

BLOUBERG LOCAL MUNICIPALITY



CAR ALLOWANCE POLICY

1. Purpose

The Purpose of this policy is to regulate the granting of Car allowance to the employee of Blouberg Local Municipality.

2. Scope

This policy apply to the following employees:

- a) Municipal Manager**
- b) Councilors**
- c) Managers**
- d) Officers**
- e) Other employee based on the nature of their duties**

3. Objectives

- a) To regulate payment of car allowance to Blouberg Local Municipality employees, who have to travel in the execution of official duties
- b) To establish uniform directives, procedures, conditions and limitations according to which the car allowance can be paid
- c) To establish procedures and condition under which employees can use their private vehicles in the execution of the official duties

4. POLICY STATEMENT

This document details Blouberg Local Municipality's policy and procedure regarding car allowance. The policy applies to all categories of staff employed by Blouberg Local Municipality as outlined. Variations to the policy may be considered in special circumstances, but all variations require the prior approval of the Council

5. Acronyms

BLM: Blouberg Local Municipality

6. Legislative Framework

- a) Municipal Finance Management Act, 56 of 2003
- b) Basic Conditions of Employment Act, 75 of 1997
- c) Municipal Systems Act, 32 of 2000
- d) Municipal Structure Act, 117 of 1998
- e) Labour Relations Act, 66 of 1995
- f) Employment Equity Act, 55 of 1998
- g) RSA Constitution Act, 108 of 1996
- h) SALGBC Salary & Wage Collective Agreement

7. Definitions

- a) **Car allowance:** Fixed amount which is paid monthly to employees
- b) **Running Costs:** Maintenance and fuel costs
- c) **Basic Salary:** payment made to an employee excluding benefits
- d) **Private transport:** an employee's own transport requested for official duties

All terminology in this policy bear meaning as in applicable legislation

8. Allocation of Car and Travel Allowance

- a) The allocation of car allowance to employees is mainly informed by the functions and duties that they perform and must be recommended by the employees's immediate supervisor. However the following positions shall automatically qualify for the allowances:
 - Municipal Manager and Section 57 Managers
 - Divisional Managers
- b) The Municipal Manager and Section 57 Managers and contract employees have the latitude of structuring their motor vehicle allowance as a condition of their employment contracts.
- c) An employee may be considered for an allowance provided that the departmental manager for that employee will, based on the functions and duties of an employee, submit motivation for the allocation of the car allowance for the concerned employee.

- d) The application should further be recommended by the Municipal Manager or his/her delegate based on the inherent job requirements.
- e) Allocation of car allowance to employee may be reviewed if the duties of that position change.
- f) All employees allocated a car allowance must have the vehicle on which a car allowance is paid, available for the execution of official duties at all times. Other officials transport will not be made available to such incumbents.
- g) Add the following clause Officials receiving car allowances must consistently declare ownership of the vehicles utilised.
- h) All head of Department must ensure that adequate budgetary provision are made for all post that qualify for an allowance during the budgetary process.

5. Payment of Ad-Hoc travel allowances

- a) This refers to allowances paid monthly to incumbents of posts not linked to the car allowance scheme but that are remunerated in accordance with predetermined distances. This calculation basis also refers to employees not appointed in positions linked to the car allowance scheme but who are required from time to time to undertake official ad-hoc trips with private transport.
- b) Ad-hoc claims are paid upon submission of relevant claim forms, certified as correct by the relevant departmental manager.
- c) The calculation and payment of ad-hoc travel allowance will be the same as the one applicable to other officials entitled to a car allowance.

6. Termination of car allowance

- a) If the employee is demoted or transferred based on act of misconduct, the municipality will give such employee six months written notice for the termination of the allowance.
- b) The municipality will terminate the travel allowance on termination of service by the employee.

7. Conditions

- a) An employee will be allowed to claim if they travel outside the jurisdiction of the Municipality from the office.
- b) All claims for official trips must be supported by a Pre-Trip Authorization Form, which shall be submitted as travel claims are presented.

- c) The applicable running cost tariff in terms of the Department of Transport Schedules will be paid with regard to official trips travelled mentioned in 6(a), and as per the official claim form submitted.
- d) All claims shall be duly certified by the relevant departmental manager, before submission. The Municipal Manager will certify claims for the Senior Managers.

8. Payment in respect of a fixed car allowance

- This payment refers to the fixed amount which is paid monthly to incumbents of position mentioned in paragraph level one, two and three on the council's schedules of service.
- Payment of car allowance for financial year 2018/2019 are as follows and will increase annual as per SALGA wage and salary annual increase collective agreement.

Levels	Positions	Amount
0	Municipal Manager	N/A
1	Senior Managers	N/A
2	Managers	R 14697.94
3	Officers	R 12 730.82
Others	Supervisors and operational Officials	R 10 778.49

9. Adjustment of travel allowance

The allowance will be adjusted annually in line SALGA wage and salary annual increase collective agreement.

10. Payment of travel allowance claims/tariffs

- a) The travel allowance tariff will be based on the Department of Transport scheduled of travel tariff.
- b) The calculation for travel allowance is automatically adjusted and amended in the accordance with the Department of Transport scheduled published from time to time.

11. Financing

- a) Employee are expected to arrange for the financing of private vehicle at a financial institution of their choice.
- b) The municipality may negotiate with financial institution to grant preferential rates to employees but utilising the services of such financial institution is however not compulsory by an employee.

12. Choice of vehicle and purchase price

The decision about the choice of a vehicle, which the employee prefer to use in the daily execution of work activities, rests with the employee, with the understanding that the type of vehicle shall comply with the purpose and requirement for the execution of the employee's official duties.

13. Formalities, which have to be met when allocating the car allowance

Prior to the granting of a car allowance the following formalities have to be met:

The following documents must be submitted to HR division before an allowance can be paid:

- Certified copy driver's licence.
- Certified copy of vehicle registration certificate
- Proof of ownership

14. Date of effect

This policy comes into effect on the date of approval by council.

15. Implementation of this Policy

The implementation of this policy to all qualifying employees is subject to the approval of Municipal Manager and availability of funds.

16. Monitoring

For purposes of expenditure monitoring, the finance division shall monthly submit an expenditure report to Exco to determine whether the municipality does sustain the policy.

ENDORSEMENT

The Policy shall come into effect on the date of endorsement and shall cease only in the event where changes / variations has been signed by the Accounting Officer. Changes resulting from change in legislation or any mandatory order will have automatic effect.

Signature:	
Initials and Surname:	
Designation:	
Council Resolution Number:	
Council Date:	