

DEPARTMENT OF PUBLIC WORKS

KWAZULU – NATAL



DEPARTMENTAL POLICY ON SUBSISTENCE AND TRAVEL ALLOWANCES

ANNEXURES

- A Example of Annual Subsistence and Camping Allowances
- B Certificate with regard to temporary advances
- C Maximum amounts claimable in respect of meals
- D Hiring of Rental Vehicles
- E Hotel classification
- F Flight bookings

1. INTRODUCTION

The purpose of this policy framework is to compensate an employee who, in the interest of the KwaZulu-Natal Department of Public Works, is on official duty away from his/her headquarters and home, for any reasonable accommodation expenditure incurred of necessity during such a period in addition to his/her normal living expenditure at his/her home. The compensation is not to –

- 2.1 enable an employee to entertain;
- 2.2 compensate for any discomfort experienced; and
- 2.3 supplement an employee's salary.

2. APPLICABILITY

The provisions of this policy framework shall apply to all employees in the KwaZulu-Natal Department of Public Works.

3. DEFINITIONS

The following words or phrases appearing in this policy, unless the context indicates otherwise, have the same meaning to which a meaning has been assigned in the Public Finance Management Act, 1999 and the National Treasury Regulations:

“CFO” means the Chief Financial Officer referred to in Chapter 2 of the National Treasury Regulations.

“Delegated official” means an official who has been delegated powers or instructed to perform duties assigned by the Accounting Officer.

“DPSA” means the Department of Public Service and Administration.

“EFT” means an Electronic Funds Transfer.

“Fixed Daily Subsistence Allowance” means expenditure in respect of accommodation, meals (including non-alcoholic beverages with meals), dry cleaning and laundering.

"Headquarters" means the city, town or place where the principal duties an employee has to perform or which may be indicated as his/her location on his/her job description.

"Home" means a place where an employee resides daily. This will include : Rented accommodation; residence that is registered in an employee's name, whether single, with his/her spouse or life partner and where an employee resides daily; and residence that is not registered in the employee's name but where he/she resides daily with his/her parents, family or friends.

"Incidental Expenses" means the expenditure in respect of tips for table, reading matter, private telephone calls and liquid refreshments which do not form part of the meals.

"Official Duty" means official absence from headquarters on official business as authorised by his/her department; and

"Special Daily Allowance" refers to an allowance in compensation for the actual expenses claimed in respect of incidental expenses.

4. LEGAL FRAMEWORK

4.1 In terms of the Public Finance Management Act, 1999 the Accounting Officer for a department must :

- a) ensure that the department, trading entity or constitutional institution has and maintains effective, efficient and transparent systems of financial and risk management and internal control, as per section 38(1)(a)(i); and
- b) take effective and appropriate steps to collect all money due to the department, trading entity or constitutional institution.

4.2 In terms of the Treasury Regulations, the Accounting Officer must ensure that:

- a) all the transactions of an institution must be supported by authentic and verifiable source documents, clearly indicating the approved accounting allocation, as per paragraph 17.1.1;
- b) amounts included in clearing or suspense accounts are cleared and correctly allocated to the relevant costs centres on a monthly basis as per paragraph 17.1.2(b);

- c) monthly reconciliations are performed to confirm the balances of each account as per paragraph 17.1.2(c); and
- d) reports are provided to the accounting officer about uncleared items on a monthly basis, as per paragraph 17.1.2(d).

5. COMPENSATION FOR EMPLOYEES WHO TRAVEL AWAY FROM HEADQUARTERS FOR A PERIOD LESS THAN 24 HOURS

5.1 Actual expenditure may only be claimed in respect of meals and tea/ beverages, provided that it is reasonable and supported by original receipts. The following provisions are applicable :

- a) Meals / Teas / Beverages will exclude sweets, large whole cakes, whole chicken, snacks, drinks above 500ml, biscuits, nougat and magazines.
- b) Subsistence can only be claimed if an official travels to a destination with a radius in excess of 50km from headquarters.
- c) Officials may not claim expenses in respect of meals / beverages purchased in the same city / town as their headquarters unless at a meeting / workshop / course.
- d) If any official leaves his / her headquarters before 06h00, the official may claim breakfast.
- e) if the official returns after 19h00 then dinner costs may be claimed.
- f) In order to qualify for lunch re-imbursement the claimant must have left the work headquarters before 11h00 and returned after 14h00. If the official is guilty of a pattern of travel for meetings over these hours purely to claim lunch reimbursement, then disciplinary measures will be instituted.
- g) In instances where teas/meals are provided at the venue, then no claim shall be entertained. Officials violating this rule will be subject to disciplinary action.

- 5.2 The recommended maximum amounts claimable are limited and are in line with market value expenses as charged by most suppliers and restaurants (see **Annexure C**).
- 5.3 Any deviation from the above must be fully motivated in writing and approved by the Accounting Officer or delegated authority.
- 5.4 An employee may also be reimbursed for the following costs incurred:
- a) claims for out of pocket expenses, e.g. parking fees, toll fees, bus fares and official phone calls, must be accompanied by the appropriate receipts/ documentation, otherwise reimbursement of such expenses cannot be made.
 - b) an employee using public transport such as local taxi or minibus, where no receipt is issued, the amount claimed should be consistent with the distance travelled. The authentication of such claims is at the discretion of the Accounting Officer.
- 5.5 Any additional expenditure incurred will be at the expense of the employee and not the department.
- 5.6 A subsistence and travel allowance claim must be supported with the following source documents in line with claim:
- (a) Copy of an invitation to a meeting / training or workshop (where applicable)
 - (b) Copy of an approved trip authority / weekly planner or monthly planner
 - (c) Proof of rates per km for that particular month
 - (d) Attendance register for the meeting / training or workshop (where applicable)
 - (e) Receipts for meals
 - (f) Toll gates slips
 - (g) Parking slips
 - (h) Proof of kilometres travelled e.g. Google Map calculation of distance travelled printout
 - (i) Approval for travel in excess of 2 500 kilometres (if applicable)
 - (j) Cost benefit analysis

6. COMPENSATION FOR EMPLOYEES WHO TRAVEL AWAY FROM HEADQUARTERS OVERNIGHT AND FOR A PERIOD LONGER THAN 24 HOURS

- 6.1 Employees, who travel away from his/her headquarters whilst performing official duties but residing at his/her home, cannot claim special daily allowance or fixed daily subsistence allowance.
- 6.2 Employees using private accommodation instead of hotels when away on official duties will be reimbursed at the **fixed daily subsistence allowance** rate for all expenses incurred. The maximum allowance payable in these circumstances is annually determined (1 April) by DPSA.
- 6.3 For employees where accommodation is provided by the department at a hotel or a bed and breakfast, the **special daily allowance** to compensate for incidental expenses is limited to the maximum allowance as annually determined by DPSA.
- 6.4 For employees where accommodation is provided by the department at self-catering facilities, the **special daily allowance** to compensate employees for incidental expenses is limited to the maximum allowance as annually determined by DPSA.
- 6.5 In cases where meals and/or teas/beverages are provided at a course, seminar or workshop, such amounts must be deducted from the maximum amounts claimable per day.
- 6.6 Where official trips are anticipated to be in excess of a 30 day period, the department must ensure that the most cost effective means of accommodation is obtained.
- 6.7 Claims must be submitted in arrears for "official expenditure" incurred and must be supported by original substantiating documentation.
- 6.8 Actual expenditure may be claimed in respect of meals, provided they are not included in hotel expenses and are supported by original substantiating documentation (see **Annexure C**).

6.9 Additional meals, beverages and items such as gratuities (tips), private telephone calls, alcoholic beverages, newspapers, movies, etc., will be at the expense of the employee and not the Department.

6.10 In addition to meals an employee may claim the following: -

6.10.1 Laundry services

- a) Claims may only be made where the trip exceeds five (5) continuous days and the amount claimed must be supported by original substantiating documentation. This excludes dry cleaning. The maximum amount claimable is at the discretion of the Accounting Officer.

6.10.2 Road fees

- a) claims for use of bus fares must be accompanied by the appropriate receipts, otherwise reimbursement of such expenses cannot be made.

An exception to this rule will apply in the case when an employee uses public transport such as a local taxi or minibus where no receipt is issued; the amount claimed should be consistent with the distance travelled. The verification of such claims is at the discretion of the Accounting Officer as said in paragraph 6.4(b) above.

- b) claims for parking and toll fees must be accompanied by original receipts.

6.10.3 Tray charges

- a) Tray charges will be paid when room service meals are required, limited to once daily.

6.11 The travelling official and responsibility manager are required to assess the most efficient method of travelling, i.e. consider consecutive back-to-back trips in excess of 500km per return trip versus overnight stays, prior granting approval for the trip. In the event that the official does not honour a hotel booking or valid official engagement then the official will be held liable for all costs.

7. TRAVEL AND ACCOMMODATION

In the absence of any guidelines issued by the Department of Public Service and Administration, the following will apply:

7.1 Hiring of Vehicles

The vehicle class and any other requirements are attached as **Annexure D**.

7.2 Hotel Costs

The hotel classification and any other requirements are attached as **Annexure E**.

7.3 Flight Bookings

The flight class and any other requirements are attached as **Annexure F**.

8. SPECIAL DAILY ALLOWANCES FOR OFFICIAL VISITS ABROAD

8.1 When expenditure on accommodation is fully funded by the department, an employee is compensated on the following basis:

- a) in case of official visits to the countries listed in the financial manual as revised by DPSA:
 - i) the reasonable actual expenses in respect of accommodation, dry cleaning and laundering; and
 - ii) a special daily allowance to compensate for the employee's three meals (breakfast, lunch and dinner) and incidental expenses (e.g. reading meter, private telephone calls and soft drinks which do not form part of meals, etc.).
- b) in the case of official visits to countries not listed in the above financial manual:
 - i) the reasonable actual expenses in respect of accommodation, dry cleaning and laundering;
 - ii) the reasonable actual costs for three meals; and
 - iii) a special daily allowance, equal to the special daily allowance for local official visits when actual expenses are claimed, to defray incidental expenses.

- 8.2 If expenses are paid from donor funds, a sponsor or a host, reduced amounts as per the following percentages shall be paid in respect of special daily allowance and incidental expenses:

15% for incidental expenses;

20% for breakfast;

20% for lunch; and

45% for dinner

9. APPLICATION FOR S&T ADVANCE

- 9.1 Before an official trip is undertaken, the amount of funding received is treated as an advance.
- 9.2 All conditions applicable to advances must be formally acknowledged by the applicable employee prior to the advance being granted (**Annexure B**).
- 9.3 An application for an S&T advance may not be considered or processed if:-
- i) the required original documentation is not attached to the application; and
 - ii) an employee has not cleared a previous advance.
- 9.4 Allowances and advances must not be paid in cash or by using the petty cash account, they must be deposited directly to an employee's bank account by means of an EFT.
- 9.5 Under no circumstances may an advance amount be split between a suspense and expenditure allocation. The EMP10 (Guide for Employers in respect of Employees Tax) specifically states in terms of section 17.1 that "A subsistence allowance is intended for abnormal circumstances and therefore an allowance of this nature cannot form part of the remuneration package of an employee. It is an amount paid by an employer to an employee in addition to the employee's normal remuneration".

- 9.6 Where the period of expected absence represents more than thirty (30) days, the advance granted in terms of exceptional circumstances shall not exceed amount equivalent to the estimated expenses for a period of thirty (30) days.
- 9.7 The EFT for an advance must not be affected prior to five (5) working days before the departure date.

10. USE OF OWN PRIVATE VEHICLE

- 10.1 If an employee is required to perform official duties and no "Government Vehicle" is available, or a vehicle adapted for use by employees with a disability, then prior approval must be obtained by the employee from his/her manager/ delegated official to use their own private vehicle.
- 10.2 The mileage rate payable depends on the engine capacity of the vehicle used and will be paid according to the transport rate applicable as determined and reviewed monthly by the National Department of Transport.
- 10.3 The maximum kilometres per month that can be claimed by an official is 2 500km unless there is an exceptional circumstance which is to be approved by the Accounting Officer.
- 10.4 An employee shall generally take responsibility for costs of commuting to work.
- 10.5 Where an employee proceeds on an official journey directly from home or returns home directly, the official mileage should be calculated by reference to the lesser of:
- a) the distance from home to the destination; and
 - b) the distance from the office to the destination.
- 10.6 Any costs incurred in the form of fines, e.g. traffic fines and parking tickets for transgressing the traffic regulations, will be borne by the affected employee.

11. PAYMENT PROCESS

- 11.1 Subsistence and travel claims must be submitted for payment within thirty (30) days after completion of the month in which official trips were taken.
- 11.2 Subsistence and travel claims above 120 days will be forfeited; the Accounting Officer on justifiable grounds may approve exceptions.
- 11.3 Only claims that relate to the last month of the financial year (March) will be considered for payment in the following financial year.
- 11.4 It is the responsibility of the delegated official certifying the subsistence claim form to ensure that the amounts claimed are reasonable and within the determined limits. Where deviations are detected, the amounts on the claim form must be amended prior to the claim being authorised and processed. Items such as cigarettes and stationery may not be reimbursed. The official approving the claim must be satisfied that all prescripts have been met and that it is generally in order.
- 11.5 Before a claim is approved/ authorised for payment the claimant must sign it and submit it to his/her supervisor or an officer designated to check. No payment will be made without there being authorised trip approvals. Adequate and proper planning of work related trips must be confirmed prior to travel and in the absence of this, any fruitless expenditure will be for the account of the official.
- 11.6 The delegated official must ensure that the times and dates quoted on meals vouchers are relevant to the amount being claimed.
- 11.7 Subsistence reimbursement may not be financed from the petty cash accounts.

12. DEVIATIONS

- 12.1 It may be necessary to deviate from this policy in exceptional circumstances in relation to the prescribed requirements attached within Annexure C to F. A case in point may be where managers accompany the Member of the Executive Council on trips and for operational reasons are required to fly business class with the Member of the Executive Council (for example when a briefing is required or economy class flights are unavailable on short notice etc.). In such instances, the Accounting Officer may grant approval (such approval may not be delegated), in writing, to deviate from the aforementioned requirements.
- 12.2 Such deviations by the Accounting Officer are made to address unique circumstances. The deviations cannot be open-ended and shall be handled on case-by-case basis.

13. EFFECTIVE DATE

This policy is effective from 1 May 2018, and replaces the existing departmental policy on subsistence and travel allowances prior this date.


HEAD: PUBLIC WORKS



the dpsa

Department:
Public Service and Administration
REPUBLIC OF SOUTH AFRICA

ANNEXURE A. EXAMPLE OF ANNUAL SUBSISTENCE AND CAMPING ALLOWANCES

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TO: ALL HEADS OF NATIONAL/PROVINCIAL DEPARTMENTS AND PROVINCIAL ADMINISTRATIONS

ANNUAL REVISION OF SUBSISTENCE AND CAMPING ALLOWANCES: 1 APRIL 2017

1. The Minister for Public Service and Administration has determined that with effect from 1 April 2017, the maximum subsistence and camping allowances payable in terms of parts XII and XIII of PSCBC Resolution 3 of 1999, be adjusted as indicated below:

Type of Allowance	Previous Maximum Allowance w.e.f 1 April 2016	Current Maximum Allowance w.e.f 1 April 2017
Special daily allowance to compensate for incidental expenses where actual expenses are claimed	R115.00	R122.00
Fixed daily subsistence allowance payable in circumstances where actual expenses are not claimed	R372.00	R397.00
Daily allowances payable to camping personnel	R139.50	R149.00

2. National Treasury has granted approval for the above revised maximum tariffs. However, the resulting additional expenditure incurred as a result of this approval will have to be met from existing budgets of affected departments.


DIRECTOR-GENERAL

DATE: 12/04/2017

ANNEXURE B

**DEPARTMENT OF
CERTIFICATE WITH REGARDS TO TEMPORARY ADVANCES**

I, _____ hereby certify that:

- 1) All previous advances received in connection with subsistence and transport allowances have been paid.
- 2) I understand that I am under obligation to submit my claim no later than 5 working days (or as determined by the Accounting Officer of the department) after returning to my headquarters.
- 3) I further understand that, should I fail to submit my claim within the prescribed period, the full amount of the advance issued to me will be deducted from my salary in one instalment.
- 4) Any claims submitted will be processed through the normal channels.

Initials and surname

Persal number

Signature/Rank

Date

This is to certify that:

- (1) the abovementioned officer's travelling duties justify the receipt of an advance of R_____ for the purpose of _____

from / / to / / .
- (2) I understand that, as responsibility manager/delegated authority, in the event of the abovementioned official failing to honour the above undertaking, I may be held liable for the outstanding advance or any amount not covered by a claim submitted against the advance.

Initials and surname (Responsibility Manager/delegated authority)

Signature/Rank

Date

(Responsibility Manager/delegated authority)

ANNEXURE C

MAXIMUM AMOUNTS CLAIMABLE IN RESPECT OF MEALS

Actual expenditure may be claimed in respect of meals, provided they are not included in hotel expenses and are supported by original substantiating documentation, in line with the following:

MEAL	AMOUNT	CONDITIONS
Breakfast	R120.00	Includes cost of a beverage Claimable up to 11H00.
Lunch	R150.00	Includes cost of a beverage.
Dinner	R150.00	Includes the cost of two beverages Claimable from 18H00.

ANNEXURE D**HIRING OF RENTAL VEHICLE**

The cost of the hired vehicle, engine capacity and vehicle specifications must be determined according to the level of the employee, as stipulated hereunder:

LEVEL	FLEET VEHICLE	ENGINE CAPACITY	SPECIFICATIONS
Level 8 and below	VW Polo Hatch or similar vehicle	1.3 Litre	Manual; Air-conditioning; Radio/CD; Power steering; Air-bags; Central locking; and ABS.
Level 9 to 12	Toyota Corolla or similar vehicle	1.4 Litre	Manual; Air-conditioning; Radio/CD; Power steering; Air-bags; Central locking; and ABS.
SMS: Manager: Level 13	Polo Classic or similar vehicle	1.6 Litre	Automatic; Air-conditioning; Radio/CD; Power steering; Air-bags; Central locking; and ABS.
SMS: General Manager: Level 14	Honda Accord or similar vehicle	1.8 Litre	Automatic; Air-conditioning; Radio/CD; Power steering; Air-bags; central locking; and ABS.
SMS: Senior General Manager: Level 15	BMW 3 series or similar vehicle	2.0 Litre	Automatic; Air-conditioning; Radio/CD; Power steering; Air-bags; Central locking; and ABS.

LEVEL	FLEET VEHICLE	ENGINE CAPACITY	SPECIFICATIONS
Head of Department	Mercedes C class or similar vehicle	2.0 Litre	Automatic; Air-conditioning; Radio/CD; Power steering; Air-bags; Central locking; and ABS.
Director-General	Mercedes C class or similar vehicle	2.0 Litre	Automatic; Air-conditioning; Radio/CD; Power steering; Air-bags; Central locking; and ABS.

ANNEXURE E**HOTEL CLASSIFICATION**

The most economical hotel or bed and breakfast must be taken into consideration when requiring accommodation, according to the following hotel classification and any other requirements.

LEVEL	CLASSIFICATION	CATEGORY
Level 1 to 12	Three star	Room
SMS: Level 13 to 15	Four star	Room
Head of Department	Five star	Suite
Director General	Five star	Suite
Alternative accommodation as and when required	Guest house; Travel lodge; and Self-catering facilities	

ANNEXURE F**FLIGHT BOOKINGS**

The flight class must be determined as follows. Exceptions will only apply in circumstances due to a disability or any other unique considerations, as approved by the Accounting Officer.

LEVEL	FLIGHT CLASS
Level 1 to 12	Economy class
SMS: Level 13 to 14	Economy class
Level 15 and 16	Business class

