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Version 6

DEPARTMENTAL POLICY ON SUBSISTENCE AND TRAVELING

Department:
Roads and Public Works
NORTHERN CAPE PROVINCE
REPUBLIC OF SOUTH AFRICA

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1. DEFINITIONS

Unless otherwise indicated, the following terms shall be defined as follows:

Accounting Officer	A person in terms of section 36 of the PFMA.
Approved overnight establishment	Graded accommodation establishments according to the Department of Trade and Industry memorandum of 25 February 2005.
Department	Department of Roads and Public Works, Northern Cape Province
Family	The employee spouse, life partner, biological parents, adoptive parents, grandparents, biological children, adopted children, grand children or siblings.
Headquarters	City, town or site where the main functions of the department and official are situated.
PFMA	Public Finance Management Act, Act 1 of 1999
Private Accommodation	Staying privately not at an approved graded overnight establishment
Programme Manager	The Senior Management Service (SMS) Member who are responsible for managing a certain Departmental Programme / Directorate.
PSCBC	Public Services Co-ordinating Bargaining Council
Responsibility Manager	The Senior Management Service (SMS) or Middle management Service (MMS) Member who are responsible for the management and budget of a certain programme or sub-programme.
SCM	Supply Chain Management.
SLD	Standard Logistics Document.

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2. INTRODUCTION

The department incurs significant expenditure on travel and subsistence. The aim of this policy is to balance the value that the department derives from having staff participate in appropriate activities, and the need for sound financial management and accountability in respect of such expenditure.

This policy identifies those expenses which are considered to be a legitimate and appropriate part of travel for departmental need, and sets out the relevant approval and accountability processes.

3. REGULATORY FRAMEWORK

- 3.1. The Constitution of the Republic of South Africa (Act No. 108 of 1996), section 215 and 217,
- 3.2. The Public Finance Management Act no.1 of 1999 (as amended by Act no 29 of 1999):

- Section 38 dealing with general responsibilities of accounting officers and specifically subsection 38 (1)(a)(i), 38(1)(b), 38(1)(d), 38(1)(h) and
- Section 45 dealing with the responsibilities of other officials.

- 3.3. Provincial Treasury Practice Note 02 of 2009/10: Updated list of catering suppliers complying with health requirements.
- 3.4. National Treasury Regulations issued in terms of the Public Finance Management Act, 1999, Section 8.2.2 (Approval of Expenditure).

4. OBJECTIVE AND SCOPE

- 4.1. The department compensates officials for work related expenses when they perform duties away from their offices. The objective of this policy is to regulate the process and procedures to be followed when compensating officials for their

subsidence and travel costs and clearly identify what legitimate expenditure relating to subsidence and travelling may be claimed.

4.2. The policy also prescribe the procedure to be followed when requesting travelling and accommodation services and approval of the request.

4.3. The following items of expenditure qualify for subsidence and travelling claims:

- Breakfast;
- Lunch;
- Dinner;
- Accommodation at an approved overnight establishment;
- Private accommodation;
- Camping allowance;
- Parking;
- Toll gate fees;
- Room service charges for meals;
- Tips to waiters limited to 10% of the bill;
- Car rental expenditure;
- Cost of air travel.

4.4. The following expenditure do not qualify for as subsidence and traveling and cannot be claimed by an official;

- Alcoholic beverages;
- Telephone calls;
- Tips for car watches etc;

5. PRINCIPLES, VALUES AND PHILOSOPHY

5.1. This policy is intended to reflect the department's commitment to the principles, goals and ideals described in the department vision and core values.

5.2. Officials will only be compensated for actual expenditure incurred relating to subsidence and travelling and no allowances except those specified in this policy will be paid.

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- 5.3. Officials who travel for departmental purposes must ensure that expenditure incurred while travelling is reasonable and in accordance with this policy.
- 5.4. Officials must present receipts and other documentary evidence to support their claims for reimbursement.
- 5.5. In approving any travel arrangements, managers must satisfy themselves that the purpose of the travel is in accordance with departmental objectives, the proposed traveller is the most appropriate official to undertake the business concerned, and the anticipated expenditure is reasonable.
- 5.6. The practice of compensating employees for expenses is not a measure to supplement salaries. Only actual reasonable expenses which were incurred may be claimed.
- 5.7. An employee is requested to spend an amount as provided in this policy. The Department shall not pay any amount exceeding the daily allowance that the employee qualifies for when undertaking official journeys.
- 5.8. All claims for subsistence and travelling must be submitted within 30 days from the date when expenditure was incurred. Claims cannot be rolled over or accumulated from month to month.
- 5.9. Under no circumstances may officials authorise the claims of officials who are more senior to them in terms of line management.
- 5.10. Under no circumstances may officials approve their own claims.
- 5.11. The Department will not reimburse any expenses unless they have been itemised and approved in accordance with this policy.
- 5.12. The Department will not reimburse any expenses in respect of a person accompanying the traveller.
- 5.13. Dishonesty with regard to expense claims or other significant breaches of this policy will result in disciplinary action.

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6. PROCEDURES

6.1. General

6.1.1. Travel by officials for departmental purposes must be arranged as far as possible in advance, and in consultation with the Department's preferred travel management company, to take advantage of the best possible travel rates.

6.1.2. Proposed travel arrangements and subsequent expenditure claims are subject to the approval as stated in this policy.

6.2. Subsistence and travelling allowance for official journeys of less than 24 hours.

In cases where the official journey took less than 24 hours, an official may be compensated for reasonable, actual expenses incurred during the journey. Only expenses supported by documentary evidence will be reimbursed.

An official can submit a claim for breakfast if the claimants leave from the normal place of work before 7H00 and may only submit a claim for supper/dinner if the claimant returns to his/her residence after 20:00.

If the employee leaves after 7H00 and returns before 20:00, the official will only qualify for lunch.

6.3. Limits

EXPENDITURE ITEM	MAXIMUM LIMIT	CONDITIONS
Breakfast	R 80.00 per day	
Lunch	R 120.00 per day	
Dinner	R 160.00 per day	
Daily allowance – local travelling	R 85.00 per day	According to DPSA guidelines

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APPLICANT	
Deputy Director and below	Director or Regional Manager
Director	Chief Director
Chief Director	Head of Department
Chief Director	Head of Department
Head of Department	Chief Financial Officer
MEC	Head of Department

- Officials must submit a request Trip Authorization Form for subsistence and traveling.
- The Trip Authorization Form must be recommended for approval by the head of unit or section and must indicate the amount of budget available.
- Approval of request:

6.4.1. Handling of request including authorization

6.4. Procedure relating to subsistence for official journeys exceeding than 24 hours.

EXPENDITURE ITEM	MAXIMUM LIMIT	CONDITIONS
Private accommodation including breakfast, lunch and dinner.	R 276.00 per day	
Camping Allowance	R 103.00 per day	

6.5. Procedure relating to accommodation arrangements

6.5.1. Use of graded accommodation

According to the Department of Trade and Industry memorandum of 25 February 2005, the Department is expected to, as far as possible, procure services of graded accommodation establishments only.

6.5.2. Accommodation classification

Employee Level	Hotel	Extras	Exclusions
MEC and Head of Department	5 Star/ Executive Rooms	• Dinner	• Alcohol
Chief Directors and Directors	3 to 4 Star	• Soft Drinks (Maximum 3)	• Telephone calls
Other Employees (Deputy Directors & below)	3 to A Star	• Breakfast	
		• Parking	
		• Laundry/Dry Clean	
		• Tips for waiters	
		• Room service charges	

6.5.3. Handling of request including authorization

- Officials must submit a request (Trip Authorization Form) for accommodation to
- The Trip Authorization Form must be recommended by the head of unit or section for approval and must indicate that budget is available.
- Approval of request

APPLICANT	AUTHORIZING OFFICIAL
Deputy Director and below	Director
Director	Chief Director

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APPLICANT	Head of Department
	Chief Director
	Head of Department
	Chief Financial Officer
AUTHORIZING OFFICIAL	
Head of Department	
MEC	

6.5.4. Booking process

- After approval of the form, the SCM must complete the official order (Form Code 1430) clearly indicating the class of accommodation.

- The order must be approved via the normal SCM policies and delegations.

- The suppliers copy of the order is faxed to the travel agent.

- The travel agent will issue a voucher which will be checked by SCM.

- The voucher is then given to the official who hand it in on arrival at the booked place of accommodation.

6.5.5. Changes in accommodation arrangements

If changes occur to the original accommodation arrangements, SCM must liaise with the travel agent and make necessary arrangements, with the proviso that such changes are confirmed in writing. The following actions will be taken for the indicated cases:

- Cancellation of Accommodation: The voucher for accommodation must be returned by SCM to the travel agent.

- Changes to Accommodation Arrangements: SCM must approach the travel agent in time and have the original bookings changed.

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6.5.6. Replacement of lost vouchers for accommodation

The travel agent will issue a new voucher for accommodation and forward it to the relevant official.

6.5.7. Arrival at booked accommodation

At the reception, the official will hand in the voucher for accommodation, sign the required documents and take possession of the room keys. In case of combined bookings, all officials will individually sign the required documents and take possession of their own room keys.

6.5.8. Non-utilization of booked accommodation

In the event of the accommodation not being used as booked and the travel agent not having being timely advised of any cancellation or changes to the bookings, such non-utilisation of accommodation should be reported to SCM. The official will be held responsible for all the cost if the official was responsible for the non-utilization of booked accommodation

6.5.9. Departure from booked accommodation

Before departure the official will sign the final voucher. The official must pay cash for his/her telephone calls, alcohol and other non allowable items.

6.6. Procedure relating to vehicle hire

6.6.1. Rules

- Hired vehicles can only be driven by authorized official with a valid driver's license.
- Officials attending the same meeting or workshop should travel together where possible.

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6.6.2. Hire Vehicle Classification

Employee level	Avis	Budget	Imperial
Deputy director & below	B	B	B
Directors	C	C	C
Chief Directors	D	D	D
Head of Department and MEC	J	M	Q

6.6.3. Handling of request (including authorization)

- Officials must submit a request (Trip Authorization Form) for renting of a vehicle for use during the official trip.
- The Trip Authorization Form must be recommended by the head of unit or section for approval and must indicate that budget is available.
- Approval of request:

APPLICANT	AUTHORIZING OFFICIAL
Deputy Director and below	Director
Director	Chief Director
Chief Director	Head of Department
Head of Department	Chief Financial Officer
MEC	Head of Department

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6.6.4. Booking process

- After approval of the trip, the SCM must complete the official order (Form Code 1430) clearly indicating the Hire Vehicle Classification.

- The order must be approved via the normal SCM policies and delegations.

- The suppliers copy of the order is faxed to the travel agent.

- The travel agent will issue a voucher which will be checked by SCM.

- The voucher is then given to the official who hand it in at the appointed destination for acceptance of the hired vehicle. The official will correctly complete and sign the rental agreement on behalf of the Department.

6.6.5. Receipt of hired vehicles

Before taking receipt of the vehicle, the official is to ensure that the vehicle is in a good condition, properly filled with fuel, oil and water and that the mileage on the odometer corresponds with the mileage entered on the rental agreement. Any irregularity or deviation is to be referred to the rental company before departure.

6.6.6. Use of hired vehicles

While the official is in possession of the vehicle, he/she shall use the vehicle primarily for the official purpose that it was rented for. Furthermore, the official will use the vehicle carefully and take all reasonable precautions to protect the vehicle from theft and damage. If unattended, the official will ensure that the doors and boot are locked, windows are closed, any alarm device or immobilizer is activated and the keys of the vehicle are in the possession or control of the official.

6.6.7. Changes in hired vehicle arrangements

If changes occur to the original vehicle hire arrangements, i.e. a cancellation or changes to the date or time the vehicle is required, SCM is to liaise with the travel

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agent and make the necessary arrangements, with the provision that such changes are confirmed in writing (through e-mail or fax). The following actions will be taken for the indicated cases:

- Cancellation of trip: The voucher for rental is to be returned by the SC m to the travel agent to cancel the booking.
- Changes to trip: SCM should immediately approach the travel agent and have the original bookings changed.

6.6.8. Replacement of lost voucher for rental

The travel agent will issue a new voucher for rental and forward it to the official.

6.6.9. Non-Acceptance of hired vehicles

In the event of vehicles not being accepted as booked and the vehicle hire company not being timely advised of any cancellation or changes to the bookings, such non-acceptance of rented vehicles are to be reported by the travel agent to the Supply Chain Unit. If the non-acceptance of the hired vehicle is due to the negligence of the official in who's name the car was booked, the official will be liable for all costs relating to the non-acceptance.

6.6.10. Return of hired vehicles

When returning the vehicle, the official must ensure that the vehicle is in good condition.

6.6.11. Vehicle collision/accident/theft report

- In case of any collision, accident or theft of the hired vehicle, or damage to or theft of items from the hired vehicle, the official will immediately report the occurrence to the vehicle hire company and complete all the required documentation. If this is not possible, the official will supply the vehicle hire company with all relevant documents, statements or particulars concerning the occurrence as reported to the police or traffic authorities.

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- In addition to the above, the official shall be required to fill in the Departments accident/theft report. All relevant documents, statements or particulars concerning the occurrence must accompany the accident/theft report and be handed in to the SCM for further action.

6.6.12. Claims in connection with vehicle collision/accident/theft or claims in connection with traffic fines

In case of any claims concerning collision/accident/theft of the rented vehicle, damage to or theft of items from the hired vehicle or traffic offences, the travel agent will submit invoices or summonses containing the relevant information as received from the vehicle hire company. They must be addressed for payment by the department and not the travel agent.

6.6.13. Claims against the State

- The Department will consider all invoices received relating to claims in respect of hired vehicle collisions/accidents/damages/thefts, as claims against the State. Such claims will be considered to establish whether:
 - o The driver was legally entitled to use the vehicle.
 - o The driver was the cause of the collision/accident/damage/theft
 - o A third party was that cause of the collision/accident/damage/theft
- So that it could be determined whether the State should pay the claims itself or have the responsible official or third party pay the claims.

6.7. Procedures relating to air transport

6.7.1. Travel classes

- Destinations outside the borders of South Africa:
 - o The MEC and Head of Department shall travel business class.
 - o All other officials shall travel economy class.

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- Destinations within the borders of South Africa

- The MEC and Head of Department shall travel business class.
- All other officials shall travel economy class.

6.7.2. Booking process

- Officials must submit a request (Trip Authorization Form) to travel by commercial airline.
- The Trip Authorization Form must be recommended by the head of unit or section for approval and must indicate that budget is available.
- Approval to travel by commercial airline:

APPLICANT	
Deputy Director and below	Director
Director	Chief Director
Chief Director	Head of Department
Chief Director	Head of Department
Head of Department	Chief Financial Officer
MEC	Head of Department

6.7.3. Changes to air travel arrangements

In case of changes occurring to the original travel arrangements, SCM must liaise with the travel agent and make the necessary arrangements, with the provision that such changes are confirmed in writing. The following actions will be taken for the indicated cases:

- Cancellation of trip: The air ticket is to be returned by SCM to the travel agent who will cancel the booking. If payment had been made and an

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- invoice had already been submitted to the Department, a credit note will be processed. In the event of the cancellation being charged/levied, the travel agent is to invoice the Department accordingly. If the official in whose name the booking was made is responsible for the cancellation due to negligence, the official will be held responsible for the total cost of cancellation.
- Changes to trip: SCM is to approach the travel agent immediately and have the original bookings cancelled and make new bookings.

6.7.4. Excess luggage

Official excess luggage will be dealt with as follows:

- If it is known during the booking process that the official has official excess luggage, the Department is to include the request in the government order issued to the travel Department when making the booking.
- If it is discovered while weighing-in at airports, during the trip, the official must pay the cost for any official excess luggage and submit a claim for reimbursement to the Department (Payments Sections).

6.7.5. Lounges at airports

Dedicated lounges at airports may only be used by officials if it is at no additional cost to the Department or if it is included in the relevant air ticket. In the event of specific and special requirements relating to the trip, the Department is to make special arrangements with the travel agent.

6.8. Procedures relating to international travel

- 6.8.1. A request for international travel must be submitted with a comprehensive memo outlining the reason for the request. Documentation supporting the request for the international travel must be attached to the memorandum. All requests for international travel must be approved by the Head of Department.

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Request for international travel by the Head of Department must be approved by the Member of the Executive Council.

6.8.2. Officials must ensure that they are in possession of relevant documentation for overseas travel including passport, visas and re-entry permits where required.

6.8.3. The cost of a personal passport is deemed to be a personal expense and the cost for an official passport will be paid by the Department.

6.8.4. The Department will reimburse the costs of travel documentation other than personal passports, specifically required for official trips.

6.9. Procedures relating to camping allowance

When it is required from staff to camp in order to perform duties away from their normal place of work, the Department may pay them a daily allowance in terms of PSCBC Resolution No. 3 of 1999 or whichever is applicable. In cases where rations are provided, the cost will be deducted from daily allowances.

The head of the section must approve the list of staff who will be camping prior to staying in the camp.

7. ROLES AND RESPONSIBILITIES

7.1. Programme managers are responsible for the implementation of the policy.

7.2. The Directorate Policy and Planning will monitor and evaluate compliance and impact of these guidelines by all programs and sub-programs in the Department.

7.3. Supply Chain Management is responsible for the commitment of the subsistence and travelling service.

7.4. Management Accounting – Division Budget and Expenditure Control is responsible for the monitoring of the expenditure and budget.

7.5. The Financial Inspectorate will perform investigations with regard to compliance, regulations, policies and procedures.

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8. FINANCIAL IMPLICATION

The total projected commitment in terms of this policy is R 6,000,000 per year.

9. POLICY ADOPTION AND REVIEW

- 10.1. This policy will be effective as from 1 February 2011.
- 10.2. This policy shall be assessed in one year from its effective date to determine its effectiveness and appropriateness. This policy may be assessed before that time as necessary to reflect substantial organisational etc. changes at the Department or any change required by law.
- 10.3. Deviations from this policy must be approved by the Accounting Officer.



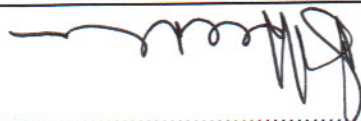
10. APPROVAL

This policy is approved / ~~not approved~~

Comments:

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ACCOUNTING OFFICER



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