

MODIMOLLE- MOOKGOPHONG LOCAL MUNICIPALITY



TRAVELLING ALLOWANCE POLICY FOR THE FINANCIAL YEAR 2024/2025

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1. PREAMBLE

This document details Modimolle-Mookgophong Municipality's policy and procedures regarding Car Allowance. The Policy applies to all categories of staff employed by Modimolle-Mookgophong Municipality as outlined below. Variations to the policy may be considered in special circumstances, but all variations require the prior approval of the Council.

2. PURPOSE

The aim of this policy is to regulate the granting of Travelling and subsistence allowance to the employees of Modimolle-Mookgophong local municipality

3. OBJECTIVES

- 3.1 To regulate payment of travel allowances to Modimolle-Mookgophong Local employees who have to travel in the execution of official duties
- 3.2 To establish uniform directives, procedures, conditions and limitations according to which the Travelling allowance can be paid
- 3.3 To establish procedures and conditions under which employees can use their private vehicles in the execution of the official duties.

4. LEGISLATIVE FRAMEWORK

- 4.1 Municipal Systems Act,
- 4.2 Municipal Structures Act
- 4.3 Basic Conditions of Employment Act
- 4.4 Labour Relations Act,
- 4.5 Employment Equity Act
- 4.6 Delegations of Power

5. DEFINITIONS

- 5.1. **“Travelling allowance”** fixed amount which is paid monthly to employees.
- 5.2. **“Running costs”** maintenance and fuel costs
- 5.3. **“Private transport”** an employee's own transport requested for official duties
- 5.4. **“Adhoc allowance”** is a temporary allowance for reimbursement of kilometers travelled by private vehicle

All terminology in this policy shall bear meaning as in applicable legislation

6. SCOPE OF APPLICATION

This policy shall apply to the following employees:

- 6.1 Municipal Manager
- 6.2 Fixed term Contract employees
- 6.3 Directors
- 6.4 Managers (Level T16)
- 6.5 All other employees who have been approved Travel Allowance
- 6.6 All stakeholders listed on item number 24 below

7. ALLOCATION OF TRAVELLING ALLOWANCE

7.1 The allocation of travelling allowances to employees is mainly informed by the functions and duties that they perform. However, the following positions shall automatically qualify for the allowances:

- The Municipal Manager and Directors as per the remuneration package breakdown or nature of their employment contract;
- Managers as travelling allowance is a benefit and not a working tool;
- All Traffic Officers who are already receiving travelling allowance which is regarded as personal to holder;

7.2 Travelling allowance paid to all other officials is regarded as a working tool and not a benefit;

7.3 The Municipal Manager, Section 57 Managers and all fixed term contract employees who qualify have the latitude of structuring their motor vehicle allowance as a condition of their employment contracts.

7.4 Composition of Travelling Allowance Committee

The Committee will be responsible for the adjudication of the applications of travelling allowance from employees and also to assist the Director Corporate services with the review of this policy as well as making recommendation for the approval.

The Committee shall consist of the following:

- a) Director Corporate as chairperson;
- b) Manager Legal;
- c) Manager Human Resources;

- d) Area Managers;
- e) Chief Risk officer;
- f) Director or Manager of the applicant;
- g) Chief Audit Executive
- h) Organizational Development Officer (HR)

7.5 Procedure for application and allocation of travel allowance is as follows:

7.5.1 An employee in need of travel allowance must initiate the application for travelling allowance to the responsible Manager in writing;

7.5.2 Upon receipt of the application/memo from the applicant, the Manager must either motivate or demotivate the application through a memo citing reasons to the Director of the department within seven working days of receipt of the application;

7.5.3 Upon receipt of the application/memo from the Manager, the Director of the department must indicate whether s/he accept or reject the recommendation of the Manager in writing and submit it to the Travelling Allowance Committee within seven working days for final recommendation to the Municipal Manager.

7.5.4 The Travelling Allowance Committee must process and finalize the application within fourteen days of receipt and make a final recommendation to the Accounting Officer to approval.

7.5.5 Should the committee needs clarity from either the Manager or Director, they will request such audience and it must be granted within seven days of such request;

7.5.6 Upon receipt of the recommendation from the Travelling Allowance Committee, the Accounting Officer may approve or reject formally recommendation, the Committee or sixty percentages (60%) of the committee must avail themselves to such request within seven days for the meeting to be valid.

7.5.7 Determination of travelling allowance amount is dealt with on paragraph 10.5 below

7.5.8 The Accounting Officer is prohibited and therefore not authorized to approve travelling allowance of an application and/or employee without or/and against the recommendation of the Travel Allowance Committee.

- 7.5.9 Should such decision or approval be taken by the Accounting Officer without following the above mentioned process including the Travelling Allowance Committee's recommendation, such decision shall be deemed null and void and be subjected to financial misconducted as per chapter twelve of the MFMA and the decision must be reversed as the process was not followed.
- 7.6 Allocation of travelling allowance of other employees must be reviewed if the duties of that position change.
- 7.7 ~~Senior Managers~~ Directors, Managers and all employees allocated Travelling allowance must have the vehicle on which a travel allowance is paid, available for the execution of official duties at all times. All officials receiving travelling allowance mentioned above will not be allowed to use municipal vehicle.
- 7.8 All ~~Senior Managers~~ Directors must ensure that adequate budgetary provisions are made for all posts that qualify for an allowance during the budgetary process.

8. PAYMENT AND CALCULATION OF AD HOC TRAVEL ALLOWANCES

- 8.1 Ad hoc allowances are remunerated in accordance with pre-determined tariffs according to Department Transport Circular. (No fixed allowance will be paid to ADHOC allowance beneficiaries)
- 8.1.1. Employees travelling with privately owned vehicles will be reimbursed for official kilometers travelled on the applicable rate limited to a maximum of 2500cc vehicle within or outside the Modimolle-Mookgophong Municipality.
- 8.1.2. Log sheets must be kept and submitted with a completed transport and subsistence claim form to the Expenditure Division subjected to the necessary approval.
- 8.1.3 It is the responsibility of the employees to submit log sheets to SARS for tax compliance.
- 8.1.4 This calculation basis also refers to employees not appointed in positions linked to the travel allowance scheme but who are required from time to time to undertake official ad-hoc trips with private transport.

- 8.1.5 Private vehicles should only be used when official transport is not available or where it will be more cost-effective for the employee to use his/her private vehicle. However, these trips must be limited to absolute essential trips only and official transport should be used as far as possible.
- 8.1.6 All running costs for Adhoc travelling will be reimbursed whether within or outside the jurisdiction of Modimolle-Mookgophong Municipality.
- 8.1.7 Official trips must be pre-approved by the relevant ~~Manager~~ Director and Municipal Manager.
- 8.1.8 Travel between residence and work will not be compensated;
- 8.1.9 Adhoc travelling allowance should not be granted for a period which exceed (3) three calendar months as it is a temporary arrangement.
- 8.1.10 The municipality will give such employee one month written notice for the termination of the Adhoc travelling allowance.

9. TERMINATION OF A FIXED TRAVELLING ALLOWANCE

- 9.1 If an employee, who is an incumbent of a position linked to the travel allowance, is transferred by the municipality to another position not linked to a travel allowance and such transfer was not requested by the employee, it will be a personal to incumbent until such position become vacant.
- 9.2 Should an employee, who is occupying an allowance bearing position request a transfer to another position not bearing any travelling allowance shall not be payable from the date of transfer.
- 9.3 Should the Municipality decide to withdraw an employee's travelling allowance for reasons other than those set, the Municipality must after consultation with such an employee, give 6 months written notice of the withdrawal of the travelling allowance.
- 9.4 Payment of the allowance will be terminated immediately if the employee decides to dispose of the vehicle for which travelling allowance was received.

- 9.5 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.

10. DETERMINATION FOR TRAVELLING ALLOWANCE BEARING POSTS

Eligible employees for transport allowances will be paid in terms of a percentage of Annual salary as determined below:

- 10.1 Municipal Manager to structure from within own total package at own discretion but within the prescripts of the law;
- 10.2 Director to structure from within own total package at own discretion but within the prescripts of the law;
- 10.3 Fixed term Contract employees to structure from within own total package at own discretion but within the prescripts of the law;
- 10.4 Managers – 3,2 percentage of their annual salary as a benefit;
- 10.5 All other employees receiving Travel Allowance – 2.7 percentage of their annual salary as a working tool
- ~~10.6 All new Traffic Officers appointed with effect from 1 July 2021 will be allocated with branded Municipal vehicles.~~

11. DETERMINATION OF THE TRAVELLING ALLOWANCE FOR NEW APPLICATIONS

- 11.1 The procedure for the determination of the new application of travelling allowance is described on paragraph seven above and must be complied with fully before approval can be granted.
- 11.2 Failure to comply with paragraph seven of this policy above is tantamount to financial misconduct and must be referred to the Financial Misconduct Board and dealt with as such

12. THE PAYMENT OF TRAVELLING ALLOWANCE MONTHLY TO VARIOUS INCUMBENTS IS HOWEVER SUBJECT TO THE FOLLOWING CONDITIONS:

- a. That no official transport is provided to such incumbents;
- b. Trips between residence and work are not compensated;
- c. That all other requirements contained in this policy are complied with.

13. PAYMENT OF TRAVEL ALLOWANCE

- 13.1 The travel allowances of all bargaining council employees shall be determined based on the annual salary of employees and not of the purchase price of the vehicle
- 13.2 3.2% of annual salary will be paid to managers of annual salary and 2.7% of annual salary for all other staff members .
- 13.3 The travel allowances shall be adjusted annually as the annual salary increases due to the normal SALGA annual increase for all employees, with the exception of the Municipal Manager, Section 57 Managers and fixed term contract employees who have the latitude of structuring their motor vehicle allowance.

14. REIMBURSED FOR OFFICIAL TRIPS TRAVELLED

Kilometers will only be reimbursed for official trips travelled outside Modimolle-Mookgophong boundaries with the approval of the relevant Director and Municipal Manager.

15. FINANCING

- 15.1 Employees are expected to arrange for the financing of private vehicles at a financial institution of their choice.

16. CHOICE OF VEHICLE AND PURCHASE PRICE

- 16.1 The decision about the choice of a vehicle, which the employee prefers 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 requirements for the execution of the employee's official duties.

17. FORMALITIES, WHICH HAVE TO BE MET WHEN ALLOCATING CAR ALLOWANCE

- 17.1 The following documents must be submitted to HR division before an allowance can be paid:
- a) Certified copy driver's license.
 - b) Certified copy of vehicle registration certificate.
 - c) Purchasing contract of vehicle

- d) Recommendation letter/memo by the Travel Allowance Committee together with the Approval letter/memo from the Accounting Officer

18. EFFECTIVE DATE

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

19. RECORD KEEPING

All minutes and documents are kept on the employee's personal file.

20. DISPUTE RESOLUTION

In the event of any dispute as to the application of this policy the dispute shall be determined in accordance with applicable labour legislation and specifically the Labour Relations Act, 1995 (Act 66 of 1995) and the Councils conditions of employment.

21. IMPLEMENTATION AND MONITORING

This policy will be implemented and effective once approved by Municipal Council.

22. COMMUNICATION

This policy will be communicated to all Municipal employees using the full range of communication methods available to the municipality.

23. BUDGET AND RESOURCES

The employer shall provide the necessary resources for the Implementation of this Policy.

24. PENALTIES

Non-compliance of any of the stipulations contained in this policy will be viewed as financial misconduct as provided in chapter twelve of the MFMA.

25. REVIEW

This policy will be reviewed and amended on an annual basis or each time any Act or Conditions of Service or other agreements deem it

necessary. All proposed amendments will serve before Management Meeting for recommendations and the Council for approval.

26. STAKEHOLDERS

Consulted Local Labour Forum
Consulted Corporate Portfolio Committee
Travelling Allowance Committee
Municipal Manager recommends
EXCO recommend

27. AUTHORITY

Council Approval: Item -----

Date: Special Council Meeting -----