



**DEPARTMENT OF SOCIAL DEVELOPMENT  
KWAZULU NATAL**

**POLICY ON SUBSISTENCE AND TRAVELING ALLOWANCE**

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## 1. INTRODUCTION

The Public Service Regulations, 2001, as amended (chapter I/V/E.1 and 2) require the Minister for Public Service and Administration to determine service benefits, compensatory practices, work facility practices and allowances for employees through the collective bargaining process. The collective agreement for employees who incur expenditure on accommodation whilst on official journeys was reached as per *PSCBC, 1999 (Resolution No.3 of 1999)*. The agreement further requires the employer to meet reasonable actual accommodation costs. The policy on S & T, therefore, is a guideline for the implementation of the above policy framework.

## 2. PURPOSE

The purpose of this policy is to compensate an official who, in the interest of the Department, is on official duty away from his/her headquarters and home, for any reasonable accommodation expenditure incurred by him/her 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 official to entertain;
- 2.2 compensate for any discomfort *experienced*; and
- 2.3 supplement an employee's salary.

## 3. SCOPE OF APPLICABILITY

The provisions of this policy shall apply to all employees in the Department of Social Development as well as prospective employees.

## 4. LEGISLATIVE FRAMEWORK

- 4.1 Public Service Regulations, 2001, as amended;
- 4.2 Public Finance Management Act, 1999 (Act No.1 of 1999), as amended;
- 4.3 Treasury Regulations, 2000; and
- 4.4 PSCBC, 1999 (Resolution No. 3 of 1999).

## 5. DEFINITIONS, ABBREVIATIONS AND ACRONYMS

For the purpose of this policy:

- (a) "**BAS**" stands for Basic Accounting System;

- (b) **“Daily Allowance”** refers to an allowance in compensation for actual expenses claimed in respect of incidental expenses;
- (c) **“Department”** means the Department of Social Development, KwaZulu Natal;
- (d) **“DPSA”** stands for Department of Public Service and Administration;
- (e) **“EFT”** stands for Electronic Fund Transfer;
- (f) **“Employee”** means any person, excluding an independent contractor, who works for another person or for the state and who receives or is entitled to receive any remuneration; and any person who in any manner assists in carrying or conducting the business of an employer, and “employed” and “employment” have a corresponding meaning to that of “employee”;
- (g) **“Fixed daily Subsistence Allowance”** - an allowance payable in circumstances where actual expenses are not claimed for trips of 24 hours or longer;
- (h) **“Headquarters”** means the city, town, or place where the principal duties of an employee have to be performed or which may be indicated as his/her location on his/her job description;
- (i) **“HOD”** stands for Head of Department;
- (j) **“Home”** means a place where an official resides daily. This will include: rental accommodation, boarding, residence that is registered in the official’s name, whether single, with his/her spouse or life partner and where an official resides daily; and residence that is not registered in the official’s name but where he/she resides daily with his/her parents, family or friends;
- (k) **“Incidental Expenses”** means the expenditure in respect of tips for table and room service, reading matter, private telephone calls and liquid refreshments which do not form part of meals;
- (l) **“Meal”** means any of the regular daily occasions when food is eaten;
- (m) **“MEC”** stands for Member of Executive Council;
- (n) **“Official Duty”** means official absence from headquarters on official business as authorised by his/her Department;
- (o) **“Private Expenses”** means any expenses where the benefit was for own use;

- (p) **“PSCBC”** stands for the Public Service Co-ordinating Bargaining Council;
- (q) **“RSA”** stands for Republic of South Africa;
- (r) **“S & T”** stands for Subsistence and Travelling;
- (s) **“Special Daily Allowance”** means an allowance payable for incidental expenses where actual expenses are claimed for periods of 24 hours or longer. This amount is intended to cover tips for table and room service as well as portage, reading matter, private telephones calls and liquid refreshments, which do not form part of meals;
- (t) **“Subsistence Allowance”** means the expenditure in respect of accommodation, meals (*including non-alcoholic beverages*), dry-cleaning and laundering; and
- (u) **“Travel Agent”** means the travel agent approved by the Department to attend to travel arrangements on its behalf.

## 6. COMPENSATION FOR EMPLOYEES WHO ARE WAY FROM HEADQUARTERS AND HOME FOR A PERIOD OF LESS THAN 24 HOURS

- 6.1 The **actual expenditure** may be claimed in respect of meals and teas / beverages, in the event where the destination travelled to is **in excess of 50 kilometres** away from his / her headquarters, provided this is reasonable, and supported by a receipt;
- 6.2 An employee is only entitled to submit a subsistence and travelling claim in terms of meals, teas or non-alcoholic beverages. The cost of any alcoholic beverage will not be reimbursed. The maximum amount claimable in respect of meals and teas / beverages with receipts is limited to the following:

(a)	<b>Breakfast (can only be claimed if he/she leaves his/her residence before 6H00)</b>	<b>R60,00 per day, which includes the cost of a beverage</b>
(b)	<b>Lunch</b>	<b>R75,00 per day, which includes the cost of a beverage</b>
(c)	<b>Dinner (only if he/she returns to his/her headquarters after 19H00)</b>	<b>R120,00 per day, which includes the cost of a beverage</b>
(d)	<b>Teas/ beverages</b>	<b>R7,50 per beverage</b>

		<b>limited to two beverages per day</b>
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- 6.3 In case where an employee travels to a rural area and finds it practical to purchase one large or more than one small beverages not forming part of a meal, to be consumed for the whole day, an amount of **R15,00** may be claimed for such beverage only, provided that that employee would normally have claimed for one beverage in the morning and one in the afternoon;
- 6.4. An employee may also purchase one large or more than one meals to be consumed for breakfast and lunch in case where an official travels early to a rural area, an amount of **R115,00** may be claimed for such meals or arrangement may be made with the hotel or any other type of accommodation to provide breakfast /lunch pack;
- 6.5 Whether an official qualifies for the reimbursement of such meals and teas in accordance with paragraph 6.1 will depend upon the time of departure and return, and the reasonableness of the claim. Refer to “*Control Measures*”, for clarity on times if required;
- 6.6 Employees may also be reimbursed for those costs incurred in respect of parking and toll fees as follows:
- 6.6.1 *Parking: provided proof is supplied; and*
- 6.6.2 *Toll fees: Every claim for toll fees must be supported by original receipts.*
- 6.7 An exception to this rule will apply in this case when an employee travels in a local taxi i.e. a minibus or taxi where no receipt is issued. The Responsibility Manager must use his/her discretion to ensure that such costs are reasonable;
- 6.8 Employees who attend a meeting/ workshop/course where catering is provided is not entitled to claim S & T; and
- 6.9 Travel arrangements for the MEC must be handled in terms of the handbook on Ethics and Privileges for Political Office Bearers.

## **7. COMPENSATION FOR EMPLOYEES WHO ARE AWAY FROM HEADQUARTERS AND HOME FOR A PERIOD OF 24 HOURS OR LONGER**

- 7.1 **Travel arrangement; all travel arrangements shall be handled through the travel agent on behalf of the Department.**
- 7.2 Employees that are away from their headquarters but are residing at their homes, as defined in clause 5 (j) above, are **not** allowed to claim the fixed

daily subsistence allowance as per clause 5 (g) above or special daily allowance as per clause 5(s) above;

7.3 An employee may be booked overnight accommodation if he/she travels in excess of 100km one way from headquarters. Any deviation from this rule must be supported by motivation;

7.4 Tax on subsistence will be reflected on an employees IRP5 form and the burden will be on individual employees to claim back or avoid a debt from South African Revenue Services (SARS). Here, employees will have to provide a schedule of actual expenditure incurred for subsistence for work purposes when submitting their forms to South African Revenue Services (SARS) for assessment. Critical to this assessment will be the provision of documentation to support the receipt of the special daily allowance and the fixed special daily allowance;

7.5 The actual expenditure may be claimed in respect of meals, provided they are not included in hotel expenses and are supported by proof;

The cost of alcoholic beverages will not be reimbursed. Clause 6.2 applies *mutatis mutandis*. Meals taken at the hotel that exceeds costs stipulated in clause 6.2 *may be accepted provided it is supported by original receipts and at the discretion of the Responsibility Manager, who must ensure that such costs are reasonable;*

7.6 For employees where accommodation has to be provided by the Department, e.g. at the hotel or bed and breakfast, the special daily allowance to compensate for incidental expenses is limited to maximum allowance as regularly revised by the DPSA;

7.7 Where accommodation mentioned in clause 7.4 is booked, it must be equivalent to a three (3) star category. In the event of non availability in the area the most economical form of accommodation available should be used;

7.8 For employees where accommodation has to be provided by the Department at self catering facilities, the special daily allowance to compensate for incidental expenses is limited to maximum allowance as regularly revised by the DPSA. An employee may also be reimbursed for other expenses incurred e.g. groceries which must be accompanied by an appropriate receipt. The amounts stipulated in clause 6.2 above apply *mutatis mutandis*;

7.9 Where official trips are anticipated to be in excess of a thirty (30) day period, the Department must ensure that the most cost effective means of accommodation is obtained;

- 7.10 Claims must be submitted in arrears for “official expenditure” incurred and supporting documentation must be provided for these claims;
- 7.11 The Department is liable to pay for tray charges for room service meals only.
- 7.12 Any costs associated with gratuities will be borne by the affected employee. The Department will not be liable for any gratuities paid by the employee;
- 7.13 No application for S & T advance will be considered for official trips within the RSA;
- 7.14 In addition to meals, an employee may claim the following:

#### **7.14.1 Road Fees**

Claims for use of bus fares must be accompanied by the appropriate receipts, otherwise reimbursements of such expense cannot be made. An exception to this rule will apply in the case when an official travels in a local taxi i.e., a minibus or taxi where no receipt is issued. The supervisor must ensure that the amount claimed is consistent with the distance travelled.

#### **7.14.2 Laundry**

Laundry fees may only be claimed where the trip exceeds five (5) continuous days and the amount claimed must be supported by proof. This amount is limited to a maximum of one hundred and eighty rands and nil cents **(R180,00) per week**. The aforementioned excludes dry cleaning.

#### **7.14.3 Toll fees and Parking**

Every claim for toll fees and parking must be supported by original receipts.

#### **7.14.4 Official Phone Calls**

This is payable provided there is proof supporting the claim.

- 7.15 Employees using private accommodation instead of hotels when away on official duties will be reimbursed at the fixed daily subsistence allowance rate only for all expenses incurred. The maximum allowance payable, in these circumstances, is regularly revised by DPSA; and
- 7.16 The credits for free stays that are accrued by employees at certain hotels while on official duty shall be privately used by the employees concerned.

## 8. ACCOMMODATION ON OFFICIAL JOURNEYS OUTSIDE THE REPUBLIC

8.1. *When expenditure on accommodation is wholly met from public funds an employee is compensated on the following basis:*

8.1.1 In the case of official visits to the countries listed in the Annexure A of the *Financial Manual*, the following apply:

8.1.1.1 The reasonable actual expenses in respect of accommodation, dry cleaning and laundry; and

8.1.1.2 A special daily allowance to compensate for the employee's three (3) meals (*breakfast, lunch and dinner*) and incidental expenses (*purchase of reading material, private telephonic calls, purchase of soft drinks at intervals which do not form part of a meal*).

8.1.2 In the case of official visits to the countries not listed in the Annexure A of the *Financial Manual*, the following apply:

8.1.2.1 The reasonable actual expenses in respect of accommodation, dry-cleaning, and laundry;

8.1.2.2 The reasonable actual costs of three meals; and

8.1.2.3 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 The amounts set out in the Annexure A of the *Financial Manual*, are maximum amounts. Therefore when accommodation expenditure and related 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:

8.2.1 *Incidental expenses (15%);*

8.2.2 *Breakfast (20%);*

8.2.3 *Lunch (20%); and*

8.2.4 *Dinner (45%).*

8.3 In the processing of claims for the compensation of accommodation expenditure, care must be taken that employees are not out of pocket or enriched at the cost of the Department as a result of changes in the rate of foreign exchange;

8.4 Other costs resulting from an official journey outside the Republic, such as visa applications, will be met from Departmental (State) funds, provided

prior approval is obtained, from the relevant Responsibility Manager and claims are reasonable, substantiated by proof and will result in the employee **NOT** being out of pocket or enriched at the expense of the Department of Social Development; and

- 8.5 Clause 7.2 above applies *mutatis mutandis* for the claiming of incidental allowance: travel abroad. The amounts laid down in respect of travel abroad only apply for continuous periods spent outside RSA not exceeding six (6) weeks. It is also only applicable to employees who are ordinarily resident in the RSA. The common monetary area consists of Lesotho, Namibia, Swaziland and the RSA.

## **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 An application for an S&T advance may not be considered or processed, where:
- 9.2.1 All the required documentation have not been attached to the application; and
- 9.2.2 Employees have not cleared a previous advance.
- 9.3 Allowances and advances should not be paid in cash or by using the petty cash account; they must be deposited directly to an official's bank account by means of an EFT through BAS, except in exceptional circumstances;
- 9.4 If the period of expected absence represents more than thirty 30 days, the advance granted in terms of exceptional circumstances shall not exceed an amount equivalent to the estimated expenses for a period of thirty (30) days; and
- 9.5 The EFT for an advance must not be effected 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 then prior approval must be obtained by the employee from his/her manager to use their own private transportation;
- 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 An employee shall generally take responsibility for costs of commuting to work;
- 10.4 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:
  - 10.4.1 The distance from home to the destination; and
  - 10.4.2 The distance from the office to the destination.
- 10.5 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. AIR TRAVEL**

- 11.1 Use of business class is limited to HOD only. All other employees are to use economy class. An exception to this rule will apply where :
  - 11.1.1 An official is accompanying the MEC, HOD and are booked in the same flight; and
  - 11.1.2 The economy class is fully booked and it is essential for an employee to attend the official business. In this instance prior approval from the Supervisor must be obtained.
- 11.2 Voyager miles accrued by employees shall be privately used by employees concerned.

## **12. CAR RENTALS**

- 12.1 If an employee is required to use a rented car from the airport to the venue of the official business:
  - 12.1.1 A vehicle with an engine capacity not exceeding 1800cc should be used by all employees; and
  - 12.1.2 A vehicle with an engine capacity not exceeding 2500cc should be used by the HOD.
- 12.2 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.

## **13. PRIVATE TELEPHONE CALLS**

The use of telephone for private purposes at the accommodation provided by the department is strictly forbidden. In case of emergency an official may use

the telephone but such cost must be paid for by the employee on departure date i.e. check out date.

## **14. CONTROL MEASURES**

14.1 In order to avoid any uncertainty, the following requirements must be met when submitting claims for reimbursement of expenditure:

- 14.1.1 The nature of the journey must be clearly indicated together with the date, the departure and arrival times and the employee's annual salary;
- 14.1.2 If an employee leaves his/her headquarters before 06H00, he/she may claim breakfast and if he/she returns after 19H00 he/she may claim dinner;
- 14.1.3 It is the responsibility of the employee certifying the subsistence claim to ensure that the amounts being claimed are reasonable and within the determined limits. Where deviations are detected, the amounts on the claim must be amended prior to the claim being authorised and processed. Items such as cigarettes and the stationery may not be reimbursed. The employee approving the claim must satisfy himself/herself that all prescriptions have been met;
- 14.1.4 The employee must sign the claim before submitting it to his/her supervisor or an officer designated to check and/or authorise payment / reimbursement;
- 14.1.5 The supervisor/first line manager must ensure that the times quoted on meal vouchers are relevant to the amount being claimed. For example, where an employee claim for the reimbursement for dinner and the time indicated on the slip is 18H15, this cannot be accepted. The date on the slip must also be applicable. Furthermore, where employees are travelling over meals period, purely to be able to claim the meal allowance, this too must be controlled and prevented;
- 14.1.6 It should be noted that where an employee is required to represent his/her department at a meeting, for example, on a Monday at 10H00, travelling arrangements must, wherever possible, be made to coincide with that meeting. When employees wish to travel on the Sunday prior to a meeting this should only be considered under exceptional circumstances, in which case, the necessary motivation and the responsibility managers' approval must be attached to the claim; and
- 14.1.7 Subsistence reimbursement may not be financed from the petty cash account.

- 14.2 Employees are reminded that where advances are drawn to cover the cost of an official trip, the subsistence claim form pertaining to that trip must be completed and submitted for processing without delay and **by no later than 10 working days**, after having completed the trip. In this regard, Responsibility Managers are encouraged to peruse their Subsistence and Transport Control Accounts for detailed outstanding advances. These must be investigated and cleared without delay. Should the advance not be cleared within the stipulated time, the full amount must be recovered from the employee's salary without further notice;
- 14.3 In order to ensure that the spending of State funds are properly monitored and controlled, all employees charged with the responsibility of checking, authorising and controlling subsistence claims and expenditure, are requested to render their full co-operation and support in this regard;
- 14.4 The Department has a prerogative to decide on full, part or no compensation to employees that undertake official journeys, without prior approval from the department; and
- 14.5 With due consideration to fairness and reasonableness, as well as practicality, subsistence allowance must be cost-efficient and economically justifiable.

## **15. MONITORING, EVALUATION AND REVIEW**

- 15.1 Human resource component is responsible for communicating the provisions of this document to all employees and its implementation thereof; and
- 15.2 The policy will be monitored, evaluated and reviewed on annual basis to ensure that it achieves the intended purpose.

## **16. EFFECTIVE DATE**

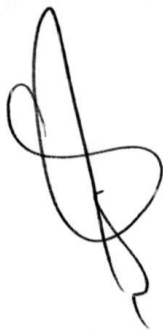
The effective date of this policy will be the date of approval.

## **17. TITLE OF THE POLICY**

This policy shall be called Policy on Subsistence and Traveling Allowance.

**18. POLICY APPROVAL**

This policy supersedes all other policies on Subsistence and Traveling Allowance promulgated before. The policy is approved with effect from the 10<sup>th</sup> day of November in the year 2009 and will be effective on the date of approval.



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**MR B L NKOSI**  
**HEAD OF DEPARTMENT: SOCIAL DEVELOPMENT**