



RAMOTSHERE MOILOA LOCAL MUNICIPALITY- CAR AND TRAVEL ALLOWANCE POLICY

DATE OF APPROVAL :28TH MAY 2015

COUNCIL RESOLUTION :47/05/2015

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1. AIM

The aim of this policy is to regulate the granting of car and travel allowance to the employees of Ramotshere Moiloa Local Municipality.

2. OBJECTIVE

The objective of the policy is:

- a) To regulate payment of travel allowance to operational managers of Ramotshere Moiloa Local Municipality;
- b) To establish uniform directives, procedures, conditions and limitations according to which the car allowance can be paid;
- c) To establish procedures and conditions under which employees can use their subsidised vehicles in the execution of their official duties.

3. LEGISLATIVE FRAMEWORK

- 3.1 SALGA Main Collective Agreement: Condition of service;
- 3.2 Transport Handbook on Tariffs for the use of Motor Transport as amended from time to time from Dept of Transport.

4. Allocation of car and travel allowance

The allocation of the car and travel allowance to operational managers is mainly informed by the functions and duties that they perform. However, the following positions shall automatically qualify for the allowances:

- 4.1 ICT unit manager;
- 4.2 Facility management unit;
- 4.3 Housing unit manager;
- 4.4 Electrical unit manager;
- 4.5 Water and sanitation unit manager;
- 4.6 Public Works Unit manager;
- 4.7 Local Economic Development unit manager;
- 4.8 Town planner unit manager;
- 4.9 Internal audit manager;
- 4.10 Asset management unit manager;
- 4.11 Risk management unit;
- 4.12 Security unit manager;
- 4.13 Manager- office of the speaker;
- 4.14 Manager – office of the mayor

- a) The Municipal Manager and section 57 managers and contract employees have the latitude of structuring their motor vehicle allowance as a condition of their contracts of employment;
- b) An employee occupying a post other than those mentioned in paragraph 3(a) above, may be considered for allocation of an allowance provided that the departmental director for that employee will, based on the functions and duties of that employee, make an application motivating for the payment of allowance to the concerned employee. The motivation must be approved by the office of the Municipal Manager before any payment may be effected.
- c) Allocation of the car and travel allowance may be reviewed if the duties of that posts change.
- d) All operational managers allocated a car and travel allowance must have the motor vehicle on which a travel allowance is paid, available for the execution of official duties at all times. Other official transport, municipal motor vehicle, will not be made available to such incumbents.
- e) Should the operational manager uses another motor vehicles as an alternative in executing his/her official responsibilities, the details of such motor vehicles must be submitted to the departmental director for prior approval and permission. The claim for such usage must be accompanied by the written permission of the departmental director for payment.
- f) All heads of department must ensure that adequate budgetary provisions are made for all posts that qualify for an allowance during the budgetary processes.

5. Payment of ad- hoc travel allowance

- a) This refers to allowance paid monthly to incumbents of posts not linked to the car and travel allowance scheme but are remunerated in accordance with pre-determined distances. This calculation basis also refers to the 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. Ad- hoc claims are paid upon submission of relevant claim forms, certified correct by the relevant departmental director.

- b) The calculation and payment of ad-hoc travel allowance will be guided by the Transport Handbook on Tariffs for the use of Motor vehicle from the Department of Transport.

6. Termination of travel allowance

- a) 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, the municipality will give the employee six months written notice of its intention to withdraw the travel allowance;
- b) During the six months period, the employee shall receive the full monthly travel allowance as was applicable prior to the transfer. After the six month period only a fixed travel allowance, as previously applicable, shall be payable based on applicable fixed costs until such time as the official motor debt is paid off, upon which the payment will be terminated. The employee has the responsibility of supplying the municipality with all documentation required for the execution of the payment.
- c) Payment of the allowance in (b) will be terminated immediately if the employee decides to dispose- off the vehicle for which a travel allowance was received.
- d) 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.
- e) The municipality will terminate the travel allowance on termination of service by the employee.

7. Conditions

- a) An employee will be allowed to claim if they travel outside the jurisdiction of the municipality;
- b) All claims for official trips must be supported by a trip authorisation form, which shall be submitted as travel claims are presented;

- c) The applicable running costs tariffs in terms of the Department of Transport Schedules will be paid with regard to official trips travelled mentioned in paragraph 6(a), and as per official claim form submitted.
- d) All claims shall be duly certified by the relevant departmental director, before submissions. The Municipal Manager will certify claims for all departmental managers.

8. Payment in respect of fixed travel allowance

Prior to the granting of a travel allowance the following formalities have to be met:

- a) Ownership certificate;
- b) Offer to purchase if not in possession of a motor vehicle already;
- c) Payment scheme of government transport which is 550 km a month;
- d) The allowance is a fixed amount of R 7 500-00 which includes insurance, maintenance and running costs and the variance will be the responsibility of the affected party;
- e) There should be an alternative motor vehicle in the event of any eventuality;
- f) The travelling allowance outside the municipality jurisdiction will be determined by the Department of Transport regulations as determined by the Transport Handbook on Tariffs for the use of motor transport, as amended, namely sub- scheme A; and
- g) Certified copy the employee's valid drivers licence

9. Adjustment of travel allowance

The travel allowance will not be adjusted annually since it is a fixed amount. There may be an increment based on the discretion of council after the budgetary constraints of the municipality.

10. Payment of travel allowance tariff

- a) The travel allowance tariff will be based on the Department of Transport schedule of travel tariff Scheme A;
- b) The calculation for travel allowance is automatically adjusted and amended in accordance with the Department of Transport schedules published from time to time.

11. Financing

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

12. Choice of vehicle and purchase price

The decision about the choice of a motor vehicle, which the employee prefers to use on daily basis in executing his/her duties, rests with the employee, with the understanding that the type of motor vehicle shall comply with the purpose and requirements for the execution of the employee's official duties.

13. Effective date

This policy comes into effect on the 01st day of July 2015 and remain in operation until reviewed by council.

14. Implementation of this policy

The implementation of this policy apply to all identified operational managers.

15. Monitoring

For the purpose of the expenditure monitoring, the finance division shall monthly submit an expenditure report to EXCO to determine whether the municipality does sustain the policy in terms affordability.

**DATED AT RAMOTSHERE MOILOA LOCAL MUNICIPALITY ON THIS THE
27TH MAY 2015.**



SPEAKER

RAMOTSHERE MOILOA LOCAL MUNICIPALITY