

FINANCIAL SERVICES POLICIES

SUBSISTENCE & TRAVEL POLICY



BREED VALLEY
MUNICIPALITY • MUNISIPALITEIT • UMASIPALA

*Approved by Council
May 2025
Implementation date:
1 July 2025*

2025/2026 FINANCIAL YEAR

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1. DEFINITIONS AND ABBREVIATIONS:

| Abbreviation | Meaning |
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| “Accounting Officer” | The person appointed by the Council as Municipal Manager in terms of section 82 of the Municipal Structures Act, 1998 (Act 117 of 1998) 54A of the Municipal Systems Act, 2000 (Act 32 of 2000) and as defined in the Municipal Finance Management Act, 2003 (Act 56 of 2003) , including any person acting in that position or to whom authority is delegated. |
| “BVM” | Breede Valley Municipality |
| “Candidate” | A person invited for an interview |
| “Chief Financial Officer” | The person appointed in terms of section 80(2)(a) of the MFMA and includes any person acting in that position or to whom authority is delegated. |
| “Council” | The municipal council, as referred to in section 157 of the Constitution of the Republic of South Africa, 1996; and section 18 (3) of the Municipal Structures Act, 1998 (Act 117 of 1998) |
| “Councillor” | A member of the Breede Valley Municipal Council. |
| “Chauffeur” | A chauffeur is a person employed to drive a passenger motor vehicle, especially a luxury vehicle such as a large sedan or limousine. This function excludes people who drives public transport facilities, i.e.; taxi's, Uber; etc. |
| “Executive Management Team” | Officials appointed in terms of Section 82 of the Local Government Structures Act, 1998 (Act 117 of 1998) (Structures Act) section 54A and section 56 of the Local Government Municipal Systems Act, 2000 (Act 32 of 2000). |
| “Executive Mayor” | The Executive Mayor of the Breede Valley Municipality elected in terms of section 55 of Municipal Structures Act, 1998 (Act 117 of 1998). |
| “Director” | An official appointed by the Council in terms of section 56 of the Municipal Systems Act, 2000 (Act 32 of 2000) to head a Directorate of the municipality |
| “Daily allowance” | An amount (R397) per day granted or advanced to a Councillor and / or an Official for cost related to meals and other incidental cost for each day or part of a day in a period during which a councillor and / or an official is absent from his / her usual place of residence for official business, as determined annual by the South African Revenue Services (SARS) for purpose of Section 8 (1) of the Income Tax Act, 1962 (Act No. 58 of 1962) |

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| “Host” | The person or institution who has extended an invitation to the BVM to delegate a councillor and / or Official to attend an event, which is regarded as official business. |
| “International travel” | Travelling outside the border of the Republic of South Africa. |
| “Domestic travel” | Travel within the border of the Republic of South Africa. |
| “Fruitless and wasteful expenditure” | Expenditure that was made in vain would have been avoided had reasonable care been exercised. |
| “Irregular expenditure” means- | <ul style="list-style-type: none"> a) expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of the Local Government Municipal Finance Management Act, 2003 (Act No. 56 of 2003) and which has not been condoned in terms of Section 170 of that Act; b) expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of Local Government: Municipal System Act, 2000 (Act No. 32 of 2000) and which has not been condoned in terms of that Act; c) expenditure incurred by a municipality in contravention of, or that is not in accordance with, a requirement of the Public Office-Bearers Act, 1998 (Act No. 20 of 1998); or d) expenditure incurred by a municipality or municipal entity in contravention of, or that it is not in accordance with, a requirement of the supply chain management policy of the municipality or entity or any of the municipality's by-law giving effect to such policy, and which has not been condoned in terms of such policy or by-law. <p>but excluded expenditure by a municipality which falls within the definition of “unauthorised expenditure.”</p> |
| “Incidental cost” | Cost to a traveller for expenditure making provision for beverages, newspapers, snacks but exclude alcohol or other non-business expenditure. The standard daily rate current SARS rates of R122/day will apply , as determined annual annually by the South African Revenue Services (SARS) for purpose of Section 8 (1) of the Income Tax Act, 1962 (Act No. 58 of 1962) . |
| “Local travel” | Travel within the area of jurisdiction of the BVM from the normal place of work or residence. (As determined by the demarcation act) |
| “MFMA” | Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003); |

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| “NT” | National Treasury. |
| “Official business” | Purposes of this Policy shall mean the attendance by councillors and / or Officials to congresses, conferences, seminars, training, meetings, workshops, etc. related to the official business of the BVM, subject thereto that such attendance has been duly authorized in terms of the BVM's System of Delegations (as amended from time to time); |
| “Partial sponsored trip” | Where a donor or third party sponsors a portion of the total cost. (For the purposes of this policy such proportion of the total cost of the trip to be included in the application forms). |
| “SARS” | South African Revenue Service; |
| “SCM” | Supply Chain Management. |
| “SCM Policy” | BVM's Supply Chain Management Policy adopted by Council in terms of Section 111 of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA); |
| “SCM Regulations” | Municipal Supply Chain Management Regulations promulgated in terms of local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA); |
| “Subsistence allowance” | A subsistence allowance is an amount of money paid by the municipality to a traveller for expenditure incurred in respect of personal subsistence and incidental costs (for example refreshments, snacks, drinks and newspapers but excludes any personal recreation, such as visits to a cinema, theatre or nightclubs or sight-seeing. |
| “Transportation expenses” | Include trips during official BVM business by vehicle, taxi, boat, helicopter, train, tram and aeroplane and any other means, and shall include travel with a personally owned vehicle. |
| “Traveller” | Any councillor or official travelling away from his or her normal place of domicile and employment on the official business of the Breede Valley Municipality |
| “Travel Allowance” | A travel allowance is any amount paid to an employee in respect of travelling expenses for business purpose. |
| “Unauthorized expenditure” | Any expenditure incurred by a municipality otherwise than in accordance with Section 15 or 11(3) of the MFMA, and includes a) overspending of the total amount appropriated in the municipality's approved budget; b) overspending of the total amount appropriated for the line item in the approved budget; c) expenditure from a line item unrelated to the department or functional area covered by the line item; |

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| | <p>d) expenditure of money appropriated for a specific purpose, otherwise than for that specific purpose;</p> <p>e) Spending of an allocation referred to in paragraph (b), (c) or (d) of the definition of “allocation” otherwise than in accordance with any condition of the allocation.</p> |
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2. OBJECTIVE OF THE POLICY

The purpose or objective of this policy is to:

- 2.1 regulate local, domestic and international travel with regard to official business by Councillors and / or Officials on behalf of the BVM.
- 2.2 Set out the conditions for official business.
- 2.3 Clarify the various related processes and responsibilities.
- 2.4 Ensure that municipal employees and Councillors adhere to procedures when arranging for travel, lodging, meals and other expenses;
- 2.5 Ensure that municipal employees and Councillors are reimbursed for reasonable expenses incurred for travel, conferences, meetings and meals as a result of conducting authorized municipal business;
- 2.6 Ensure that payments made by the municipality are for the actual and necessary expenses incurred for municipal business; and
- 2.7 Ensure that municipal employees and Councillors will receive reimbursements in a timely manner.
- 2.8 Ensure that Breede Valley Municipality gives effect to 217 of the Constitution, being an effective and efficient administration, applicable to substance and travel expenditure.

3. LEGISLATIVE FRAMEWORK

This policy is developed and guided by the following legislation applicable to officials **and councillors**:

- 3.1 Municipal Finance Management Act, 2003 (Act No. 56 of 2003)
- 3.2 ~~South African Local Government Association (SALGA)~~
- 3.2 Remuneration of Public Office Bearers Act, 1998 (Act No. 20 of 1998)
- 3.3 Income Tax Act, 1962 (Act No. 58 of 1962).
- 3.4 The Constitution of South Africa (Act No 5 of 1998 as amended)
- 3.4 ~~MFMA Circular 82 of National Treasury (2016)~~

Section 62(1)(a) of the Municipal Finance Management Act No. 56 of 2003 (MFMA) stipulates that the accounting officer of a municipality is responsible for managing the financial administration of a municipality and must for this purpose take all reasonable steps to ensure that the resources of the municipality are used effectively, efficiently and economically. Section 62 of the MFMA (2003), which gave effect to the MFMA Circular 82. Adherence to Circular 82 will be given as far as to applicable practicalities and efficiencies applies, with specific given adherence to related accommodation and travel contracts concluded by NT.

This Policy must be read in conjunction with any of the Municipality's approved related policies, practices and standard operating procedures addressing specific issues essential for a full understanding of this Policy and which are not dealt with adequately herein.

3.2 The legislative framework applicable to councillors:

3.2.1 Section 219(1)(b) of the Constitution of the Republic of South Africa, 1996, stipulates that an Act of Parliament must establish a framework for determining the Upper Limits of salaries, allowances or benefits of members of municipal councils of the different categories.

3.2.2 The Remuneration of Public Office Bearers Act, No 20 of 1998 gives effect to Section 219(1)(b) by providing a framework for determining salaries of Political Office Bearers, including members of municipal councils.

3.2.3 In terms of Section 7 (1), 8(5)(a) and 9(5)(a) of the Remuneration of Public Office Bearers Act, the Minister must determine the Upper Limits of the salaries, allowances and benefits of the different members of Municipal Councils by notice in the Government Gazette (hereafter referred to as the "Upper Limits").

3.2.4 The Upper Limits are published annually and deal with the following:

- I. Grading of municipalities for purposes of determining the remuneration scales;
- II. Upper Limits of annual total remuneration packages of full-time and part-time Councillors;
- III. Upper Limits of allowances of full-time and part-time Councillors;
- IV. Upper Limits of remuneration or allowances in respect of appointed Councillors;
- V. Upper Limits of cell phone allowances of Councillors; and

~~VI. Upper Limits of pension fund contributions and medical aid benefits of Councillors.~~

~~3.2.5 The salary and allowances of Councillors are determined by the Council by resolution of a supporting vote of a majority of its members, in consultation with the Minister for Local Government in the province concerned, having regard to the Upper Limits, the financial year of the Council and the affordability of the Municipality to pay within the different levels of remuneration as determined.~~

~~3.2.6 Section 167 of the Local Government: Municipal Finance Management Act, No 56 of 2003 (MFMA) has a major impact on the remuneration of Councillors. It stipulates that Councillors **may only** be remunerated within the framework of the Remuneration of Public Office Bearers Act and Section 219(4) of the Constitution. It declares that any payment, whether in cash or kind, made **outside** this framework would be regarded as an irregular expense.~~

~~3.2.7 The travel allowance is defined in Section 8(1)(b) of the Income Tax Act, No 58 of 1962, as any allowance paid or advance given in respect of travelling expenses for **business purposes**, which is included in the taxable income of any person for any year of tax assessment.~~

~~3.2.8 Section 8(1)(b) of the Income Tax Act further deems any allowance or advance in respect of travelling expenses not to have been expended on business travelling to the extent that it has been spent on private traveling.~~

4. SCOPE OF APPLICATION

4.1 This Policy is applicable to –

4.1.1 all councillors of the Breede Valley Municipality, and

4.1.2 all officials of the Breede Valley Municipality, travelling on official business and as such are formal travellers of the Breede Valley Municipality.

4.2 This policy shall be applicable on Councillors in so far as it is not contradictory with Remuneration of Public Office Bearers Act, 1998 (Act No. 20 of 1998) and Regulations promulgated in terms of the said Act.

4.3 This policy shall be applicable to all officials designated to attend to official business of the BVM as well as to Officials involved in processes regard to the execution of this policy.

4.4 The procurement of goods and services requires in the execution of this policy shall be in strict compliance with the provisions of the MFMA, the SCM Regulations promulgated in terms of the Act and the SCM Policy of BVM.

4.5 The following expenses shall explicitly not be covered by the BVM –

- 4.5.1 Any expenses covered by a host extending an invitation.
- 4.5.2 Alcoholic beverages.
- 4.5.3 Expenses of a personal nature, such as private telephone calls and entertainment.
- 4.5.4 In incidents where cost is incurred in entertaining external business associates, contacts, clients or potential investors or clients.
- 4.5.5 Where the official/councillor received an entertainment allowance, the cost must be claimed against the entertainment allowance; and
- 4.5.6 All expenses shall fall outside the scope of this policy.
- 4.5.7 Expenses for business purposes, accommodated with personal / non-business expenses, needs to be covered by the official/ councillor, if the expenses is higher that is recommended by SARS or provided for in this policy.
- 4.5.8 Subsistence and travel for applicants for employment interviews must be done through the Supply Chain Management Process.

5. AUTHORISATION/DELEGATIONS, ROLES AND RESPONSIBILITIES

5.1 Delegations: For purposes of implementing this policy:

5.1.1 **Only the Municipal Manager** may authorize any travel to be undertaken by Directors, provided the expenses to be incurred are on the approved budget of the relevant department.

5.1.2 **Only the Executive Mayor** may authorize any travel to be undertaken by Councillors and the Municipal Manager, provided the expenses to be incurred be on the approved budget of the municipality.

5.1.3 **Only Directors** may authorize any travel to be undertaken by employees in the respective Directorate, provided the expenses to be incurred are on the approved budget of the municipality.

5.2 Roles and Responsibilities:

5.2.1 Authorization as per paragraph 5.1.1, 5.1.2 and 5.1.3, or as by the delegation's policy of BVM, and must be **obtained prior to an occasion by any traveller** who travels on the business of the Breede Valley Municipality.

5.2.2 An invitation to attend a workshop, meeting or related event is not an automatic authorization to attend such workshop or event. The required authorization must still be obtained from the Municipal Manager or Executive Mayor or Director (or as per sub-delegation), in writing, as the case may be.

5.2.3 **The responsibility of submitting accurate claims with all supporting documentation** in accordance with this policy and prescribed submission periods, as established by the SCM unit, remains with **the traveller (official/councillor)** and may only be deviated upon authorisation of the Municipal Manager in writing, prior to travelling and attached with submission documentation.

5.2.4 **Non-compliance to the administration process will result in application rejection** from the Expenditure department, which may delay substance and travel payments or travel arrangements.

5.2.5 **Payments according to this policy will be the responsibility of the Expenditure Department** (Supply Chain Management) and will reflect on the payslips of officials/councillors on a month-to-month basis, except on deviations, authorised by the municipal manager.

6. COUNCIL/OFFICIAL DELEGATES

Municipal delegates or travellers to any conference, workshop or meeting must ensure that they arrive on time and attend until the conclusion of such event. If any traveller fails to do so, the Executive Mayor, the Municipal Manager or Director, as the case may be, may recover all allowances and disbursements paid to enable such delegate or traveller to attend such event, provided that such delegate or traveller is afforded the opportunity to submit reasons for not being able to be present from the commencement to conclusion of such event.

7. EXCEPTIONAL PROCESSES.

7.1 Accommodation, flights and vehicle rental arrangements will be based on the most cost-effective option in relation to the proximity of the venue, traffic, availability and other cost factors. Due to impracticality, the stipulations of the Supply Chain Policy may be disregarded in this matter, based on compliance to before-mentioned most cost-effective considerations. These arrangements should be pre-authorised by the Municipal Manager/Executive Mayor or sub-delegated official/councillor.

7.2 In the event of payments made by officials for traveling and accommodation, refunds will only be made on condition that the expense was pre-approved in accordance with the stipulations of this policy and that all aspects of this policy have been complied with.

7.3 Deviations from this policy with reference to thresholds and applicable tariffs may only be motivated by the relevant Director to the Municipal Manager prior to implementation of claims applicable.

8. AUTHORITY

Any deviation from this policy for whatsoever reason must be authorized by the **Municipal Manager.**

9. INTERNATIONAL AND SPECIAL TRAVEL:

9.1 Use of airlines:

9.1.1 For domestic trips both major and low-cost airlines may be utilised.

9.1.2 For international trips all major airlines may be utilised.

9.1.3 Preference will be given to airlines, which operate direct flights between Cape Town and the destination.

9.1.4 For special trips requiring the use of helicopters or chartered aircrafts, special authorisation by the Executive Mayor or Municipal Manager or their delegated nominees is required.

9.1.5 In all cases, the most economical airfare shall be paid for all members of the Council and for officials of the municipality who travel by air abroad and within the boundaries of South Africa to the airport closest to the authorised destination, plus the relevant first class rail, motor coach or boat fare, or any reasonable combination thereof necessary to complete the journey to the said

destination; provided that, in the case of all members of the Council and all Municipal officials, where there are:

- 9.1.5.1 Time constraints and/or when economy class flights are not available, business class may be authorised by the Executive Mayor or Municipal Manager or their nominees.
- 9.1.5.2 Physical and /or medical reasons (supported by the submission of a letter from a registered medical practitioner) why a member of council or an official may not travel in economy class, the Executive Mayor or Municipal Manager or their nominees may authorise travel by means of business class.
- 9.1.5.3 Where the accommodation of Councillors and / or Officials to which an allowance relates is outside the Republic of South Africa and the allowance is either granted or paid to defray the cost of incidental expenses and meals, a special daily allowance in accordance with the amount determined by the Commissioner for the South African Revenue Services, may be claimed.
- 9.1.5.4 Where part of the meals (e.g. breakfast included in the accommodation expenses) is paid by the BVM, the special daily allowance could be reduced by the relevant director, municipal manager or executive mayor and applies to local or domestic travel.

9.2 Use of international travel, subsistence and accommodation

9.2.1 When traveling in countries other than in South Africa on specially authorised Municipal business, the expenses actually incurred for accommodation and official transport will be payable.

9.2.2 The daily subsistence allowance is to cover all meals, transport for private use and other incidental costs, this subsistence allowance for international travel will be in accordance with SARS Foreign Travel 1.1 List of Daily Maximum amount per Country, as amended by SARS from time to time.

9.2.3 No additional claim in respect of such costs will therefore be paid, except for entertainment by Councillors or the Executive Management Team, of official guests, clients, potential clients, investors or potential investors, which is to be dealt with as “entertainment allowance” claims.

10. USE OF VEHICLES:

The most economical feasible approach of transport as determined by the discretion of the BVM shall be explored.

10.1 Hired Vehicles:

10.1.1 Shall be applied for, quantified and paid for by the Municipality.

10.1.2 May only be obtained when the employee and / or Councillor is on official municipal business and other modes of transport are not available, too costly or impractical.

10.1.3 Requires prior approval from the responsible official for employees, directors and the executive mayor / speaker for councillors.

10.1.4 Only travellers with a valid South African driver's licence may hire vehicles; where the traveller who hires a vehicle, is not in possession of such licence, he or she may be held personally liable for all damages and may be subject to disciplinary action by Council; the responsibility and related costs of obtaining an international driving permit, where required, rests with the traveller.

10.1.5 Only "B" or lower category vehicles may be rented, unless it is more cost-effective to hire a more expensive vehicle, for example, when the number of representatives involved could justify the hire of a micro-bus, for groups of 5 (five) or more travellers. The latter to be approved in advance by the Executive Mayor, Municipal Manager or relevant director.

10.1.6 For physically handicapped travellers who are only able to drive a particular type of vehicle and those in possession of a driver's license restricted to automatic vehicles: the most suitable vehicle.

10.1.7 Chauffeur driven vehicles may not be used. Employees and / or Councillors who are unable to drive must utilize either a shuttle service or another mode of public transport.

10.1.8 Where it has been found that an official and or a councillor incurred damage to a vehicle hired or a BVM fleet vehicle, caused as an effect of negligence by the relevant driver, the official and or councillor may be kept accountable for the Insurance claim for damages as determined by BVM,

10.1.9 All traffic fines for hired vehicles, Breede Valley Municipality fleet vehicles or private owned vehicles, used during official business- or after hours, will be accounted for by the relevant official or councillor ~~and be deducted from~~

~~their salary after opportunity of appeal has been granted to the~~ **that the fine be transferred to the** relevant driver. The fine/s will be transferred to the relevant driver of the vehicle, responsible for the fine.

10.2 Private Vehicles:

10.2.1 The **boundaries of the Breede Valley Municipality** shall be used to determine payment for travel outside such boundaries by means of private transport for officials who are in receipt of a fixed transportation allowance, or where such an allowance has been factored into the total cost of employment package of the official concerned. In such cases, only the applicable cost per kilometre will be paid as updated from time to time. Should the destination of the trip be outside the boundaries of the Municipality, the distance for the cost per kilometre will be measured from place of residence or place of work, whichever is the nearest to the place of the approved event.

10.2.2 Employees in receipt of a **fixed transportation allowance**, travelling on official municipal business within the boundaries of the Breede Valley Municipality but outside a radius of 50 km from their normal place of work, will be reimbursed (~~according to running cost formulae~~ **applicable by The Department of Transport**) for such travelling, and calculated from their normal place of work.

10.2.3 Those employees who are **not in receipt of a travel allowance** shall be reimbursed according to the latest prescribed SARS km tariff (currently R4.84 /km (from 1 March 2024), with a maximum of 12000km), calculated from their place of work or residence, whichever is the nearest to the place of the approved event (annually by SARS guidelines)

10.2.4 Those employees who are in receipt of an **Essential User Transportation** - Allowance shall be reimbursed in accordance with the applicable Scheme.

10.2.5 **Councillors using private transport** outside the boundaries of the Breede Valley Municipality will be reimbursed according to the guidelines issued by the relevant National Department as updated from time to time (Department of Transport).

10.2.6 A traveller who uses private transport shall be paid the lower of the following two options:

10.2.6.1 Cash equivalent of the avoided air ticket cost, which would have been paid in the event of air travel being the most economical and practical means of transport; or

10.2.6.2 Actual cost per kilometre as determined according to the rate applicable to the traveller, on condition that such person may not claim subsistence costs and or leave for a longer period than would have been applicable in the case of air travel. Additional leave needs to be applied for in such cases.

10.2.7 A claim submitted by a councillor or a municipal official, when travelling outside the municipal area of the Breede Valley with private transport on official municipal affairs, will be considered for reimbursement, subject to the following conditions:

10.2.7.1 that the trip is for an **approved** official event.

10.2.7.2 that **no other municipal transport was available** to officials not in receipt of a transportation allowance at the time of the travel, as confirmed with the Executive Mayor, relevant Director or Municipal Manager;

10.2.7.3 that the use of **private transport is pre-approved** by the Mayor, relevant Director or Municipal Manager.

10.2.8 Should four or less persons be delegated to attend the same occasion only one vehicle may be used and travelling costs will be payable for one vehicle only. Should a delegation consist of five to eight persons the travelling costs for an additional vehicle shall be payable if a second vehicle is used. The ~~most senior person's vehicle shall be used for travelling, ensuring the most cost effective application~~ **most cost effective forms of transportation should be used when more than one employee's needs to travel together.**

11. DOMESTIC TRAVEL SUBSISTENCE AND ACCOMMODATION:

When travelling to a destination outside the boundaries of the Breede Valley Municipality in circumstances requiring absence from the office for longer than 24 hours, the following may be utilised and claimed: (the time of departure from residence

or office up until the time of arrival back at residence or office shall be used for purposes of calculating the length of absence):

Domestic travel claims are applicable from the place of residence (primary residence, from where the official/ councillor travel daily to work and back) or workplace, whichever is the closest to the agreed venue.

Non-officials will be re-imbursed according to the department of transport rates.

11.1 Accommodation:

11.1.1 Travellers who travel on the business of the municipality, where the business unavoidably entails one (1) or more nights to be spent away from home, may stay in a hotel, motel, guesthouse or bed and breakfast establishment.

a) Where employees attend approved events, inclusive of meetings, one or more nights to be spent away from home will only be allowed in instances where the distance to the venue exceeds 250 kilometres (one direction).

b) Any deviation from paragraph (a) must be motivated in writing by the employee and must be approved in writing by the Municipal Manager, prior to the date of departure, based on valid reasons.

11.1.2 The actual cost of accommodation will be borne by the municipality, subject to a maximum of 4-star rating for the accommodation itself in respect of domestic travel. Where such accommodation is available, the rate for a single room will be payable (preference should be given to pre-arranged agreements as per MFMA circular 82 when practical and/or cost effective).

11.1.3 If no such accommodation is available, higher rating accommodation can be used subject to the prior written approval of the municipal manager, relevant director or the executive mayor, as applicable.

11.1.4 If a traveller stays with a relative or friend, no ~~accommodation allowance~~ **cost** may be claimed, but the traveller may claim a subsistence allowance per day as per this policy of **R750**.

11.1.5 The location of the **booked** accommodation **as per sub clause 11.1.1 of this policy** should not be more than 20 km radius from the venue of the event, unless prior written approval is obtained from the Municipal Manager, CFO or

Executive Mayor or as delegated **authority** (excluding private accommodation referred to the sub clause 11.1.4).

11.1. 6 The selection of accommodation may be judged on availability, location, suitability, safety, cost effectiveness, efficiency etc., which can be seen as a deviation from this policy but should be subject to acceptance of the motivation by the relevant director/councillor to the Municipal Manager/Executive Mayor or sub-delegation.

11.2 Subsistence Allowance and Meals:

11.2.1 Entitlement to a subsistence allowance may be claimed by officials/councillors against their monthly income, provided that the claim is submitted within the time frames set by SCM, and shall be deemed to have been actually expended to defray the expenses indicated:

11.2.1.1 A traveller may claim a daily subsistence allowance as provided for in this policy with the understanding that all authorized personal expenses are covered by the subsistence allowance. No further expenses, ~~with the exception of~~ **except for** certain business expenses, may be claimed.

11.2.1.2 A daily subsistence allowance will only be applicable where:

- i) official business unavoidably entails **one or more nights to be spent away from home**, a subsistence allowance as amended by SARS from time to time (currently **R548 per day**) will apply in respect of domestic travel; or
- (ii) Where the traveller will be on official business for a **period exceeding 8 hours, without being away from home for one or more nights**, an allowance as amended by SARS from time to time (currently **R169** per day) will apply in respect of domestic travel;
- (iii) No daily subsistence allowance will be payable to representatives that will be attending courses, training or meetings where lunch will be provided, but without being away from home for one or more nights.

11.2.1.3 A traveller of the municipality must obtain approval for his or her subsistence allowance, as provided for in this policy, before embarking on any official trip.

11.2.1.4 No subsistence allowance will be paid, and no traveller will be entitled to a subsistence allowance, if the trip or travel is not related to the official

business of the municipality. All travel on business of the municipality must be approved as such before a traveller is entitled to a subsistence allowance.

11.2.1.5 Claims for meals for official entertainment of guests by councillors and the executive management team are to be dealt with as claims against the relevant “entertainment allowance” provision of the relevant cost centre.

12. MISCELLANEOUS EXPENSES

Items that may be considered for approval, where expenditure is incurred within the boundaries of the Republic of South Africa during a period of absence is as follows: -

12.1 Parking / Bus fares: Subject to proof of payment being provided;

12.2 Toll fees: Subject to proof of payment being provided;

12.3 Taxi fare: Subject to proof of payment being provided.

12.4 Other travel – related expenses:

12.4.1 Passport and visa expenses

12.4.2 Medical Costs: The following shall be applicable concerning medical cost incurred during official business:

12.4.2.1 International travel

The BVM shall bear the cost of medical insurance required by international countries prior to arrival at the country of destination, but will not be liable for additional medical expenses not covered by the period that a Councillor and / or Official is away from home on a trip relating to official business;

12.4.2.2.1 Local and domestic travel

Where medical cost may be due to an injury on duty, officials will be covered by the applicable provision of the Compensation for Occupational Injuries and Diseases Act, 1993 (Act No.130 of 1993) as well as the short term insurance policy (group accident benefits) of the BVM.

The BVM shall bear the cost of medical insurance in terms of the short term insurance policy (stated benefits) of the BVM for medical expenses incurred by Councillors due to an injury during official business.

12.5 Subsistence and travelling costs to be paid only to panel members to attend an interview, will be payable in accordance with the non-taxable rate as yearly prescribed by SARS

12.6 No substance- or travel allowance and accommodation expenses will be paid on behalf of interviewed candidates, unless condoned by the municipal manager.

12.7 Registration and attendance fees.

13. GENERAL MATTERS

13.1 All official business travels must contribute to the BVM's business of developing, obtaining or transferring of knowledge or to communicate promote or administer the BVM's interests.

13.2 The object of travelling for purposes of official business is to justify the cost and thus all official business travel and related cost must be properly motivated (in writing with supporting documentation).

13.3 The object of reimbursement for official business related expenses is to cover reasonable expenses incurred as a result of attending to official's business on behalf of the BVM.

13.4 All official business travel must be planned thoroughly to ensure that it is executed in the most efficient and economic manner.

13.5 This policy is positioned within context of the South African Revenue Service (SARS) definition, regulation and maximum rates that can be paid with regard to subsistence and travel without incurring tax liability, as determined annually by the Minister of Finance in respect of the applicable year of assessment.

13.6 The contents of this policy will not be regarded as conditions of employment but as a re-imbursement for travelling and subsistence expenditure incurred or deemed to be incurred for the attendance of events for official purposes.

13.7 Claims are only payable if sufficient provision is made for it on the budget.

13.8 Any claim containing false information could lead to disciplinary steps being instituted and payments thus made may be recovered from any money payable by the municipality to the person who submitted the claim.

13.9 All efforts should be made to minimize the costs for the municipality i.e. by travelling together in one vehicle, minimizing overnight stay where possible, etc.

13.10 A claim for subsistence and travelling cannot be made at the municipality as well as another institution for attending the same event. Such action shall lead to disciplinary action.

14. GIFTS AND PROMOTIONAL GOODS

14.1 Where appropriate, the traveller may give or receive gifts in accordance with this policy.

14.2 The gifts in question shall be provided by the municipality, through the appropriate department.

14.3 Suitable promotional and marketing products shall be supplied, on request, by the appropriate department of the Municipality.

14.4 Where gift of any nature have been received from a prospective provider of goods and services according to paragraph 47 of the SCM regulation (MFMA) by any official or counsellor it needs to be declared to the SCM unit promptly, but does not apply to any gift received less than R350.

15 TRAVEL AND SUBSISTENCE ALLOWANCE CLAIM FORM

The official Travel and Subsistence Allowance claim form, as prescribed by Chief Financial Officer must be used with regard to Travel and Subsistence Allowance applications. Sufficient documentation must be attached to the application for the trip e.g., official invitation, agenda or programme, itinerary, details of sponsor and amount, etc. Non-compliance to the above may cause rejection of the application by the expenditure department and cause delays.

16 IMPLEMENTATION AND REVIEW PROCESS

This policy will come into effect on **1 July 2025**

This policy will be reviewed annually or when required by way of a Council resolution.

17 SHORT TITLE:

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| This policy shall be called the Travel and Subsistence Policy of the Breede Valley Municipality. POLICY SECTION: | ACCOUNTABLE OFFICIAL: MANAGER: EXPENDITURE AND LOGISTICS |
| CURRENT UPDATE | |
| PREVIOUS REVIEW | |
| PREVIOUS REVIEW | |
| PREVIOUS REVIEW | |
| PREVIOUS REVIEW | |
| PREVIOUS REVIEW | |
| APPROVAL BY COUNCIL | |
| APPROVAL BY EXECUTIVE MAYOR: | |