid to enable such delegate or representative to attend such event, provided that such delegate or representative is afforded the opportunity to submit reasons for not being able to be present from the commencement to conclusion of such event.

7.1.8 Legal requirements

The Municipal Manager shall report to the Council, in a format and for the periods prescribed, all expenses relating to travel, subsistence and accommodation benefits paid.

7.1.9 Tariffs

- (a) The CFO, in consultation with the HRM Unit, shall determine tariffs from time to time based on the consumer price index (CPIX), and inform all members of the Council and staff members through all means of communication available in the Municipality.

- (b) The tariffs shall cover the following, with tax rates where applicable:
- (i) Class of air travel;
 - (ii) Air travel insurance;
 - (iii) Travel visa / official passport;
 - (iv) Public transport fees abroad;
 - (v) Rating of accommodation establishments (local and abroad);
 - (vi) Other specified expenses abroad (e.g. mineral water, exchange rate losses, medication, etc.);
 - (vii) Travel agent's fees;
 - (viii) Vehicles with drivers;
 - (ix) Insurance (vehicles, personal belongings, etc);
 - (x) Breakfast;
 - (xi) Dinner;
 - (xii) Lunch;
 - (xiii) Parking and toll fees; and
 - (xiv) Daily subsistence benefit rates without receipts.

7.1.10 Claims procedure

The CFO shall publish and distribute all various self-explanatory forms to be used in requesting subsistence benefit advances or claiming reimbursable expenses under this policy.

7.2 Relocation / Resettlement Expenses

7.2.1 Removal Expenses

- (a) The Municipality shall reimburse, subject to prior approval by the Municipal Manager, new appointees for the lowest of the three quotations for removal of furniture and household items.
- (b) This reimbursement is subject to, among other things, an appointee residing at the time of appointment outside a 20km radius of the Municipality head office / workplace.

- (c) The removal expenses shall be claimed within six (6) months after commencement of duties.

7.2.2 Internal Appointments

When a staff member of the Municipality voluntarily and at his / her own accord applies for a position within the Municipality and is successful in a position warranting travelling and moving to a different location within the boundaries of the municipality, such travelling, and removal costs shall be at the Municipality's cost.

7.2.3 Internal Transfer, Secondment or Temporary Assignment

- (a) Should the Municipality transfer a staff member for operational reasons to another location outside the 20km radius of the head office / workplace, and such post warranting travelling and moving to another area, the Municipality shall bear the full costs of travelling and removal subject to submission of the lowest quotation of the three (3).
- (b) In case of secondments or temporary assignments, the relocation or removal cost shall include return trips between the primary and secondary home residences. These costs shall also include, where applicable:
 - (i) Storage of household items not remaining at the primary home residence, and not taken along to the secondary location during the temporary assignment.
 - (ii) Daily living allowance, based on the actual costs of furnished accommodation at the secondary location, and the actual cost of utilities (water, electricity, levies, etc.). The daily living allowance shall not be paid where the manager or staff member relocates their primary home residence to the temporary assignment location or does not maintain the primary home residence.
 - (iii) Shipment of a maximum of one vehicle to the secondary location.
 - (iv) Transportation in terms of the travel policy.
 - (v) Normal application of the subsistence benefit.

7.2.4 Voluntary Internal Transfer

When a staff member voluntarily requests the Municipality to relocate to another area within the Municipality, even when no vacant position exists, such cost shall be at the staff member's own cost.

7.2.5 Exclusions

Apart from secondments and temporary assignments, the Municipality shall not be responsible for expenses associated with storage of the appointee's household items and insurance. This shall be the responsibility of the manager or staff member.

7.2.6 Staff member Obligations

Should any newly appointed manager or staff member whose travel and removal expenses have been covered by the Municipality leave within a period of less than twelve (12) calendar months, the total amount of travel and removal expenses shall be recovered from that manager or staff member by the Municipality.

7.2.7 Interim Accommodation

- (a) The Municipality shall provide interim accommodation and cover one (1) month's actual costs thereof, subject to prior approval by the Municipal Manager, for a new appointee.
- (b) The staff member shall cover own costs should they elect to use the interim accommodation beyond the one (1) month.

7.3 Roles and responsibilities

7.3.1 The Municipal Manager or his / her delegated assignee(s) accept overall responsibility for the implementation and monitoring of the policy.

7.3.2 The financial implications related to implementing this policy shall be qualified and quantified by Human Resource Management in consultation with the Chief Financial Officer.

8. POLICY MONITORING AND EVALUATION

- 8.1** This policy shall be implemented and effective once recommended by the Local Labour Forum and approved by Council.
- 8.2** Non-compliance to the stipulations contained in this policy shall be regarded as breach of Code of Conduct, which shall be dealt with in terms of the Code of Conduct.
- 8.3** Head of Corporate Services shall carry out the monitoring and evaluation of the policy's implementation.

9. POLICY APPROVAL

This policy was formulated by HR Management in consultation with the Local Labour Forum.

Authorised by Municipal Manager:

Signature:

 Date: 30/07/2024

**Recommended by Portfolio Committee
on Corporate Services:**

Signature:

 Date: 30/07/2024

Approved by Municipal Council:

Signature:

 Date: 30/07/2024