



MOGALE CITY LOCAL MUNICIPALITY

# **DRAFT TRAVELLING POLICY**

## **2026/2027**

## DOCUMENT MANAGEMENT

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## 1. ABBREVIATIONS AND DEFINITIONS

### 1.1. Abbreviations

ABBREVIATION	ACRONYM
AASA	Automobile Association of South Africa
CSS	
HCM	Human Capital Management
R & HCA	Recruitment & Human Capital Administration
MCLM	Mogale City Local Municipality
MM	Municipal Manager
KM	Kilometer
SARS	South African Revenue Services
SASRIA	South African Special Risk Insurance Association
SALGBC	South African Local Government Bargaining Council

### 1.2. Definitions

For the purpose of this Policy, the following definitions apply:

TERM	DEFINITIONS
<b>First-level manager (Assistant Manager)</b>	A First -Line Manager (Assistant Manager) is an employee below middle management level (Manager) responsible for managing a sub-division and overseeing day-to-day operational activities.
<b>Fixed Compensatory Travelling Allowance</b>	An allowance payable to eligible non-management employees who are required, by the nature of their duties, to use their private vehicles regularly for official purposes.
<b>Fixed Travelling Allowance</b>	An allowance payable to employees on post levels 3-4 (Management) where a travelling allowance is coupled to the post
<b>Fringe Benefits</b>	Compensation in addition to direct wages or salaries
<b>Management</b>	Top Managers (Municipal Manager), Senior Managers (Executive Directors), Middle Level Managers (Managers) and First Line Managers (Assistant Managers)
<b>Middle level Manager (currently referred to as Managers)</b>	Middle-level managers are functional heads in the levels below senior managers and are responsible for managing divisions within the department. Middle management is concerned with the near future and is therefore responsible for medium-term and short-term planning.
<b>Motor Vehicle</b>	Means any self-propelled vehicle and includes-

TERM	DEFINITIONS
	<p>(a) a vehicle having pedals and an engine or an electric motor as an integral part thereof or attached thereto and which is designed or adapted to be propelled by means of such pedals, engine or motor, or both such pedals and engine or motor, but does not include: -</p> <p>(i) any vehicle propelled by electrical power derived from storage batteries and which is controlled by a pedestrian; or</p> <p>(ii) any vehicle with a mass not exceeding 230 kilograms and specially designed and constructed, and not merely adapted, for the use of any person suffering from some physical defect or disability and used solely by such person.</p>
<b>Official Distance</b>	Distance travelled for official duties, excluding travel between an employee 's residence and place of work.
<b>Ownership Costs</b>	<p>SARS/Association of South Africa in the tables for "Estimated average car ownership costs over 6 (six) years</p> <p>The rate is indicated in cents per kilometers and consists of: The fixed cost of the vehicle, and the total running cost of the vehicle</p>
<b>Post or Post Coupled</b>	A position which qualifies for a fixed travelling allowance in terms of the Travelling Policy.
<b>Re-imburement allowance</b>	An allowance payable based on actual official kilometres travelled for business purposes, calculated using the prescribed SARS rate per kilometre
<b>Scheme</b>	refers to an organized and structured program by which employees are compensated for using personal vehicles for official duties.
<b>Total Fixed Cost</b>	The rate in cents kilometers is determined by the value of the vehicle. The incumbents shall be compensated accordingly.

## 2. EXECUTIVE STATEMENT

The Mogale City Local Municipality recognizes the need to implement uniform, fair and cost-effective measures regulating travel undertaken by employees in the execution of official duties. This Travelling Policy establishes a Travelling Policy that ensures consistency, equity, compliance with legislation, and responsible financial management.

**NB: The word Policy and Travelling Policy shall be used interchangeably in this Policy**

## 3. INTRODUCTION

This Policy governs the allocation, management and payment of travelling allowances and reimbursements to qualifying employees who are required to use private vehicles for official purposes.

### 3.1 Policy Objectives

- 3.1.1 To provide uniform standard guidelines, conditions and restrictions according to which the Policy will be managed and applied to limit material differences between participants within the Municipality.
- 3.1.2 To provide guidelines, make provision for an economic basis of calculation and criteria to regulate the allocation of a fixed travelling allowance and reimbursement of actual official travelling for employees who qualify for participation in the Travelling Policy.
- 3.1.3 To ensure that whilst allowing fringe benefits to qualifying employees, compliance with statutory requirements is always upheld.

### 3.2 Legislative Mandates

- 3.2.1 Basic Conditions of Employment Act 75 of 1997, as amended
- 3.2.2 Labour Relations Act 66 of 1995, as amended
- 3.2.3 Municipal Financial Management Act 56 of 2003, as amended
- 3.2.4 Employment Equity Act No 55 of 1998" as amended
- 3.2.5 Municipal System Act, 32 of 2000
- 3.2.6 Constitution of the Republic of South Africa (Act 108 of 1996)
- 3.2.7 Treasury Regulations

## 4. SCOPE AND APPLICABILITY

This Policy applies to employees appointed on a permanent position at MCLM who fall under SALGBC and who:

- (a) Occupy post levels **3–4 (Management)** where a Fixed Travelling Allowance is coupled to the post; or
- (b) Occupy post levels **5–15 (non-management)** and are required, by the nature of their duties, to use a privately owned vehicle on a regular basis for official duties, subject to approval in terms of this Policy.

## **5. ROLES AND RESPONSIBILITIES**

### **5.1 Council**

It is the responsibility of Council to approve the Travelling Policy.

### **5.2 Municipal Manager**

It is the responsibility of the MM to:

- 5.2.1 Approve the recommendations made by the Executive Directors and kilometres not exceeding 1200km or amount not exceeding R16,000 (sixteen thousand rands)
- 5.2.2 Grant approval, amend or decline reports for travelling allowance for employees.
- 5.2.3 Grant approval for suspension or termination of travelling allowance if the job description is amended and /or the responsibilities no longer require travelling.
- 5.2.4 Approves reports to suspend or terminate travelling allowance where it has been proven that the employee no longer has the registered vehicle.

### **5.3 Executive Directors**

Executive Directors to:

- 5.3.1 Motivate for approval of travelling allowance and termination/ suspension of travelling allowance as informed by the job description to the MM.
- 5.3.2 In an event for travelling adjustment request, it is the responsibility of the Executive Director to recommend where applicable.
- 5.3.3 Monitoring the implementation of the Policy in respective departments.

### **5.4 Middle Managers**

It is the responsibility of Middle Managers to:

- 5.4.1 Verify employee log sheets and travel documentation.
- 5.4.2 Recommend the travelling allowance adjustment request to the Executive Director.

### **5.5 First Line Managers**

- 5.5.1 Assist employee with consolidating the log sheet in accordance with the travelling policy requirements
- 5.5.2 Monitor compliance with travelling and identify deviations or non-compliance.
- 5.5.3 Providing guidance to employees on completing the log sheet.
- 5.5.4 Compile report to Managers on the proposed traveling adjustments.
- 5.5.5 Ensure that the log sheet is accurate as per the functional activities (attendance register)

### **5.6 Internal Audit (Corporate Ethics)**

- 5.6.1 Annually monitor if the purchased motor vehicle matches the documents submitted at HCM and Expenditure Management.
- 5.6.2 Make recommendations on corrective measures and/or consequence management.

## **5.7 Recruitment & Human Capital Administration Sub-division**

It is the responsibility of the R & HCA to:

- 5.7.1 Process the requests for travelling allowance reports as approved by the MM.
- 5.7.2 Ensure that documents required for submission of Travelling Allowance reports to Expenditure Management (vehicle tax invoice, valid driver's license vehicle registration certificates and insurance documents) are attached and correct.
- 5.7.3 Send reminders to employees to submit all motor vehicle documents (valid driver's license, disc renewal and insurance) on an annual basis.
- 5.7.4 Send request to MCLM Licencing Department with the names of employees receiving travelling allowance for verification of ownership and disc renewals.

## **5.8 Expenditure Management Division**

It is the responsibility of Expenditure Division to:

- 5.8.1 Make calculations and payment of traveling allowance as approved by the MM.
- 5.8.2 Make payment calculation as per the date of vehicle registration (RC1)

## **5.9 Individual Employees**

It is the responsibility of the individual employees:

- 5.9.1 To ensure that correct procedures and processes are followed when applying for traveling allowance and review of travelling allowance.
- 5.9.2 To ensure that they submit accurate and relevant documents to their line managers, verify and attach all relevant documents, including insurance that should be submitted to HCA.
- 5.9.3 To annually submit motor vehicle disc renewal and insurance document to HCA.
- 5.9.4 To keep regular log sheets acceptable to SARS for business kilometers travelled and to submit such log sheets annually to SARS as part of their income tax return.
- 5.9.5 Adhere to the Travelling Policy.

## **6. Policy CONTENT**

### **6.1 Participation in the Travelling Policy**

- 6.1.1 An employee shall be a participant in the Travelling Policy and consequently be entitled to benefit; and also be subject to the conditions and restrictions imposed in this Policy if he/she is in the position that automatically qualifies for allowance.
- 6.1.2 The Travelling Allowance is intended to facilitate access to motoring needs for management of staff. Additionally, the Municipality acknowledges that, for certain non-management positions, employees may occasionally be required to utilise their personal vehicles for official duties due to the extensive geographic distribution of the municipality's operational area.
- 6.1.3 In terms of this Policy, the municipality will provide qualifying employees with the Travelling Allowance under the following three categories, namely, fixed travel allowance, fixed compensatory travelling allowance and re-imburement travelling allowance.
- 6.1.4 The Qualifying employees appointed in the positions must provide and use their own private vehicle, registered in the incumbent's name, in the execution of official duties and shall be entitled to receive a fixed monthly travelling allowance.

- 6.1.5 Employees who on Ad hoc basis and who are required to use their private vehicles in the execution of official duties, shall be entitled to receive a reimbursive travelling allowance.

## **6.2 Requirement for application**

To be eligible to receive Travelling Allowance, an employee is required to:

- 6.2.1 Be a full-time employee of Mogale City Local Municipality,
- 6.2.2 Own private vehicle (vehicle registered under the incumbent's name),
- 6.2.3 Be in possession of a valid driver's license,
- 6.2.4 Have the tax invoice of the car/ vehicle that is going to be used for work purpose (the invoice must have the incumbent/ recipient's information),
- 6.2.5 Have the vehicle registration document from licensing Department (RC1) that has the incumbent/ receipt's information,
- 6.2.6 Insurance documents of the vehicle that will be used for official business trips,

## **6.3 Guiding Principles and Conditions**

- 6.3.1 All officials or employees who, at the commencement of the revised Policy, qualified for the travelling allowance benefit shall be entitled to continue receiving such benefit in accordance with the provisions and conditions of the Policy applicable prior to the amendment, until the loan taken for the vehicle used under the Policy has been fully repaid. Thereafter, the benefits shall be reviewed and withdrawn in line with the revised Travelling Policy.
- 6.3.2 To qualify for any of the categories of travelling allowance, employees should be in possession of his/her vehicle registered in his/her name.
- 6.3.3 In the event that an employee who is entitled to a fixed travelling allowance or fixed compensatory travelling allowance is not in possession of a valid driver's license and/or a privately owned vehicle, the fixed monthly travelling allowance will be discontinued for the corresponding period until such time that these qualifying requirements are met.
- 6.3.4 Employees who receive a fixed or re-imbusement travel allowance are responsible for the financing, full cost of maintenance, insurance, licensing and registration of their private vehicles.
- 6.3.5 To assist an employee appointed to a position which is eligible to travelling allowance to obtain finance to purchase own vehicle the municipality will provide confirmation that the incumbent is indeed a participant in the Travelling allowance Policy.
- 6.3.6 The choice and type of vehicle to be used by an employee who receives a Travelling Allowance should comply with the purpose and requirements for the execution of the employee's official duties.
- 6.3.7 An employee who receives a Travelling allowance (excluding employees responding to emergency operational activities) will only be allowed to travel as a passenger with official transport of MCLM, should circumstances deemed it necessary that an employee who is not incumbent to a fixed Traveling allowance has to travel to the same event and location with an official vehicle.

- 6.3.8 Employees with physical disabilities who cannot obtain a valid driver's licence under the National Road Traffic Act, 1996 (Act No. 93 of 1996), but qualify for a travelling allowance by virtue of their position, may receive the allowance provided they use a private vehicle and own driver for official journeys. The Municipality must be indemnified against any claims, and employees are responsible for any vehicle modifications required for their disability.
- 6.3.9 An employee who receives a Travelling allowance and who is requested in a written instruction by the MM or his/her superior to be available for the performance of standby duty outside his/her normal working hours will not be allowed to travel with an official emergency vehicle between his/her residence and place of work, and such employees will only be allowed to claim for kilometers travelled when called out to attend to emergency work.
- 6.3.10 An employee who receives a fixed Travelling allowance will be regulated as follows:
- 6.3.10.1 Not to claim for kilometers travelled to and from home;
- 6.3.10.2 That the official kilometers travelled will be calculated from his/ her work;
- 6.3.11 Employee's tax as determined from time to time in terms of relevant legislation must be deducted from a participant's fixed travelling allowance and paid over to the SARS.
- 6.3.12 In the event that it can be shown that an employee has received a travelling allowance without having the requisite vehicle available **for a period of three consecutive months**, the overpayment for the identified period of non-qualification shall be recovered from the employee's salary **should the employee fail to provide valid reasons for the non-usage of the vehicle**.
- 6.3.13 The Municipal Manager shall approve of any employees in receipt of travelling allowances, who are required to be transferred by the Council to other posts to which no travelling allowances are attached, or whose duties change to the extent that their posts no longer justify travelling allowances being attached to them, to continue to be paid the fixed cost portion of the allowances for the duration of outstanding fixed periods or payments of their existing vehicle financing agreements for their current vehicles purchased in terms of this Policy, or until the agreement or commitment is terminated/expires for any reason whatsoever.

## **6.4 Description and Calculation of Travelling Allowance Categories**

### **6.4.1 A Fixed Travelling Allowance**

- 6.4.1.1 This is an allowance that shall be payable automatically to incumbents appointed on a permanent on the First-level Management (**i.e. Assistant Managers**) and Middle-level Management (**i.e. Managers**) positions; provided that such employees:
- (a) Are newly appointed by the MCLM with effect from date of approval of the Revised Travelling Policy.
  - (b) Have successfully applied for promotional posts in First-level and Middle-level Managers with effect from date of approval of the Revised Travel Allowance Policy.
  - (c) Meet the guiding principles and conditions provided for in 6.3.2 of this Policy.
- 6.4.1.2 (a) The fixed travelling allowance, payable monthly together with the employees' salary (excluding annual increases), applies to the incumbent occupying the allowance-bearing post.

- (b) The fixed travelling allowance will be revised on a three-year cycle at the discretion of the Municipal Manager, in consultation with the Executive Mayor, and subject to the financial viability and affordability of the Municipality.
- 6.4.1.3 Any employee who receives a fixed travelling allowance and whose geographical location may change in future as a result of appointment in a promotional post, will not be entitled to travel with official transport to his/her new work centre; such an employee will have to travel with his/her own private vehicle and will not be entitled to claim for kilometers between his/her residence and new work center.
- 6.4.1.4 Employees who are in receipt of an existing fixed Travelling allowance which they enjoyed from their previous post in accordance with applicable Policy before the amendment and who are appointed to a promotional post that has a fixed travelling allowance attached to it, shall relinquish their existing fixed Travelling allowance and move to the allowance prescribed for the new position.
- 6.4.1.5 Employees remain entitled to and must be paid the full amount of their fixed monthly travelling allowance during any period of absence on leave with full pay. However, should a period of absence be longer than 90 working days, the Municipal Manager has a discretion of suspending the travel benefit until an employee comes back to work. This will include employees who are working from home due to reasonable accommodation as approved by the Municipal Manager. This is applicable to all three categories namely: fixed travelling allowances; Fixed compensatory and reimbursement allowances.
- 6.4.1.6 It will be an employee's own responsibility to keep regular log sheets acceptable to the SARS for business kilometers travelled and to submit such log sheets annually to the SARS as part of their income tax return.
- 6.4.1.7 For employees on level 3 and above, the travel benefit forms part of the total salary package and is not paid over and above the basic salary. This differs from employees on levels 4 to 15, for whom the travel benefit is paid in addition to their salaries
- 6.4.1.8 The kilometre distance (minimum of 650km, mid 900km and a maximum of 1 200km) will be determined by the relevant Executive Director and approved by the MM.
- 6.4.1.9 The kilometres travelled in the preceding three months will be averaged to determine the monthly official distance for the post. Trips beyond this limit or outside municipal boundaries will be reimbursed at the prescribed running cost rate only, upon proof that the allocated monthly distance under the fixed travelling allowance has been fully used.

#### **6.4.2 Fixed Compensatory Travelling Allowance**

- 6.4.2.1 Employees in the positions lower than Assistant Managers who by the nature of their duties are compelled to utilize their private vehicles in the completion of their official duties on a regular basis are eligible to receive a fixed compensatory travelling allowance with the recommendation of the Executive Director and the approval of the Municipal Manager.
- 6.4.2.2 To provide a fringe benefit and account for actual distances travelled, a fixed compensatory transport allowance will be allocated to these positions. The allowance will be based on a kilometre allocation linked to the position, starting at a minimum of 650 km and increasing to mid of 900 km and up to a maximum of 1 200 km

6.4.2.3 Where an employee travels more than 1 200 km per month for official purposes, it is recommended, as a guideline, that such an incumbent be provided with an official vehicle. Where an official vehicle is not available, running costs shall be paid for the excess kilometres travelled.

### **6.4.3 Re-imburement Travelling Allowance**

6.4.3.1 The re-imburement travelling allowance is an allowance or advance which is based on the actual distance travelled for business purposes of which the amount payable will be made to an employee by multiplying the actual business kilometers travelled by a running cost rate per kilometer.

6.4.3.2 The municipality shall offer a non-taxable reimbursive allowance deemed in terms of the Act to be expended on business travelling as such reimbursive amount:

6.4.3.2.1 Will not exceed the running costs (fuel cost and maintenance cost) rate per kilometre as fixed by the Minister of Finance; and

6.4.3.2.2 The total business kilometres reimbursed during the tax year will not exceed 8000 kilometres; and

6.4.3.2.3 No other form of compensation has been given/paid to the employee (such as a fixed travel allowance).

6.4.3.3 The incumbents in the positions lower than Assistant Managers and Managers who do not receive the fixed compensatory travelling allowance may qualify to participate in re-imburement Traveling allowance with the recommendation of the Executive Director and the approval of the Municipal Manager only if there is a proven need for official travel within the boundaries of the municipality as substantiated by kilometre distance kept in a logbook/sheet by the incumbent.

6.4.3.4 To obtain approval in order to be eligible to participate in the Policy the incumbent should provide logbook/sheet which he/she has travelled for every official kilometer for each of the three successive months.

6.4.3.5 The re-imburement Travelling allowance shall be allocated to the positions of which official kilometres distance in excess of 300 km should be travelled per month within the municipal boundaries and the kilometers to be claimed would be limited to the maximum of 650 km per month.

6.4.3.6 The re-imburement Travelling allowance shall be payable based on preceding month's claim of actual official kilometers distance travelled within the municipal boundaries using the private vehicle officially approved for the purpose of Travel allowance.

6.4.3.7 For the purposes of claiming official distances travelled in a calendar month, employees must keep a logbook/ sheet acceptable to SARS reflecting the official and private kilometers travelled per month which must be approved in writing by the Senior Manager reporting directly to the Municipal Manager and submitted to the Department: Financial Services Management by no later than the 7th of the month following the month during which the official journeys were undertaken and such a claim will thus be processed with the salary.

6.4.3.8 No claims may be submitted for journeys between the employee's residence and place of work.

6.4.3.9 Prior written approval for all official journeys undertaken outside the municipal boundaries must at all times be obtained from the Municipal Manager or applicable Senior Manager reporting directly to the Municipal Manager and or officials delegated by them, on the prescribed trip authorization form and payment of such trips will be made within the maximum kilometers of the re-imbursement travel allowance. If the maximum kilometers of the re-imbursement travel allowance is reached, kilometers in excess thereof shall thus be paid in terms of Council's Subsistence and Travelling Policy applicable at the time.

**6.4.4 The procedure for the coupling of an allocation to the position will be as follows:**

6.4.4.1 The incumbent will maintain officially approved log sheets of actual distances travelled for a period of **three (3)** months.

6.4.4.2 Only distances travelled within the Municipal boundaries or outside such boundaries in the execution of official duties will be taken into account, distances between work and home will be excluded.

6.4.4.3 The Executive Director will send a motivated report along with the log sheets to the Human Capital Management Division for investigation and recommendation, where after; the Executive Director: Corporate Support Services will recommend/not recommend the coupling of the allocation to the post for MM approval.

6.4.4.4 As it is accepted that employees do not, as a result of vacation etc; always utilize their full allocations every month, the lower interval will be allocated to the post should the average of the log sheets submitted fall between two intervals.

6.4.4.5 Should the Executive Director after the initial approval receives request from the employee to re-determine or increase the kilometre allocation coupled to the position, such a review can only be done on a three (3) years cycle and the procedure above must once again be followed. This implies that the Executive Director will not have the discretion to increase allocations at will after the initial approval.

6.4.4.6 If an employee is dissatisfied with the provision or re-determination of the official distance limit associated with the position coupled with a Travelling allowance held, the employee may request discussions with the respective Executive Director.

6.4.4.7 The employee shall be notified in writing of the maximum kilometre distance (distance limit) per month that the municipality determined for each post.

6.4.4.8 It will be expected of employees in the positions with allocations above 650 km to, one (1) year after receiving the allowance:

- (a) maintain log sheets for a minimum of three months annually as a control measure;
- (b) send the log sheets to their Department to ensure that they are still entitled to the allowance based on such kilometres' allocation;
- (c) department should send control sheets to the Executive Director: Corporate Support Services who will recommend/not recommend the continuance of the allowance based on such allocation; and
- (d) should the kilometres be reduced, the Human Capital Management Division in conjunction with the Department will inform the employee, of the reduction of the allocation after giving the employee one month's written notice.

6.4.4.9 The Executive Director can at any stage terminate the Travelling allowance, after giving six months written notice, should he/she deem it no longer a necessity for the incumbent of the post to utilize his vehicle in the completion of his/her duties. During this period only the fixed cost component of the allowance will be paid. The Executive Director: Corporate Support Services should then be informed accordingly.

6.4.4.10 The allowance payable will be calculated according to the fixed and running costs of the SARS tables according to the 10 000 km column of the fixed cost component taking into account the employee's annual salary.

## **6.5 Ad-hoc Travel Allowance in respect of temporary and occasional trips**

6.5.1 An ad-hoc Travel allowance shall be payable in cases where temporary or occasional official trips are undertaken by means of private transport.

6.5.2 Employees in positions not in receipt of travelling allowance and in the absence of pool vehicles are requested and agreed to by the Executive Director to use their private motor vehicles for the official business would be legible to receive the re-imbusement allowance on an ad-hoc basis.

6.5.3 This section applies only for the use of personal vehicles within the demarcated boundaries of the Municipality. Any ad hoc travelling that takes place outside the demarcated municipal boundary shall be claimed in terms of Council's Subsistence and travelling Policy applicable at the time.

6.5.4 All ad hoc claims must be approved by the Senior Manager or his/ her nominee.

6.5.5 Other circumstances and conditions ad-hoc application of the allowance, include the following:

6.5.5.1 An employee who holds a position coupled with a Travelling Allowance and who leaves his/her own position shall, from the date and for as long as he/she acts temporarily in the other position, be paid a Travelling Allowance based on the official annual kilometre distance associated with the temporary position, or the Travelling allowance associated with his/her own position; whichever is larger.

6.5.5.2 An employee who holds a position coupled with a Travelling Allowance and acting or temporarily performing the duties of another employee for a period of five working days per month or more shall receive the Travelling allowance associated with the execution of duties associated with the position of the other employee. This additional amount, payable after submission of daily return statements (log sheets)

6.5.5.3 When an employee who does not hold a position coupled with Travelling Allowance acts temporarily in the post of another employee who holds a position coupled with a Travelling allowance, the employee concerned shall, if he/she supplies a private vehicle for the period while acting, receive a Travelling allowance associated with the position coupled with a Travelling Allowance

## **6.6 Calculation of the monthly allowance**

6.6.1 The basis for the calculation and payment of a running Travelling Allowance shall be as follows:

6.6.1.1 The rate for fixed, fuel and maintenance costs specified in the Applicable SARS tables for the vehicles that cover 14 000KM a year. Calculations in respect of a running Travelling allowance shall however, be limited to vehicles with a maximum cylinder capacity of 2 500 cc to maximum of 100% of the employee's salary.

6.6.1.2 The approved distance covered for official purposes by means of private transport.

6.6.2 Basis for the calculation and payment of an ad-hoc Travelling Allowance.

The basis for the calculation and payment of an ad-hoc Travelling allowance shall be the same as the running Travelling Allowance as set out more fully in bullet above.

6.6.3 Basis for compensation (SARS/ Tables)

All Travelling Allowance payments shall be calculated according to the “estimated average car ownership costs over six years” of the SARS. The SARS tables make provision for the cost factors as stated below. All local authorities should therefore use the prescribed tables for the purposes of this Policy to calculate Travelling Allowances whether fixed or ad- hoc by nature.

6.6.4 Fixed costs

Fixed costs factors include the following elements:

6.6.4.1 Depreciation of new car value, loss of interest (at current rates) comprehensive insurance and license, registration.

6.6.4.2 For purposes of fixed costs the vehicle’s purchase price shall be used as a basis.

6.6.4.3 If this price is higher than the vehicle’s retail value, the latter value shall be used for calculation purposes.

6.6.4.4 The actual purchase price must be associated with the annual distance applicable to the post concerned.

**Table : Calculations in accordance with the SARS Rates**

Where the value of the vehicle—	Fixed Cost R	Fuel Cost c/km	Maintenance Cost c/km
does not exceed R100 000	33,940	146.7	47.4
exceeds R100 000 but does not exceed R200 000	60,688	163.8	59.3
exceeds R200 000 but does not exceed R300 000	87,497	177.9	65.4
exceeds R300 000 but does not exceed R400 000	111,273	191.4	71.4
exceeds R400 000 but does not exceed R500 000	135,048	204.8	83.9
exceeds R500 000 but does not exceed R600 000	159,934	234.9	98.5
exceeds R600 000 but does not exceed R700 000	184,867	238.9	110.5
exceeds R700 000 but does not exceed R800 000	211,121	242.9	122.5
exceeds R800 000	211,121	242.9	122.5

#### 6.6.5 Fuel Costs

This factor is in relation to the price of ordinary fuel as at the current cost per litre

#### 6.6.6 Maintenance Costs

This factor includes the following elements: tyres, parts, repairs, servicing, lubrication, washing and polishing over a period of six years, being the life of the car. To obtain maintenance costs in cents/kilometre the engine size in relation to the annual distance covered shall be taken into account.

#### 6.6.7 Total Ownership Costs

This factor represents the sum total of the vehicle's fixed fuel and maintenance costs and forms the basis on which the calculation of Travel allowances shall be made.

No deviation from the above calculations which represents the tendency of projected average car ownership costs over six years shall be allowed. MCLM must therefore use the prescribed tables for the purposes of this Policy to calculate Travel allowances whether fixed or ad-hoc by nature.

### 6.7 **Choice of Vehicle and Purchase Price**

6.7.1 The choice of vehicle that the employee wishes to purchase shall be vested in the employee, on the express understanding that the vehicle shall be suitable for the execution of the employee's duties unless otherwise agreed by the Municipality and the employee.

6.7.2 **NB: The purchase of a second hand vehicle shall be subject to the issue of a certificate of fitness by an inspection officer appointed by the Municipality to report on the general condition of the vehicle.**

6.7.3 The maximum purchase price of the vehicle shall not exceed 100% of the relevant employee's annual salary excluding all bonuses and allowances.

6.7.4 Where the purchase price of the vehicle exceeds the maximum annual salary amount, the employee shall pay the difference.

6.7.5 The vehicle for which Travel allowance is paid must be the vehicle used in discharging of the related function.

### 6.8 **Principles of Compensation**

The Travelling Allowance for a specific calendar month will be paid to the employee at the end of that same month, where possible in respect of periods of unpaid leave or the period in the calendar month before an employee assumed duty in the relevant position coupled with a Travelling allowance, an employee's monthly Travelling allowance will be reduced on a pro rata basis.

If an employee purchases a vehicle for a higher amount than 100% of his/her salary, such employee will bear the costs of the extra amount.

## **6.9 Calculation for Travelling Allowance**

The method below shall be used for calculating travelling allowance:

Vehicle Purchase Price versus Annual Basic salary method

Rule 1. The lowest of the two (2) determines the Fixed cost on the Purchase price tables

Rule 2. The Purchase price comprise of the Cost price of the vehicle Plus VAT.

- Engine capacity will determine the Running cost as per running cost table rate.
- Take the sum of the (Fixed Costs + Running Costs) to give the allowance per km.
- Take the Allowance per km, multiply by approved allocated km per month (e.g. 650km, 900km, and 1200km .)

## **6.10 Qualifying Criteria for employees**

6.10.1 The employee should:

- 6.10.1.1 Be employed by MCLM
- 6.10.1.2 Have a valid drivers' licence
- 6.10.1.3 Have proof of purchase/ ownership documents
- 6.10.1.4 Have proof of insurance.

## **6.11 Adjustment and Revision of Travelling Allowance**

The calculation of Travel allowance will be automatically adjusted according to SARS tables published from time to time.

## **6.12 Suspension of Travelling Allowance**

6.12.1 If an employee who holds a position coupled with a Travelling allowance is transferred at own request to another position not coupled with a Travelling allowance, the allowance shall not be received from the date of transfer.

6.12.2 If an employee who holds a position coupled with a Travelling allowance is transferred to another position not coupled with a Travelling allowance and the employee concerned did not request such transfer, the Travelling allowance will be paid until the end of the repayment period of the vehicle.

6.12.3 Should a period of absence be longer than 90 working days, the Municipal Manager has the discretion of suspending the travel benefit until an employee comes back to work.

6.12.4 Unless such employee's vehicle is not used by him/her for official purposes during this period

NB .MCLM shall be entitled to cease an employee's Travelling allowance for reasons other than those mentioned above if such withdrawal is based on substantively fair considerations.

If local circumstances justify or necessitate it, the restrictions contained in this Policy in respect of specific employee may be relaxed after a proper work study exercise.

### **6.13 Travelling Allowance link to Vehicle Repayment Period**

6.13.1 The maximum period for the repayment of a new vehicle shall range from 5 to 7 years. The Travelling Allowance for a registered vehicle shall be fixed to a maximum period of 7 years. **This Allowance will not be affected by the annual inflationary increases.**

6.13.2 If an employee's car must be replaced during the duration of a contract owing to theft, collision or any other circumstances beyond his/her control the restrictions as set out above shall not apply; i.e. an employee can buy a new car and enter into a new 5 to a maximum 7 year contract.

6.13.3 After the full re-payment of the purchased vehicle, the municipality will review the travelling allowance for continued necessity of the allowance in relation to the operational requirements relating to the position of the employee, as there may be changes where applicable or purchase a new vehicle for execution of his/ or her functions.

**NB: In an instance where an employee opts to keep or continue to use the vehicle upon completion of the loan period, only the variable components in terms of the running cost will be applicable. This is applicable to level 5-15(Non-Management positions)**

### **6.14 Safeguarding Against Risks**

6.14.1 Every employee who receives a Travelling allowance must take out a comprehensive vehicle insurance Policy to the satisfaction of the Municipality that covers him/her against any fire, theft, accident and consequently damage in respect of the vehicle concerned and also provides SASRIA cover for an uninterrupted period of getting the allowance and be submitted to the respective Managers as and when requested to do so.

6.14.2 An employee who occupies a position that has Travelling Allowance must provide a duplicate registration certificate for the vehicle and a copy of the comprehensive vehicle insurance Policy to Human Capital Management Division as proof of ownership and adherence clause above.

6.14.3 Infringement of any of the conditions of the Policy shall entitle MCLM to withdraw from the contract with accompanying legal remedies.

### **6.15 Conditions applying to Water and Sanitation Division and Intergrated Environment Management**

**(In case where pool vehicles were replaced by allocation of Travelling Allowance)**

6.15.1 That staff receiving Travelling Allowance purchase vehicles that are suitable for their work requirements.

6.15.2 That staff must purchase vehicles that are affordable so that it would not become a financial burden and impact on service delivery.

6.15.3 That staff understand that subsidy vehicles are to be used in the same manner as they previously used municipal vehicles for, e.g. inspections, loading and transporting of tools, staff and equipment.

## **7. IMPLEMENTATION OF THE POLICY**

The Travelling Policy will be implemented and effective once approved by Council. The Travelling Policy shall not be implemented retrospectively.

## **8. MONITORING AND EVALUATION OF THE Policy**

Corporate Support Services (Human Capital Administration) shall monitor and evaluate the implementation of and compliance with the Travel Policy within the Municipality.

## **9. POLICY REVIEW**

The Travelling Policy is subject to review every three years or where there is new emerging information that has a financial impact on both the employee and/ or the Employer.

## **10. COMMUNICATION**

The Travelling Policy shall be communicated to all Municipal employees using the full range of communication methods available to the Municipality.

## **11. COMPLIANCE**

11.1 Any contravention to the Travelling Policy shall be constituted as misconduct.

11.2 Failure to comply with the provisions as stipulated in this Policy may result in disciplinary action being taken against the offending party/employees.

## **12 PRECEDING POLICIES RESCINDED**

The previous policies in respect of this subject are RESCINDED and REPLACED with this new Policy.

## **13 SIGNATURES**

Council:	
Signature:	
Date Approved:	
Effective Date:	