

LEKWA LOCAL MUNICIPALITY BUDGET RELATED POLICY



FINAL - SUBSISTENCE AND
TRAVEL ALLOWANCE
POLICY
2026/2027

1. INTRODUCTION

- 1.1. It is essential that representatives of the municipality from time to time travel to other cities and towns in order to:
 - Establish and maintain links and relationships with other municipalities, government bodies, and other parties, institutions and organizations operating in the sphere of local government. It is important for representatives to broaden their knowledge and understanding of and compare local experiences in local government transformation, innovation and change in the rest of the country, and this can effectively be done only through the medium of personal contact with a wide range of local government stakeholders; and
 - Attend seminars, work related workshops, committee meetings with a direct influence on the Council's activities.
- 1.2. Any changes to this policy, as required from time to time, shall be presented and motivated to Council by the Municipal Manager

2. BACKGROUND

3. The purpose of this policy is to:
 - Set out the basis for the payment of a travel and subsistence allowance for the purposes of such official travelling;
 - Ensure that all travel and subsistence costs incurred by the municipality are incurred in an efficient and effective manner; and
 - Ensure that officials, councillors and other role players are remunerated fairly and equitably for costs incurred while travelling in the execution of duties for and on behalf of the municipality

4. DEFINITIONS

For the purpose of this policy the following words will have meanings as indicated:

- 4.1. **“Council”** means the Council of the Local Municipality of Lekwa and **“Councillor”** means a Councillor elected to serve on the Council.
- 4.2. **“Lekwa Municipality boundaries”** means the area determined by National Demarcation Board for the municipality are known as MP305 Lekwa.
- 4.3. **“Delegate”** means any Councillor or any official that received permission to attend an official visit as contemplated in section 2 of the policy;
- 4.4. **“Official visit”** means the attendance of meetings, seminars, workshops, training courses or any other event that a delegate attends in his/her official capacity for which prior approval has been obtained and includes the attendance of meetings of institutes by Councillors and/or officials that have been selected to serve on the management structures of the institute. Official visits shall also mean attendance of conferences, workshops etc. organized by political parties attended by Councillors in their capacity as Political Office bearers (i.e Executive Mayor, Speaker and Party Whips)
- 4.5. **“Vehicle allowance scheme”** means the vehicle allowance scheme determined by SALGA and approved by Council.
- 4.6. **“Negotiated transport allowance”** means the allowance negotiated by incumbents employed as Municipal Manager and other managers on a fixed term performance contract.
- 4.7. **“Fixed transport allowance”** means the allowance intended for incumbents whom their posts require the incumbents to receive a monthly vehicle allowance as a prerequisite. In other words, the allowance is seen as an additional income and a customary right or privilege applicable to incumbents in these posts.
- 4.8. **“Fixed average journey distance per month”** means the distance in kilometres on which a monthly transport was based.

- 4.9. **“Ad hoc transport allowance”** means the allowance payable to any official not receiving either a fixed, running or negotiated travelling allowance, but who are requested to use private transport in the execution of his/her duties.

5. AUTHORISATION

For purposes of implementing this policy:

- 5.1. Only the Municipal Manager or his delegate may authorize any travel to be undertaken by officials, or payments to be made for persons invited for interviews, but provided the expenses to be incurred are on the approved budget of the relevant department and sufficient funds are available.
- 5.2. Only the Executive Mayor/ Speaker (in consultation with the Municipal Manager) or in his absence the Municipal Manager or his delegate, may authorize any travel to be undertaken by any councillor, but provided the expenses to be incurred are on the approved budget of the municipality and sufficient funds are available. For administrative purposes the official Travel and Subsistence claim form will be authorized by the Municipal Manager.
- 5.3. The Executive Mayor shall authorize any travel undertaken by the Municipal Manager or his delegate shall authorize any travel undertaken by the Executive Mayor or in the absence of either the Chief Financial Officer shall authorize any travel undertaken, provided the expenses to be incurred are on the approved budget of the municipality and sufficient funds are available.
- 5.4. An invitation to attend a workshop, meeting, function, and cultural, sporting or related events is not automatic authorization to attend such workshop, function or event. The required authorization must still be obtained
- 5.5. Council delegates or representatives to any conference, workshop or meeting must ensure that they arrive on time and attend until the conclusion of such event. If any representative fails to do so, the Municipal Manager, or the Municipal Manager’s delegate, as the case may be, must recover all allowances 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
- 5.6. The Executive Mayor and Speaker will be allowed to travel at their discretion provided that the amount budgeted for travel and subsistence is not exceeded.

6. RESPONSIBILITIES OF REPRESENTATIVES WHO TRAVEL ON BUSINESS OF THE MUNICIPALITY

- 6.1. Every representative who travels on business of the municipality must comply with this policy in letter and in spirit.
- 6.2. Representatives who travel on business of the municipality must appreciate, at all times, that they are ambassadors for the municipality, that their actions, conduct and statements must be in the best interest of the municipality, and that they must comply with any specific mandates they have been given.
- 6.3. Consistent with the municipality’s performance monitoring and evaluation objectives, the Expenditure Manager will align with the Manager: Skills and Development to ensure that a database of all representatives and officials training is kept.

7. SUBSISTENCE AND TRAVEL ALLOWANCE

7.1. A subsistence and travel allowance is an amount of money paid by the Municipality to a delegate to cover the following expenses:

- meals (including reasonable gratuities).
- incidentals such as refreshments, snacks, drinks and newspapers; and
- all business-related travel.

7.2. A subsistence allowance does not cover any personal recreation, such as visits to a cinema, theatre, or nightclubs or sightseeing, or alcoholic beverages.

8. ENTITLEMENT TO A SUBSISTENCE AND TRAVEL ALLOWANCE

8.1. A delegate may claim a daily subsistence allowance as provided in this policy with the understanding that all authorised personal expenses are covered by the subsistence allowance. No further expenses, with the exception of certain business expenses.

8.2. The subsistence allowance may be claimed without the delegate having to furnish proof of expenses.

8.3. Entertainment of external business associates or contacts or clients fall outside the scope of the subsistence allowance and will be separately reimbursed (subject to prior approval where applicable). If a delegate of the Municipality has an entertainment allowance, this entertainment of external business associates or contacts or other parties must be claimed against the entertainment allowance.

8.4. A delegate of the Municipality must claim his or her subsistence allowance as provided in this policy before embarking on any official trip. The subsistence allowance must, in order to facilitate its timeous payment, be claimed at least three working days before the planned trip.

8.5. For the purposes of subsistence allowance, a delegate shall mean:

- Executive Mayor
- Speaker
- members of the Executive Committee
- other Councillors specifically authorised to represent the Municipality on a particular occasion:
- Municipal Manager;
- Heads of Departments;
- any other official specifically authorised to represent the Municipality on a particular occasion.

9. CLAIM PROCEDURES

The following procedures are to be followed in order for all travel and subsistence claims:

9.1. The official travel and subsistence claim form of the municipality must be completed by the claimant.

9.2. The necessary supporting documentation (invitation, agenda, attendance register , proof of attendance ,etc.) must be attached to the claim form.

9.3. The claim form must be approved by the necessary HOD and signed by the Municipal Manager or his delegate.

9.4. The completed and approved claim form must then be submitted to the Finance Department for payment.

9.5. It is the duty of each claimant to ensure that his/her claim reaches the Finance Department timeously.

9.6. Claim forms that have not been completed correctly (all relevant fields completed, documentation attached or approved by HOD and Municipal Manager or his delegate) cannot be processed and will be returned to the relevant claimant.

10. ACCOMMODATION COSTS AND SUBSISTENCE ALLOWANCE

- 10.1. Delegates who travel on the business of the Municipality, where the business unavoidably entails one or more nights to be spent away from home, may stay in a hotel or guesthouse
- 10.2. If an Official or Councillor is away from his workplace longer than 5 hours, delegated to attend meeting, seminar, workshop, conference or have to work outside the area of Lekwa Local Municipality they will be entitled to incidental cost allowance of ~~R169.00~~ R184.00 (SARS rates) (Day or Night).
- 10.3. If a delegate is required to stay overnight in a hotel, motel, guest house or bed and breakfast establishment, the actual cost of accommodation will be borne by the municipality, subject to the following maximum amounts per overnight stay:
- Executive Mayor R3000
 - All Councillors: R 2500
 - All officials: R2000
- 10.3. If a delegate stays with a relative ,friend or organise they own accommodation an amount of R 800 (all-inclusive will be paid)
- 10.4. In order to qualify for a subsistence allowance, the employee must be required to spend at least one night away from his usual place of residence.
- 10.5. If the distance of the venue is 200 km or less from Lekwa Municipality and the event commences at 09h00 or later, such representative should leave in the morning of the date of such event.
- 10.6. Travel claims must include proof of attendance, such as an attendance register and brief report detailing the purpose of travel.
- 10.7. Travel reimbursement will be based on the kilometres travelled to the venue, verified through Google Maps.

11. TRAVELLING AND SUBSISTENCE ALLOWANCE FOR CANDIDATES INVITED FOR INTERVIEWS

- 11.1. For successful candidates, accommodation can only be paid for HOD for a period of a month after new appointment.

12. OVERSEES VISITS

- 12.1. A schedule of rates for travelling outside the South Africa per county, is published on the SARS website.
- 12.2. In the case of international travel, the day of departure from South African and the day of return to South Africa each qualify for subsistence allowance.
- 12.3. For purposes of this policy, domestic travel shall mean travel within South Africa and the SADC countries, and international travel shall mean travel to any country other than South Africa and the SADC countries.
- 12.4. Delegates intending to travel to any SADC country may request the Speaker, as the case may be, to approve a higher accommodation and subsistence allowance if the delegate can motivate such an increase in the light of prevailing exchange rates in such country or countries.

13. CAR RENTAL AND OTHER TRAVEL COSTS

- 13.1. Only “A” or “B” category vehicles may be rented, unless it is more cost-effective to hire a more expensive vehicle (for example when the number of delegates involved could justify the hire of a micro-bus).
- 13.2. Car rental must be approved as part of the travel package before the trip is embarked on. A delegate who rents a vehicle whilst travelling on the business of the Municipality without having received prior authorisation will only be reimbursed for the cost of the vehicle rental if proof of expenditure can be produced and the delegate can demonstrate that vehicle rental was reasonably but unexpectedly necessitated by the circumstances.
- 13.3. All flights by delegates of the Municipality shall be in economy class, unless another class of travel is specifically authorised by the Speaker or Municipal Manager, as the case may be.

14. OFFICIALS WITH FIXED TRAVELING ALLOWANCE.

14.1. Transport allowance payable to officials receiving a monthly vehicle allowance:

14.1.1. Officials (excluding section 57) receiving travelling allowance

- If an Official, who receives a travelling allowance and officials on packages utilize his/her personal motor vehicle outside the boundaries demarcated for the Lekwa Local Municipality he/she will be reimbursed at per kilometer for the distance to and from such destination based on the running cost.
- ~~Officials receiving a travelling allowance (kilometre Reimbursement) will be reimbursed to a limit of R10 000 for journeys either inside or outside the Lekwa boundaries.~~
- ~~Officials receiving a fixed transport allowance or transport expenses incurred by him or her for all destinations undertaken outside Lekwa can only be reimbursed R2.30e per kilometre.~~
- Officials receiving a fixed transport allowance or transport expenses incurred by him or her for all destinations undertaken outside Lekwa can only be reimbursed R2.30e R4.95 as per SARS Rate

14.1.2. If an Official, who do not receives a travelling allowance utilize his/her personal motor vehicle outside the boundaries demarcated for the Lekwa Municipality he/she will be reimbursed at per kilometre for the distance to and from such destination based SARS rates (R4,95)

14.1.3. Section 57 Managers will be paid according to the tariffs determined by the Department of Transport from time to time for use of privately owned vehicles for official visits outside the Lekwa Municipal Boundaries

14.2. Any official receiving either a fixed or running transport allowance may claim transport expenses if he or she has to use his or her vehicle for journeys, outside the boundaries of the Local Municipality of Lekwa, regardless of the number of kilometres already travelled by an employee within the boundaries of the Local Municipality of Lekwa. A completed transport and subsistence claim form must be submitted to the Chief Financial Officer for payment after approval by both his Executive Manager and the Municipal Manager.

14.3. TRANSPORT COSTS PAYABLE TO COUNCILLORS

~~14.3.1.~~ Any allowance or transport costs payable to Councillors will be subject to the regulations pertaining to the remuneration of public office bearers as promulgated by the Provincial Department of Local Government in terms of the Public Office Bearers Act, 1998 (Act 20 of 1998) as amended from time to time, ~~and~~ will be paid according to SARS Rate of R4.95 ~~the~~

~~tariffs determined by the Department of Transport from time to time for use of privately-owned vehicles for official visits outside the Lekwa Municipal Boundaries.~~

- 14.4. Where possible delegates must travel together, up to a maximum of four in a vehicle, to minimise travelling expenses.

15. SUBSISTENCE AND TRAVEL ALLOWANCES TO ATTEND WORKSHOPS AND CONFERENCES

- 15.1. 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 the Speaker, as the case may be.
- 15.2. Council delegates to any conference, workshop or meeting must ensure that they arrive on time and attend until the conclusion of such event. If any delegate fails to do so, the Speaker or the Municipal Manager, as the case may be, may recover all allowances and disbursements paid to enable such delegate to attend such event, provided that such delegate is afforded the opportunity to submit reasons for not being able to be present from the commencement to conclusion of such event.
- 15.3. Council delegates are required to report back and to submit any documentation to the Speaker or Municipal Manager regarding the meeting, workshop, conference, etc.

15.4. ORDER MUST BE ISSUED FOR ACCOMMODATION BEFORE TRAVELING

16. LEGAL REQUIREMENT

In terms of Section 66 of the Municipal Finance Management Act 2003 (Act 56 of 2003) the Accounting Officer (Municipal Manager) 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.

17. GENERAL

- 17.1. If circumstances necessitate a delegate to incur additional expenses for which provision is not made in this policy, such as toll fees, parking fees, etc. the delegate may claim compensation for such expenses on the submission of documentary proof thereof, provided that the Executive Manager/CFO/Municipal Manager in case of an official or the Speaker/ Executive Mayor in the case of a Councillor, is of the opinion that such expenditure was justifiable.
- 17.2. The flat rate mentioned in paragraph 4 and 5 will be revised annually by the Chief Financial Officer in consultation with the Municipal Manager during the compilation of the budget.
- 17.3. Prior approval for all journeys undertaken outside Lekwa Municipality boundaries must be obtained from the Municipal Manager, who will evaluate the necessity of the journey, regardless of the post level of the official involved.
- 17.4. The Municipal Manager in consultation with the Chief Financial Officer, will be entitled, in any case where a dispute arises, to make a final decision regarding the mode of transport to be used on the most cost-effective option for Council, i.e. road versus air transport.
- 17.5. All previous policies on travelling and subsistence allowances accepted by Council as well as all previous Council Resolutions, in this regard will be rescinded from the date of the Council Resolution adopting this policy as the Council's only policy on travelling and subsistence allowances for Councillors and officials. This policy can therefore only be amended by a resolution of Council.
- 17.6. The amounts mentioned in 4 and 5 are subject to determination by the South African Revenue Services from time to time.
- 17.7. If more than one delegate attends a specific official occasion, they should insofar as possibly travel with one vehicle and only the owner of the vehicle will be legible to receive reimbursement for travelling costs in terms of this policy

- 17.8. Should delegates be dependent on conveyance (such as car rental) during their visits, such conveyance costs will be recoverable. (Car rentals must be based upon the most economical rates including full insurance).
- 17.9. Airfares will be paid at economic class tariffs and will be payable to the Travel Agency making the reservations.
- 17.10. The day allowance as described in paragraph 6 is intended for the financing of personal expenses not provided for in this policy, and no documentary proof for the expenditure thereof is required.
- 17.11. An invitation to attend a workshop, meeting, conference, training or related event is not an automatic authorization to attend such a workshop or event. The required authorization must be obtained from the Executive Mayor, Municipal Manager or the Director as indicated above. Relevance and value for money should be key considerations.