

# EPHRAIM MOGALE LOCAL MUNICIPALITY



## TRANSPORT ALLOWANCE POLICY

### DOCUMENT APPROVAL

RESPONSIBLE PERSON:	NAME	SIGNATURE	DATE
	Mathabela M.M.		08/06/15

DATE APPROVED: \_\_\_\_\_



## Ephraim Mogale Local Municipality

### TRANSPORT ALLOWANCE POLICY

#### DOCUMENT APPROVAL

Responsible Person:	Name	Signature	Date

Date approved: \_\_\_\_\_

**1. PURPOSE:**

- 1.1 To provide Ephraim Mogale Local Municipality with uniform procedures, conditions and limitations for transport allowances in a consistent, fair and equitable manner.
- 1.2 To formulate the basis for compensation and allowance benefits in respect of designated employees who utilise private vehicle in the execution of official duties, irrespective of the availability of official transport.

**2. DEFINITIONS**

For the purpose of this policy, the following words shall have the meanings as indicated:

*"An allowance bearing position"* means a position on the permanent service register to which a fixed or running monthly transport allowance is attached,

*"Council"* means the Council of Ephraim Mogale Local Municipality,

*"Ephraim Mogale Local Municipal area"* means the area determined by the National Demarcation Board for the municipal area of jurisdiction as it exist after the 2000 Local Government Elections,

*"Engine capacity"* for purposes of this policy will be calculated at maximum of 3000cc,

*"Fixed cost"* means the tariff in cents per kilometre as determined on the salary notch plus thirteenth (13<sup>th</sup>) cheque of the official concerned,

*"HR division"* means Human Resources section within the Corporate Services Department,

*"None qualifying period"* means any period subsequent to the 60 days period for reporting none availability of the vehicle used for payment of transport allowance.

*"SARS rates" means South African Revenue Services fixed cost table.*

*"Official distances"* means the distance in kilometres travelled for official duties by an employee in Council's employment; excluding distances between place of work and place of residence,

"official visit" means the attendance of meetings, seminars, congresses, workshops, training courses or any other event that a delegate attends in his/her official capacity for which prior approval has been obtained and includes the attendance of meetings of institutes by officials that have been selected to serve on the management structures of such institutes,

"Running cost" means the tariff in cents per kilometre which is composed of the following:

- \* Cost of fuel as well as maintenance costs as in relation to the value of the vehicle, which must be equal to the salary notch plus thirteenth (13<sup>th</sup>) cheque or whichever is lesser when comparing the value of the vehicle and the salary notch plus thirteenth (13<sup>th</sup>) cheque.

"Salary notch" is regarded as the salary notch applicable in a particular financial year,

"Vehicle" A privately owned vehicle, (excluding a motorcycle and a motor scooter), which is utilized and suitable for the execution of official duties of the employee.

### **3. LEGISLATIVE FRAMEWORK**

The implementation of this policy shall always be guided by the provisions of the Local Government: Municipal Finance Management Act 2003 (Act 56 of 2003) and other relevant pieces of legislation to ensure adequate accountability and responsibility.

### **4. CONDITIONS FOR PARTICIPATION**

- 4.1 Transport allowance shall be primarily determined by the utilization of private transport for official purposes, regardless of whether the utilization of such transport is temporary, casual or of a permanent nature.
- 4.2 Determination of transport allowance for new applications for transport allowance shall be based on the keeping of log book over a period of 3 (three) months reflecting not less than 650km per month.
- 4.3 Transport allowance shall be determined and limited to the cost advantages and economic considerations by the Council which shall become responsible for determining the extent private transport shall

**EPHRAIM MOGALE LOCAL MUNICIPALITY  
TRANSPORT ALLOWANCE POLICY : 2015/2016**

---

be utilized for official purposes in certain positions on the approved staff establishment other than Task Grade 15.

- 4.4 Positions in Task Grade 15 in terms of the approved job evaluation by the National Moderation Commission are deemed allowance bearing positions on the approved permanent staff establishment of Ephraim Mogale Local Municipality to which a fixed or running monthly transport allowance shall be attached. Provided that:

4.4.1 there is adequate budget available for the cost in a particular department for the specified position;

4.4.2 such positions are catered for on the Organogram.

4.4.3 the incumbent has a valid driver's license and owns a vehicle;

4.4.4 a privately owned vehicle must be available on a daily basis;

4.4.5 no official vehicle of Ephraim Mogale Local Municipality shall be utilized by the incumbent either as a driver or a passenger.

- 4.5 Employees receiving a transport allowance for operational reasons, excluding those positions referred to in paragraph 4.4 above, must comply with the following criteria:

4.5.1 the use of a private vehicle is required for the execution of functions and duties;

4.5.2 the incumbent has a valid driver's license and owns a vehicle;

4.5.3 the incumbent in receipt of permanent transport allowances shall at all times provide motor vehicles of suitable types and conditions as predefined and approved by the Directors of department concerned for the proper discharge of their duties;

4.5.4 the incumbent are to provide proof of availability of suitable vehicles on the request of management and/or Human Resources.

4.5.4 no official vehicle of Ephraim Mogale Local Municipality shall be utilized by the participant either as a driver or a passenger.

4.5.5 the total official kilometre distance travelled, must not be less than the allocated kilometres per month per position as indicated in paragraph 5.2.1.

4.5.6 the incumbent have a responsibility to inform the Human Resources Manager immediately if they do not have a vehicle

**EPHRAIM MOGALE LOCAL MUNICIPALITY  
TRANSPORT ALLOWANCE POLICY : 2015/2016**

---

- available; for approval of using a different vehicle than the one approved.*
- 4.5.7 *in the event the incumbent fails to report within a period of 60 days payment of transport allowances shall be stopped until such time the vehicle is available.*
- 4.5.8 *In the event that it can be established that the employee has received the transport allowance without having the requisite vehicle available, the overpayment of the allowance for the identified non-qualifying period must be recovered from the employee's salary.*
- 4.6 Incumbent of positions performing any functions which require one or more of the following shall be automatically excluded from participating in the policy, except if the Council approved that such positions participate in the policy.
- 4.6.1 the functions and duties require specialized vehicles and/or equipment;
- 4.6.2 the functions and duties necessitate the transportation of co-worker(s) and/or equipment,
- 4.6.3 the primary functions and duties of the position are to transport goods and/or people.

**5. CLASSIFICATION OF TRANSPORT ALLOWANCES**

**5.1 POSITIONS RECEIVING A TRANSPORT ALLOWANCE AS A BENEFIT**

- 5.1.1 A fixed kilometre allocation for Task Grade 15 shall be 850 per month, calculated based on the fixed and running costs of the SARS fixed travel allowance table. The average distance to be travelled per annum would be between 0 – 10 000 km. The fixed cost shall be based on 10 000 km per annum.
- 5.1.2 The kilometre allocations to these positions are for trips within the area of jurisdiction of Ephraim Mogale Local Municipality.

5.2 POSITIONS RECEIVING TRANSPORT ALLOWANCES FOR OPERATIONAL REASONS

5.2.1 The following positions may be considered for transport allowance, subject to approval by Council:

- (a) Public Relation Officer
- (b) Satellite Administrators
- (c) Ward Liaison Officer
- (d) IT Supervisor
- (e) Sport Officer
- (f) HIV/AIDS Program Coordinator:
- (g) Communication Officer
- (h) OHS Officer
- (i) Labour Relations Officer
- (j) Legal Advisor
- (k) Skills Development Officer
- (l) Human Resource Officer
- (o) Building Inspector
- (p) Town Planner
- (q) Land Use Officer

5.2.2. All posts identified qualify for 750 km per month.

5.2.3. The kilometers allocated to these positions are for trips within the area of jurisdiction of Ephraim Mogale Local Municipality.

**6. DOCUMENTS REQUIRED FOR APPROVAL**

6.1 Transport allowance shall be limited to vehicle personally owned by the designated employees who hold an obligation to meet the following requirements and submit such to the Human Resource division:

6.1.1 Proof of purchase price excluding finance cost. 6.1.2 Submit certificate of vehicle registration (obtainable from Registration Authority).

6.1.3 Submit Form 161 (obtainable from Registration Authority).

6.2 A position other than those mentioned in 5.2.1 may be considered for transport allowance provided:

**EPHRAIM MOGALE LOCAL MUNICIPALITY  
TRANSPORT ALLOWANCE POLICY : 2015/2016**

---

- 6.2.1 That the Director of that department shall base on the functions and duties of the position and the available budget make an application to the Municipal Manager who shall make a decision based on the availability of funds.
- 6.2.2 The Director shall provide as part of a motivation the log sheet for a period of three (3) months reflecting at least 650 km per month during where the incumbent have been utilizing private vehicle in the execution of Council duties, and evidence that municipal fleet was not made available for the identified period.
- 6.3 The transport allowance shall be deemed personal to holder to an incumbent who already receives an allowance not in line with the listed categories.

**7. CALCULATION OF TRANSPORT ALLOWANCES**

**7.1 CALCULATION OF THE TOTAL TRANSPORT ALLOWANCE FOR ALL TRANSPORT ALLOWANCE BEARING POSITIONS**

7.1.1 The total fixed travel allowance shall be calculated based on the following:

- (i) The annual salary notch plus the thirteenth (13<sup>th</sup>) cheque, equals the purchase price of the vehicle (inclusive of VAT); and
- (ii) The average distance to be travelled per annum would be between 0 – 10 000 km. The fixed cost shall be based on 10 000 km per annum.
- (iii) The fixed cost, fuel cost, and the maintenance cost are calculated as per South African Revenue Services (SARS) fixed cost table (rates per kilometer).

**8. RE-DETERMINATION OF OFFICIAL KILOMETERS**

8.1 Should Ephraim Mogale Local Municipality require a re-determination of the official kilometres allocated to a transport allowance bearing position(s) by means of a Council resolution, the incumbent shall be expected to commence to keep logs over a period of 3 (three) months.



**9. SUSPENSION OF TRANSPORT ALLOWANCES**

11.1 The transport allowance may be suspended based on the following scenario:

- (a) incumbent occupying a transport allowance bearing position, who requests to be permanently transferred to a non-transport allowance bearing position, shall forfeit the transport allowance from the date of transfer.
- (b) the Council may resolve to rescind a position's transport allowance, in the following cases:
  - (i) where an incumbent of a transport allowance bearing position is transferred to a non-transport allowance bearing position.

**10. AMENDMENT AND OR ABOLITION OF THIS POLICY**

This policy shall be amended or repealed by the Council as it may deem necessary.

**CERTIFICATE OF ENDORSEMENT:**

The Agreement to this Policy shall come into effect on the date of endorsement and shall cease only in the event where such changes/variations has been reduced to writing and been signed by the Accounting Officer. Unless in the event where any changes in any applicable Act, Legislation or Bargaining Council Main Agreement has jurisdiction to supersede.

---