

Northern Cape Provincial Government

Office of the Premier



Subsistence and Travel Policy

SUBSISTENCE AND TRAVEL POLICY

CONTENTS:

1. Terminology
2. Policy objectives
3. Legislative mandates
4. Scope of application
5. Time framework
6. Policy summary
7. Policy directives
8. Advances
9. Endorsement

1. Terminology

“Subsistence and Travel”

An amount of money paid by the department to an official in respect of an official journey undertaken in furtherance of his/her official duties to assist that official with related expenses, viz accommodation, meals and daily travel allowances as prescribed by the relevant treasuries.

“OTP”

Office of the Premier

“PFMA”

Public Finance Management Act, Act No. 1 of 1999 (as amended by Act 29 of 1999)

“Treasury Regulations”

All regulations and instructions in terms of section 76 of the PFMA

“Accounting Officer”

A person mentioned in section 36 of the PFMA

Domestic travel

Traveling within South Africa

Foreign travel

Traveling to any country other than South Africa

Incidental expenditure

The expenditure in respect of tips for table and room service, reading material, private telephone calls, dry cleaning, snacks and liquid refreshments which do not form part of the meals.

2. Policy objectives

OTP compensates officials for work related expenses when they perform duties away from their offices and home environments. The purpose of this policy is to regulate the process and procedures to be followed when compensating officials for their subsistence and travel costs.

The policy will enable OTP officials to:

- Understand how OTP reimburses employees for expenditure on subsistence and transport.
- Complete S&T claims accurately
- Clearly understand what expenditure may be claimed.

3. Legislative mandates

The policy directive is based on the following relevant legislation and financial prescripts:

- ⇒ Treasury regulations as issued in accordance with the Public Finance Management Act, 1999
- ⇒ Public Service Regulation, 1999
- ⇒ Public Service Coordinating Bargaining Council Resolution, 1999
- ⇒ Tariff guidelines for the Department of Transport and the Department of Public Service and Administration (DPSA)
- ⇒ Related Tax legislation
- ⇒ Departmental requirements

4. Scope of application

This policy is applicable to all employees of the OTP, who in accordance with the nature of their functions are entitled to subsistence and travel advances and expenses to be incurred for official duties undertaken outside the office or center of employment that is outside district and province.

5. Time framework

This policy will be effective from the date of approval.

6. Policy summary

6.1 Domestic S&T

- 6.1.1 Prior to his or her trip, the official must complete an application form for arrangement of accommodation and transport that will be duly approved by the Unit Head.
- 6.1.2 Overnight accommodation will only be allowed where the distance by road exceeds 500 km to and from the destination (return journey).
- 6.1.3 An OTP approved travel agency will arrange accommodation on a “bed and breakfast” basis. The travel agency should pay for the accommodation. The travel agency may claim the cost for the OTP on a “bill back basis. Officials are to use the most economical accommodation that is not higher than a three star graded hotel, or equivalent, HOD and Executing Authority are excluded.
- 6.1.4 Domestic hotel accommodation may not exceed one thousand four hundred rand (R1 400.00) per night per person (including bed and breakfast, dinner and parking) **as per National Treasury circular number 4 of 2016/17**. A deviation hereof may only be approved during peak holiday periods and/or when an event is hosted by South Africa in a particular geographical area where traveling is supposed to take place. The Executing Authority and staff accompanying him/her are excluded from this limitation.
- 6.1.5 If the official does not require accommodation (for example, if the official will stay at family or friends during a trip), he or she may claim an all inclusive allowance per day as per the local subsistence and camping allowance as issued by the Department of Public Service and Administration annually.
- 6.1.6 If the official requires transport, such as car rentals and air travel, this should be arranged via the OTP-approved travel agency. This travel agency will pay for the transport, and will claim the costs from the OTP on a “bill back” basis.
- 6.1.7 If the official is traveling for more than 24 hours, he or she may claim a daily allowance as per the local subsistence and camping allowance as issued by the Department of Public Service and Administration annually, which may be used for incidental expenditure such as tips, newspapers, porter fees, etc.

6.1.8 No claims for meals are allowed if the hotel accommodation includes dinner and/or breakfast or in the case of a conference, dinner and/or supper is included in the conference fee.

6.1.9 All other expenses, such as travel cost using own vehicle, and toll fees, can be claimed by means of a supplementary S&T claim after the official has returned from the trip. For these expenses, the official must also submit documentation of proof such as receipts, to substantiate the claim. In the case of the Executing Authority traveling with his/her private vehicle for official purposes, the amount to be claimed will be actual costs multiplied by 3, as per the Ministerial handbook.

6.1.10 In terms of the tax legislation, the OTP must update each official's IRP 5 forms to reflect S&T allowances.

6.1.11 All officials shall be booked on economy flight tickets. Executing Authority is booked on business class. However, officials may be booked on business class in exceptional instances when economy class is not available e.g. fully booked.

6.2 Foreign S&T

6.2.1 Officials will claim for expected costs by means of an S&T advance request.

6.2.2 Accommodation will be arranged via an OTP-approved travel agency. The travel agency will pay for accommodation, and will claim the costs for the OTP on a "bill back" basis.

6.2.3 If an official requires transport, such car rental and air travel should be arranged via the OTP-approved travel agency. The travel agency will pay for the transport, and will claim the costs from the OTP on a "bill back" basis.

6.2.4 The official may claim a daily allowance, as specified in the DPSA financial manual for the specific country, for all meals and other incidental expenditure such as tips and porter fees.

6.2.5 After traveling abroad, an official must submit the S&T claim within seven (7) working days after returning from a trip. The advance amount paid will be reconciled to the actual expenditure incurred, to determine the balance payable or refundable.

6.2.6 All employees should be issued with economy class air travel tickets when flights are for five (5) hours or less. For flights exceeding five (5) hours, business class tickets may only be purchased for the Premier, Director General, Deputy Directors-General and employees at senior management level that reports directly to the Director General. In the case of a deviation to the aforementioned, the Accounting Officer may approve business class travel for employees with disabilities or for those with special needs.

7. Policy directives

7.1 Domestic Subsistence and Travel

Hotel accommodation

An OTP approved travel agency must arrange accommodation. The travel agency should pay for the accommodation, which includes breakfast and dinner. The travel agency may claim the cost for the OTP on a “bill back” basis.

Domestic hotel accommodation may not exceed one thousand four hundred rand (R1 400.00) per night per person (including bed and breakfast, dinner and parking). A deviation hereof may only be approved during peak holiday periods and/or when an event is hosted by South Africa in a particular geographical area where traveling is supposed to take place.

In exceptional cases, where hotel accommodation is not handled by the OTP-approved travel agency, the official may claim the actual cost per day for hotel expenses (bed, breakfast and dinner). Proof of expenditure should be submitted by the official. **(This amount is limited to R 1,400.00 per night)**

If the official does not require accommodation and chose to make use of private accommodation during a trip, he or she may claim an all inclusive allowance as per the local subsistence and camping allowance as issued by the Department of Public Service and Administration annually.

Vehicle rental

If the official requires transport, this should be arranged via the OTP-approved travel agency. The travel agency will pay for the transport, and will claim the cost from the OTP on a “bill back” basis.

Where officials make use of their own private vehicles, they may claim the relevant allowance per kilometer. A travel allowance may be subject to taxation upon assessment depending on: a) the distance traveled and b) whether the official receives a motor car allowance. Remuneration will be according to the tariffs and conditions issued monthly by the Department of Transport. In the case of the Executing Authority traveling with his/her private vehicle for official purposes, the amount to be claimed will be actual costs multiplied by 3, as per the Ministerial handbook.

OTP travel agents may book officials economy shuttle services during official/business trips on a need basis. **(No luxury shuttle services)**. Officials shall be rented economy cars (Group B, 1600 with air conditioner) during official/business trips on a need basis. **(no rental of luxury cars)**. The Executing Authority, Accounting Officer and Deputy Director General are excluded from this limitation.

7.1.1 Domestic S&T claims for more than 24 hours

If the official will be out of the district or province for more than 24 hours, he or she may claim a daily allowance as per Annexure B, which may be used for incidental expenditure such as tips, newspaper, porter fees etc.

Meal allowances that can be claimed with documentary proof will be limited as per Annexure B.

Additional expenses can be claimed after the official has returned from the trip, and may include the following:

- Toll fees
- Washing and ironing and dry cleaning (only for trips of five (5) consecutive days or longer)

The official must submit proof of evidence to substantiate the claim.

7.1.2 Domestic S&T claims for less than 24 hours

For an official journey of more than five(5) hours, but less than twenty-four (24) hours, the official may claim actual expenses for meals if the meals fall within the duration of the journey. Meal expenses may be claimed under the following conditions:

⇒ **Breakfast, if the official departs before 06h00 (R 120.00)**

⇒ **Lunch, if the official returns after 14h00 (R 150.00)**

⇒ **Dinner, if the official returns after 19h00 (R 150.00)**

In terms of the tax legislation, the OTP must update each official's IRP 5 forms to reflect S&T allowances.

7.2 Foreign Subsistence and Travel

Officials will claim for expected cost by means of an S&T advance request.

In cases where an external institution sponsors an OTP official's trip, that official may only claim expenses that amount to the tariffs as issued by DPSA for the relevant daily allowance.

Hotel accommodation

Accommodation will be arranged via an OTP-approved travel agency. The travel agency will pay for accommodation, and will claim the cost from the OTP on a "bill back" basis. No additional meals or other costs may be included in the hotel account.

Vehicle rental

If the official requires transport, such as car rentals and air travel, this should be arranged via the OTP-approved travel agency. The travel agency will pay for transport and will claim the cost from the OTP on a "bill back" basis.

Visas

Where applicable, costs for visas required for international trips will be paid by OTP upon submission of an invoice or receipt from the embassy or the traveling agent.

Immunization

Where applicable, costs for immunization required for international visits, will be paid by the OTP upon submission of an invoice or receipt from the doctor or the employee.

8. Advances

8.1 Foreign advances

- 8.1.1 Foreign S&T advance requests, along with the relevant BAS forms must reach the Office of the CFO no more than five (5) working days prior to the date of departure, to ensure that the claim is paid in time. All payments will be paid electronically via the BAS system.**
- 8.1.2 For S&T advances and/or claims pertaining to trips abroad, the official must have approval from the Director-General.**
- 8.1.3 S&T advance requests pertaining to travel aboard must be followed with and S&T claim. This claim must be submitted within no more than seven (7) working days of the official's return from the relevant trip.**
- 8.1.4 Exchange rate conversions, where applicable, will be based on the exchange rate applicable on the date of departure. Alternatively, the exchange rate will be calculated according to the proof of expenditure, e.g. as reflected on a bank statement**
- 8.1.5 The OTP will deposit payments of S&T foreign advances and/or claims, into the same South African bank account in which the official receives his/her salary. As an alternative, the official may nominate alternative bank deposit details on the S&T advance request.**
- 8.1.6 Officials may claim bank fees, such as costs to exchange South African rands for foreign currency and vice versa.**
- 8.1.7 If an official trip is cancelled or postponed and the official has already received an advance for that trip, the official should pay back the full advance amount to the OTP immediately. Failure to do so will result in the total amount to be deducted from the official's salary in the first open salary month.**
- 8.1.8 Any other expenses relation to foreign advances, and for which no specific provision is made within a policy, will be handled on the merit of the expense, and will be subject to approval by the coordinating officer of the head of the relevant division.**

8.2 Domestic advances

8.2.1 The OTP does not grant any domestic S&T advance requests.

8.2.2 Domestic advances will only be granted in exceptional circumstances which warrant the advance, i.e

- ⇒ Travelling to neighbouring countries by car.
- ⇒ Expiry of fleet cards for which replacement cards are in transit.
- ⇒ Rented vehicles not issued with a petrol card.

8.2.3 Domestic S&T advance requests, along with the relevant BAS forms must reach the Office of the CFO no more than five (5) working days prior to the date of departure, to ensure that the claim is paid in time. All payments will be paid electronically via the BAS system.

8.2.4 If an official trip is cancelled or postponed and the official has already received an advance for that trip, the official should pay back the full advance amount to the OTP immediately. Failure which will result in the total amount to be deducted from the official's salary in the first open month.

8.2.5 No additional expenditure will be paid for by the OTP. Unauthorised amounts will be deducted from the official's salary without written notification

8.3 Disciplinary actions

8.3.1 Disciplinary actions may be taken against officials who abuse the provisions of this policy as per the financial mismanagement provisions of the PFMA.

9. Endorsed by: Senior Management