



the dti

Department:
Trade and Industry
REPUBLIC OF SOUTH AFRICA

DTI POLICY ON SUBSISTENCE AND TRANSPORT: DOMESTIC AND FOREIGN



Effective date 1 July 2007

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1. POLICY OBJECTIVES

The purpose of this policy is to regulate DTI processes and procedures regarding subsistence and transport related expenditure, i.e. to compensate officials for expenses associated with the performance of official duties away from the office and home environments.

This policy will enable DTI officials to:

- Understand the Departmental policy on the payment of expenditure for subsistence and transport.
- Complete a Subsistence and transport claim, or Subsistence and transport advance request.
- Understand what expenditure may be claimed.

This policy directive is based on the following sources:

- Treasury Regulations, as issued in accordance with the Public Finance Management Act (PFMA)
- Public Service Regulations, 1999
- Public Service Coordinating Bargaining Council Resolution, 1999
- Tariff guidelines: Department of Transport, and the Department of Public Service and Administration (DPSA)
- Related tax legislation
- Departmental requirements

2. TIME FRAMEWORK

The DTI policy on Subsistence and Transport will be effective from 1 July 2007 and will be reviewed annually.

3. POLICY SUMMARY

3.1 Regarding Domestic S & T, the following deliverables will apply:

- 3.1.1 By means of an *S & T Advance form*, officials may claim the applicable daily allowance prior to a trip.
- 3.1.2 Accommodation will be arranged via a *dti*-approved travel agency, on a “*bed-and-breakfast*” basis.
(*The travel agency will pay for such accommodation, inclusive of a breakfast, and claim the cost from the dti on a “bill back” basis.*)
- 3.1.3 If no accommodation is applicable, e.g. where an official will stay at family or friends during a trip, an *all-inclusive allowance* of R221, 00 per day may be claimed. The daily allowances are prescribed by DPSA and will be adjusted annually.
- 3.1.4 Transport, such as car rentals and air travel, will be arranged via the approved **the dti** travel agency.
(*The travel agency will pay for such travel, and claim the cost from the dti on a “bill back” basis.*)
- 3.1.5 A daily allowance of R67, 50 can be claimed for incidental expenditure e.g. tips, newspapers, porter fees etc. (Longer than 24 hours)
- 3.1.6 Meals
- Breakfast – All accommodation is arranged “bed-and-breakfast” basis. This will imply that breakfast will be paid by the travel agency.
 - Lunch – R45,00
 - Dinner – R90,00
- 3.1.7 No supporting documentation of proof will be required for above-mentioned expenses. (paragraph 3.1.5 and 3.1.6)
- 3.1.8 All other expenses, such as parking, travel costs using own vehicle, and toll fees, can be claimed by means of an *S&T Claim*, once an official returned from a trip. For such expenses, documentation of proof, such as receipts, must be submitted to substantiate the claim.
- 3.1.9 IRP 5's will be accumulated and updated with amounts in respect of allowances paid in terms of the applicable tax legislation.

3.2 Regarding Foreign S & T, the following deliverables will apply:

- 3.2.1 Officials will claim for *expected costs* by means of an *S & T Advance request*.
- 3.2.2 Accommodation will be arranged via a **dti**-approved travel agency.
(*The travel agency will pay for such accommodation, and claim the cost from the dti on a "bill back" basis*).
- 3.2.3 Transport, such as air travel, will be arranged via the approved **dti** travel agency.
(*The travel agency will pay for such travel and transport costs, and claim the cost from the dti on a "bill back" basis*)
- 3.2.4 The daily allowance, as specified by the DPSA for the specific country, can be claimed for *all meals and other incidental expenditure e.g. tips and porter fees*.
- 3.2.5 Other expected expenditure, such as taxi fees, water, etc, can be claimed for separately from the above. Proof for actual expenditure incurred will be required.
- 3.2.6 If a country is visited for which a daily allowance is not specified, a daily allowance of R67.50 plus two meals (meals will be limited to amounts as per Domestic Subsistence and Travel) per day can be claimed, as well as other *expected expenditure*. *Meals will be limited to amounts as per Subsistence and Travel Domestic Policy*.
- 3.2.7 An *S & T Claim and Travel Report* must be submitted within 10 working days on return from official business. The claim will be reconciled with the *S&T Advance request*, and/or the actual expenditure, to determine the balance payable or refundable.

4. **POLICY DIRECTIVES**

The following policy directives apply to the different types of expenses, which relate to subsistence and transport:

4.1 **DOMESTIC S & T CLAIMS FOR PERIODS LESS THAN 24 HOURS**

This period implies an official journey of more than 5 hours, but less than 24 hours.

For official trips with a duration less than 24 hours, e.g. for the attendance of a course, actual expenses for meals may be claimed, restricted to a maximum of R40,00 per meal, and R80, 00 per day. Supporting

documentation and proof of expenditure must be submitted to substantiate expenses on the *S & T Claim*.

- Breakfast, if the official departs before 06h00
- Lunch, if the official departs before 12h00
- Lunch, if the official returns after 14h00
- Dinner, if the official returns after 19h00

4.2 **DOMESTIC S & T CLAIMS FOR PERIODS LONGER THAN 24 HOURS**

4.2.1 Accommodation is to be arranged via a dti-approved travel agency.

(Associated expenses, inclusive of breakfast, will be claimed from the dti by the travel agency. No other meals or costs may be included in the hotel account).

4.2.2 In exceptional cases, where hotel accommodation is not handled via an approved **dti** travel agency, expenses that may be claimed will be restricted to R600, 00 per day *(Bed and breakfast)*.

4.2.3 A daily allowance of R67, 50 may be claimed for incidental expenditure. The amount of R67.50 can be claimed, by means of an *S & T Claim*. (No documentation of proof, for the daily allowance, will be required to substantiate expenses).

4.2.4 Meals

- Breakfast – All accommodation is arranged “bed-and-breakfast” basis. This will imply that breakfast will be paid by the travel agency.
- Lunch – R45,00
- Dinner – R90,00

4.2.5 If no accommodation is applicable, e.g. where an official will stay at family or friends during a trip, an *all-inclusive allowance* of R221, 00 per day may be claimed. This implies that no other amounts for accommodation or meals may be claimed.

4.2.6 Transport, such as car rentals, and air travel, must be arranged via the dti-approved travel agency. *(The travel agency will pay for such travel and transport costs, and claim the cost from the dti on a “bill back” basis)*

4.2.7 The relevant allowance per kilometer for using private transport can be claimed where officials are making use of their own vehicles. Please refer to **the dti** Travel policy.

(Depending on whether an official receives a motor allowance, and the distance traveled, a travel allowance may be subjected to taxation upon assessment).

➤ See **Annexure A** for applicable travel tariffs and conditions

4.2.8 Other expenses relating to a trip may be claimed by means of an *S & T Claim*, upon returning from a trip. Documentation of proof must be submitted to substantiate such a claim. Expenses paid for in this manner, will not be taxable provided that proof of expenditure is submitted. Examples of additional expenses that may be claimed are as follows:

- Parking costs
- Toll fees
- Telephone & Fax costs
- Washing, ironing and dry cleaning (*may be claimed if away for periods of 3 consecutive days or longer*)



4.3 **S & T ADVANCE REQUESTS, AND S & T CLAIMS FOR TRIPS ABROAD**

4.3.1 Officials traveling abroad will submit an *S & T Advance request* for expected expenditure associated with the trip.

4.3.2 Accommodation is to be arranged via a **dti** approved travel agency. *(Associated expenses will be claimed from **the dti** by the travel agency. No meals or other costs may be included in the hotel account).*

4.3.3. The daily allowance applicable to the relevant country, as per tariff guidelines of the DPSA, can be claimed for *meals, porter fees, tips etc.*

- See **Annexure B** for the daily allowances payable per day for the specified countries.
- Note that the special daily allowance is the maximum amount payable for above-mentioned expenses. Therefore, when accommodation expenditure and related expenses are wholly or partially sponsored by a donor or sponsor, or where part of the meals, (e.g breakfast is included in hotel accommodation expenses, is paid by the employer) the payment of the special daily allowance will be reduced accordingly.
- Daily allowances will be reduced as follows:
 - Breakfast 20 %
 - Lunch 20 %
 - Dinner 45 %

4.3.4 Other expected expenditure, such as taxi fees, water, dry cleaning (for 3 consecutive days or longer), etc, can be claimed for in addition to the above. Proof for actual expenditure incurred, is required.

4.3.5 A daily allowance of R67,50 plus cost of two meals per day, as well as *actual* expenditure, may be claimed in respect of countries where a specific daily allowance is not specified. Copies of expenditure should be submitted. Amounts will be limited in terms of the S&T Domestic Policy.

4.3.6 In cases where a trip is being sponsored by an external institution, expenses that may be claimed will be restricted to 30% of the relevant daily allowance.

5. GENERAL ADMINISTRATIVE ARRANGEMENTS

- 5.1 Exchange rate conversions, where applicable, will be based on the exchange rate applicable on the date of a departure. As an alternative, the exchange rate as per documentation of proof, may also be used (*e.g. as reflected on a bank statement*).
- 5.2 A completed BAS S&T Advance advice, as per **Annexure D**, must be attached to all advance requests. A completed S&T Claim advice, as per Annexure C, must be attached to all S&T claims. The BAS Payment advice and supporting documentation must reflect the signature of the relevant manager authorising the trip, and the subsequent payment, of the advance/claim, as well as the expenditure allocation details.
- 5.3 Payments in respect of *S & T Advances*, and/or *S&T Claims*, will be deposited to the SA bank account of the relevant official, similar to salary deposits. As an alternative, an official may nominate on the *S & T Advance request* and/or the *S & T Claim*, alternative bank deposit details. (*Please note that deposits to credit card accounts are prohibited by legislation*).
- 5.4 Bank fees, such as costs to exchange SA Rand for foreign currency and *vice versa*, may also be claimed by means of the *S & T Claim*.
- 5.5 No fixed allowances for meals may be claimed, if meals are included as part of the training course, conferences, seminars etc
- 5.6 Any other expenses relating to subsistence and transport, and for which no specific provision is made within this policy, will be handled on the merit of the expense, and will be subjected to the approval thereof by the COO, or the CEO of the relevant division.
- 5.7 *S & T Advance requests* (with relevant supporting documents) must reach the Directorate Financial Accounting **7 working days** prior to a trip and all *S & T Claims* (with relevant supporting documentation) must reach the Directorate Financial Accounting **10 working days** after a trip, to ensure the timeous payment thereof. All payments will be handled by means of the Electronic banking transfer-functionality of the BAS system.
- 5.8 All requests for the payment of *S & T Advances*, or the payment of *S&T Claims*, must be approved by the manager of the relevant official, as per applicable *dti* Delegations of power.
- 5.9 For trips abroad, the *written approval of the Director-General* is required (*e.g. by means of submission*). Regarding SADC countries, the approval of the relevant DDG will be sufficient.

- 5.10 Advances and/or claims not meeting the required approval requirements will be referred back for rectification, implying possible delays with the processing and payment thereof.
- 5.11 *S & T Advance requests*, as applicable to travel abroad, must in all cases be followed with an *S & T Claim and Travel Report*, within 10 working days after an official returned from the relevant trip. Allowed expenses, such as the specified daily allowances, or actual expenses, will be *reconciled with advanced amounts*, to determine the balance payable or refundable.
- 5.12 Amounts refundable to officials will be paid within 5 working days after the *S&T Claim* has been received by Finance. Officials owing amounts to the dti as a result of the reconciliation between advanced amounts, and allowed expenses, must re-imburse the relevant amount *within 5 working days after notification*. Amounts outstanding for longer than 10 days, will be deducted without further notification from the next salary of the official concerned. No installments will be allowed.
- 5.12 The full advance amount should be paid back to the dti immediately should an official trip be cancelled or postponed.
- 5.13 No other expenditure (dinner, room service etc) will be allowed on the hotel account. Unauthorised amounts will be deducted without written notification.
- 5.14 Disciplinary actions**

Disciplinary actions may be taken against officials of the abuse of this policy provisions, as per financial mismanagement provisions of the Public Finance Management Act.

6. MISCELLANEOUS

- See Annexure A for a *list of tariffs and conditions applicable to travel allowances*.
- See Annexure B for a list of *daily allowances payable for specified countries*
- See Annexure C for a template of the *BAS S&T Claim*
- See Annexure D for a template for the *S & T Advance request*.
- See Annexure E for a template for the *S & T Foreign calculation*
- See Annexure F for a *process flow for Domestic S & T*.
- See Annexure G for a *process flow for Foreign S & T*