



DEPARTMENT OF SOCIAL DEVELOPMENT

SUBSISTENCE AND TRAVELLING POLICY

MARCH 2003



1. INTRODUCTION

The Public Finance Management Act (Act No.1 of 1999) [section 76(4)(b)], read in conjunction with chapter 8 of the Treasury Regulations, requires the Accounting Officer to ensure that internal procedures and internal control measures are in place for payment approval and processing. These internal controls should provide reasonable assurance that all expenditure is necessary, appropriate, paid promptly and is adequately recorded and reported. This includes the following:

- (a) advances and claims in respect of subsistence, travelling and other relevant incidental expenses; and
- (b) procedures and processes for the recovery of an amount, in accordance with the debt management policy, where an official or any person employed/contracted for a certain duration and/or to perform a specific task has failed to settle an advance given by the Department.

This policy document now gives effect to these requirements and will serve as a guide to all officials in the department in expenditure management of S&T claims and advances.

2. DEFINITIONS AND APPLICATION

2.1 For purposes of this policy, unless the context indicates otherwise, the –

“**department**” means the department of Social Development;

“**Director-General**” means the Head of Department of Social Development;

“**employee**” means an employee contemplated in section 1 of the Public Service Act, 1994, read with section 1 of the Public Service Amendment Act (Act 13 of 1996); and Labour Relations Amendment Act of 2002.

“**official**” means an employee of the Department of Social Development and includes a person appointed in terms of section 15 of the Public Service Act, 1994, as amended;

“**head office**” means an office to which an official is stationed and located.

“**an advance**” means an advance payment approved by an official duly authorised/delegated to grant such approval for official purposes.

“**S & T**” means subsistence and travelling.

“**S & T claim**” means a claim by officials to reimburse them for actual costs incurred and prescribed allowances in respect of the S & T during an official trip.

2.2 Application of this policy

The policy applies to all departmental officials or any person employed/contracted by the department for a certain period.

A. SUBSISTENCE AND TRAVELLING ADVANCE

1. INTRODUCTION

- (a) The purpose of the policy is to make available advances in respect of subsistence and travelling expenses to officials who have to perform official duties away from their Head Office.
- (b) An advance in respect of subsistence and travelling expenses may be given at the discretion of the Programme Manager. The Chief Financial Officer or his/her delegated official may reduce or disallow the amount of advance requested under certain circumstances e.g. if advance being requested far exceed the realistic advance or if the claim for the previous advance is still outstanding.
- (c) The Chief Financial Officer or his/her delegated official may, from time to time, issue guidelines on the determination of the amount of an advance to be given to officials for local and international trips away from head office.
- (d) An advance does not become a departmental expense from the date of issue and is only recognised as an expense at the time of settlement of the S & T claim.

2. GENERAL INFORMATION

- (a) Any official who has to undertake an official trip away from head office may apply for subsistence and travelling advance through his/her Programme Manager or his/her delegated official.
- (b) Subject to sub-paragraph 2 (c), no advance will be given/granted to any official if his/her previous advance is still outstanding or has not yet been settled.
- (c) The Director-General may, only under emergency situations and upon submission of sufficient motivation by the Programme Manager, approve an S & T advance while the previous advance is not yet settled. In circumstances where the Director-General's

advance is outstanding, only the Executive Authority (Minister) may approve his/her S & T advance while the previous one is not yet settled.

- (d) Subject to paragraph 1 (c), a Programme Manager, or his/her delegated official, **must** ensure that an advance requested is reasonable and shall cover only the expected subsistence and travelling expenses.
- (e) Officials must, at all times, ensure that the correct details are provided on the S & T request form.
- (f) If an advance is not used, either because of cancellation of a trip or any other reason, the full amount of an advance must be returned or paid back to the department within seven (7) days.
- (g) In the event of the settlement claim being less than the advance taken the difference should be paid back to the department within seven working days (7) days after the claim has been finalized.
- (h) If an official fails to comply with paragraph 2 (f) and (g) above, one reminder letter will be issued to the official after which such an amount, together with interest charged at the official rate, may be deducted either as a once-off payment or in installments from the official's salary. The Chief Financial Officer may, within reasonable grounds, allow that the outstanding amount of the advance be recovered/deducted in installments not exceeding 12 months.
- (c) Hand written warrant vouchers will only be granted in exceptional cases and motivations/reasons for the late request must be provided. National Treasury approval must first be obtained before issuing of warrant vouchers in excess of R2000.00. This may take up to two days.
- (d) For all trips, officials must compile a travel plan in order to determine the period that the official is going to be away from head office. The advance must be calculated according to the approved tariffs.

3. INTERESTS CHARGES

In terms of section 80 (1) (b) of the Public Finance Management Act (PFMA), interests will be charged on all debts to the State at the interests' rate determined by the Minister of Finance. In terms of Subsistence and Travel advances taken, the interests shall be charged in the following situation:

- Should the settlement of the outstanding balance on an advance be made within the stipulated period of 30 days, no interests shall be charged.
- Should such an amount remain outstanding after 30 days or should the recovery be on an installment basis, simple interests shall be charged monthly in arrears. The chief financial officer may, upon submission of a strong motivation, set aside interest charges on an advance outstanding for a period longer than 30 days.

B. SUBSISTENCE AND TRAVELLING CLAIM

1. INTRODUCTION

- (a) The purpose of the S & T claim is to reimburse officials for actual business expenses incurred during an official trip or for prescribed daily allowances due and payable therefore.
- (b) The amount of an advance that has been given will first be deducted from the amount of claim and the balance thereof will be amount due to or due by the official, as the case may be.

2. GENERAL INFORMATION

- (a) Claims have to be submitted at least fourteen (14) working days after returning from the trip.
- (b) Accommodation expenditure, which include expenditure in respect of lodging and 3 meals per day. Usually the place of lodging will include bed and breakfast (B&B) or dinner bed and breakfast (DB&B). In such circumstances, the claim for meals will only be refunded if it can be proved that such meals are not also included in the hotel bill.
- (c) Please note that **"TIPS" WILL ONLY BE PAYABLE AT THE DEPARTMENTAL EXPENSE PROVIDED IT DOES NOT EXCEED 10% OF THE TOTAL BILL FOR MEALS.**

NOTE: An official must insist that a "TIP" be shown on the face of the bill in order to make a claim.

- (d). Officials are allowed only one (1) non-alcoholic beverage per each meal. NO ALCOHOLIC BEVERAGES SHALL BE PAID BY THE DEPARTMENT
- (e). An official may be allowed to use laundry and/or dry cleaning services at the departmental expense based on the number of days out of office on official duty. Steam pressing will be paid for by the department. The department may, at the discretion of the Chief Financial Officer or his/her delegated official, reduce or disallow the amount of claim should it prove to be excessive.
- (f). Officials are allowed only three private calls per day for the duration not exceeding five minutes per call. All officials calls will be refunded upon submission of acceptable evidence e.g. itemised billing.
- (g). An official may claim chauffeurs expenses, porter's expenses, toll gate fees, public transport (taxi or bus) and parking fees, provided documentary proof is submitted.
- (h). An official (including SMS officials) may claim for use of privately owned motor vehicle in line with the departmental transport policy and subject to guidelines issued by the Department of Transport from time to time.
- (i). In case of privately owned vehicle used for official trips, the tariffs for kilometers traveled shall be compared with the tariffs of an air ticket to the same place, and if an air tariff is found to be cheaper, only the tariff for the air ticket will be paid out to the official.
- (j). The Department will not pay for room service charges.
- (k). The Department will not pay for any other entertainment expenses, such as movies, etc.
- (l). Advances and claims for foreign trips taken should also be accompanied by the proof of Ministers approval.
- (m). Only the Director-General and the Minister may claim for expenditures on gifts purchased during official trips.

3. SUBSISTENCE AND TRAVELLING: (DOMESTIC)

1. PERIOD OF LESS THAN 24 HOURS:

An official may only claim a prescribed allowance for meals. In a case where the actual costs of the meal exceed the prescribed allowance, then the original vouchers/documentary proof (e.g. till slips, etc.) must be submitted together with the claim.

2. PERIOD OF 24 HOURS OR LONGER:

Two claim procedures shall be followed:

(I) If the department pays for accommodation and meals, an official can only claim a prescribed daily incidental allowance.

(II) If the department does not pay for accommodation and meals, an official can only claim a prescribed fixed daily allowance in lieu of accommodation and daily incidental allowance.

4. PAYMENTS FOR HOTEL BILLS

An official may only stay in a 4 star accommodation (or below) unless no other suitable accommodation is available. This does not apply to the Director-General and the Minister.

C. SUBSISTENCE AND TRANSPORT: ABROAD

CLAIMS FOR MEDICAL EXPENSES WHEN TRAVELLING ABROAD.

When an official is intending to travel abroad (including neighbouring countries) where immunisation or vaccination is required for protection against any possible contraction of viruses or illnesses in that country, he/she may claim the costs of medication for immunisation or vaccination.

1. LISTED COUNTRIES

1.1 Expenditure that may be claimed

Special daily allowance as stipulated by the Committee for Foreign Service Affairs (CFSA).

PLUS

- (a) Accommodation expenditure which includes expenditure in respect of lodging, dry cleaning and laundry.
- (b) Official telephone calls (*To be certified as such, otherwise it will be considered as private*)
- (c) Tips (*number of times and places must be indicated*)
- (d) Public Transport
- (e) Airport tax
- (f) Bank charges
- (g) Exchange rate profits/losses
- (h) Rentals of cars (motivation to be furnished)
- (i) Safekeeping of official documentation in safes.

1.2 When the host defrays (pays for) the subsistence expenses

The department may pay the following expenses:

- (a) The balance of any hotel expenses not defrayed by the host. Hotel bill showing this difference should be attached to the claim form.
- (b) Laundry (including ironing). Proof to be provided.
- (c) Expenses of meals not defrayed by the host if documentation can be provided as proof.
- (d) A reduced daily allowance to a maximum of 30% or a rate as prescribed from time to time as an allowance payable for the specific country.

2. **SUBSISTENCE AND TRAVELLING: COUNTRIES TO WHICH A TARIFF IS NOT ALLOCATED BY THE COMMITTEE FOR FOREIGN SERVICE AFFAIRS**

UNLISTED COUNTRIES

2.1 Expenditure that may be claimed

(e) Accommodation expenditure, which include expenditure in respect of lodging; 3 meals per day or 2 meals (lunch and dinner) when the accommodation tariff includes bed and breakfast; **non-alcoholic** beverages with meals; dry cleaning and laundry.

- A special daily allowance

- Tips

- Public Transport

- Airport tax

- Bank charges

- Safeguarding of official documents in safes.

- **Proof or receipts to be provided along with the submission of the claim form for all of the above.**

Note: The foreign exchange rates to be used in the calculation of oversea claims shall be in line with the guidelines and/or instructions from the National Treasury.

D. COMPLIANCE

Failure to comply with this policy or any contravention of this policy will be regarded as misconduct and shall be dealt with accordingly.

E. EFFECTIVE DATE

This policy becomes effective on the date of signature by the Director-General.

SIGNED ON THIS.....^{31st}.....DAY OF MARCH 2003 Ado
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MR V. MADONSELA
ACTING DIRECTOR-GENERAL: DEPARTMENT OF SOCIAL DEVELOPMENT

