



Subsistence & Travel Policy

Centlec (SoC) - Subsistence & Travel Policy

CENTLEC (SOC) LTD	
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DEFINITIONS

“Domestic travel” – means travel within the boundaries of the Republic of South Africa

“International travel” – means travel to any other place outside the boundaries of the Republic of South Africa.

“Representative, delegate, employee” – means a member of the Board of Directors, the CEO, Company Secretary, Head of Department or any other official specifically authorized to represent the company on a particular official occasion.

“Ordinary workplace / place of work” – means a place where a board member of employee ordinarily discharge his / her official duties at the premises of Centlec (SOC) Ltd.

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SECTION 1: OBJECTIVES

- a) To provide for circumstances under which claims can be lodged for accommodation, subsistence and travelling,
- b) To provide for the amounts that may be claimed or paid for travel and subsistence allowance;
- c) To set out conditions and authorizations required for travelling; and
- d) To promote a culture of cost saving for travel.

SECTION 2: POLICY PRINCIPLES

- a) This policy is based on the following principles:
 - i. Reasonableness: The company will bear the reasonable travelling and subsistence cost of employees in terms of this policy.
 - ii. Cost-effectiveness: The company is committed to reduce expenditure and to produce better value for money.
 - iii. Integrity: the policy and procedures contained in this policy aim to promote honesty and integrity within the company.
- b) A representative shall undertake an official journey by the most economical means with due regard to available means of transport, routes and duration. The means of transport shall be in the following order:
 - i. Centlec (SOC) Ltd vehicle (through travel allowance /vehicle benefit scheme);
 - ii. Centlec (SOC) Ltd owned transport, if available;
 - iii. Public transport, if available and/or practical; and
 - iv. Private transport if no company transport is available or private transport is desirable taking into consideration the nature of the position of an employee.
- c) The CEO may authorise an employee to undertake an official journey, by any means of transport irrespective of whether it is the most economical means or not, if the CEO is satisfied that the public and company interest will be better served thereby, or if it is in the interest of the official or employee's health. The CEO may require the submission of a supporting medical certificate where this is deemed necessary.
- d) All travel and accommodation should be arranged through the company's approved travel agent unless the CEO has authorised the use of a different travel agent.

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SECTION 3: AUTHORISATION OF OFFICIAL JOURNEYS

No employee may undertake an official journey unless she/he has been properly authorised to undertake such journey.

Delegated official tasked with authorising the official journey must indicate that telephone and/or video conferencing facilities were considered before approving the journey to be taken

Authorisation for official journey should be given as follows:

- i. A Board Member, the CEO and the Company Secretary - the Board,
- ii. a departmental head - the CEO,
- iii. any other employee - the relevant departmental head.

SECTION 4: MEASURES TO PREVENT FRUITLESS AND WASTEFUL EXPENDITURE

The amounts quoted in this policy are maximum amounts that are payable, and the approach to expenditure of this kind is that costs should be kept to a minimum.

Approval of expenses in terms of this policy shall be within the limits of the approved budget and it is up to the respective head of department to keep subsistence and travelling expenditure within his / her approved budget.

If the head of department is for some reason over budget, they will have to explain to the Chief Executive Officer (CEO). The CEO will then refer the matter to the Chief Financial Officer to be dealt with in accordance with the Company's Budget Policy as well as the Virements Policy.

Whenever it is discovered at any time after a payment was made to an employee in terms of this policy and:-

- a) the journey in respect of which the payment was made did not take place; or
- b) the journey in respect which the payments was made was of shorter duration than originally planned; or
- c) the employee to whom a payment was made did not undertake the journey as planned; or
- d) the employee to whom a payment was made did not travel with her/his own vehicle or did not use public transport on an official journey.

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The CEO or if the CEO is involved, the Board, must immediately take steps to recover the payment concerned or part thereof that exceeded the amount to which the employee was entitled and forthwith institute disciplinary proceeding against her/him.

Whenever an employee that regularly receives a travelling allowance undertakes an official journey alone or with other persons, her/his vehicle must be used to travel to such event.

SECTION 5: ROAD TRAVEL CONSIDERATIONS

5.1 General

Where more than one employee undertakes an official journey and must travel by car from the same place to the same event at a same destination, and CEO is of opinion that is practically possible and in the best interest of the company for those employees to travel together, having regard for the principle of good corporation governance, only one vehicle must be utilised for such journey provided that:

- i. not more than 4 persons may travel at the same time per motor vehicle;
- ii. not more than two managers may travel in the same vehicle at the same time;
- iii. The Board and the CEO may not travel together in the same vehicle or on the same aeroplane

5.1.1 Travel Allowance Scheme

Whenever an employee who receives a fixed travelling allowance in terms of her/his employment contract with the company undertakes an official journey:

- a) outside a radius of 30 kilometres from her/his ordinary workplace with a privately owned vehicle;
- b) she/he is in terms of her/his employment contract authorised to claim for such travelling; and
- c) has exhausted the amount of kilometres allocated to her/him for determining her/his travelling allowance during the month in question.

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He/she must be reimbursed according to the travel rates stipulated in her/ his employment contract or if no such rates are stipulated, at travel rates determined from time to time by the bargaining council collective agreement or if no such rates stipulated in terms of the bargaining council collective agreement, then the company will reimburse the employee for the actual kilometres travelled for authorised business purposes at prescribed and prevailing Automobile Association (AA) rates.

Actual kilometres travelled should be accounted for in a travel logbook. This logbook should indicate start and end destination as well as reason for the trip.

No additional costs can be claimed as the rate above incorporates petrol, oil and running costs of the vehicle.

No traffic fines will be paid by the company under any circumstances.

Fixed travelling allowance included in employee's monthly remuneration should be determined as follows:

- a) Employment level 10 and above – 850 kilometres fixed allocation to be received on a monthly basis.
- b) Employment level 6 to 9 – Average kilometres travelled to be calculated by Human resource department, (Average km for newly appointed employees will be based on the average of the previous employee that filled the position)
- c) Employment level 5 and below – No Allocation of kilometres to be obtained these employees can only claim actual kilometres as indicated in the logbook presented

5.1.2 Private Motor Vehicle

Whenever an employee who does not participate in any travelling allowance scheme of the company does not use company vehicle due to the non-availability of such vehicle or is not required to use the company car by virtue of his / her employment contract to undertake an official journey, she/he must be reimbursed at fixed costs plus running cost tariffs as determined from time to time by the bargaining council collective agreement or if no such rates stipulated in terms of the bargaining council collective agreement, then the company will reimburse the employee for the actual kilometres travelled for authorised business purposes at published Automobile Association (AA) rates from time to time for both the fixed and running costs.

Whenever an employee who does not have a driver's license undertakes an official journey with public transport the amount payable to her/him is lesser of the amount indicated on a signed and dated receipt issued by the person who provided the transport and the amount that the journey would have cost had the travelling allowance been calculated on the running cost determined from time to time by the bargaining council in respect of a 1600 cc vehicle, or if no such rates stipulated in terms of the bargaining council

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collective agreement, then the company will reimburse the employee for the actual kilometres travelled for authorised business purposes at prescribed and prevailing Automobile Association (AA) rates in respect of a 1600 cc vehicle

No employee may be paid or reimbursed in respect of any cost incurred for travelling between his/her residence and workplace.

The distance for which any employee may be reimbursed in terms of this policy is the shortest distance between his/her ordinary place of work (Centlec) and her /his destination for official duty.

No additional costs can be claimed as the rate above incorporates petrol, oil and running costs of the vehicle.

No traffic fines will be paid by the company under any circumstances.

If persons are accompanied by each other when travelling by private T, the reimbursement payable will only be applicable to the person who supplied their own private motor vehicle.

A payment for travelling cost in terms of this policy must include reimbursement for tollage paid upon submission of electronic receipts issued at a toll gate.

Such taxes as may be applicable must be deducted from any payment in terms of this policy and paid it over the South African Revenue Services by due date.

5.1.3 Car Rental / Hired Motor Vehicle

Car rental / motor vehicle hire must be approved as part of the travel package before the journey is embarked on. A representative who rent a vehicle whilst travelling on business of Centlec without having received prior authorisation will only be reimbursed for the cost of the rental if proof of expenditure is produced and the representative can demonstrate that vehicle rental was reasonably but unexpectedly necessitated by the circumstances.

The following categories of vehicles are approved for rental at the company's expense for official journeys:

Occupational Level	Vehicle Group
Chief Executive Officer and Board Members	Group J
Executive Managers, and the Company Secretary	Group F

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Differently abled employees who are able to drive an automatic vehicle	Group E (automatic transmission)
All other Managers	Group C
All other Officials	Group B
Groups of five or more travelling together	Group N, or equivalent

When hiring a motor vehicle, insurance must be included in the contract and the person who authorise a journey for an employee is responsible for ensuring that anyone driving the hired car has a valid driving licence and that they have had for specified period in accordance with the hired vehicle insurance requirements.

Traffic fines received for vehicles hired by the company will be deducted in full from the salary of the employee responsible in the month that the fine is received, and remitted to the relevant authority on their behalf.

If there is any damage to a hired vehicle, whilst it is in the employee's possession, the individual must:

- i. Report the incident to the nearest Police Station and obtain a police docket number. This must be done immediately and no later than twenty four (24) hours after the incident.
- ii. Report the damage to the person who authorised the journey and to the Finance Department, which will then have to report the accident to the car hire company or the travel agency, whichever is applicable.
- iii. Report the incident to the car hire company on returning the vehicle.
- iv. Where upon investigation there is evidence that the employee caused the accident intentionally or negligently, the employee will be responsible for all costs incurred relating to the accident will be subjected to disciplinary action.

SECTION 6: ALTERNATIVE TRAVEL CONSIDERATIONS

6.1 Air Travel

If the required distance to be travelled is 700km or more air travel may be considered.

Air travel must be approved as part of the travel package before the journey is embarked on.

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Authorisation for air travel will be subject to section 3 of this policy and the following procedure will be followed:

- Prior approval within delegated powers (see section 3 above);
- An official order will be requested by the relevant Department from Finance Department;
- Bookings will be done and confirmed by the relevant Department with the Travel Agency including submission of the official order to the Travel Agency;

If necessary and when travelling for official duties, the following classes will be applicable for domestic air travel:

Occupational Level	Local Travel	International Travel
Chief Executive Officer (CEO), Executive Managers, Company Secretary and Board Members	Economy	Business
All other Managers	Economy	Business
All other Officials	Economy	Business

Individuals who miss their flights, without acceptable reasons, at the discretion of the person / body who approved the travel, will be responsible for paying for additional costs incurred in rebooking their tickets.

6.2 Gautrain

Traveling by using the Gautrain must be approved as part of the travel package before the journey is embarked on. Fares for travelling via Gautrain should be obtained and presented for approval from the following weblink <http://join.gautrain.co.za/Fares.aspx>

Authorisation for Gautrain travel fares will be subject to section 3 of this policy and the following procedure will be followed:

- Prior approval within delegated powers (see section 3 above);
- An official order will be requested by the relevant Department from Finance Department.

Individuals who miss their trains, without acceptable reasons, at the discretion of the person / body who approved the travel, will be responsible for paying for additional costs incurred for using alternative emergency travel arrangements.

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SECTION 7: ACCOMODATION, MEALS AND INCIDENTAL COSTS

7.1 Accommodation

Delegates who travel who travel on official business of the company, and where the business unavoidably entails one or more nights to be spent away from home, may stay in a hotel, motel, guesthouse or bed and breakfast establishment.

The actual cost of accommodation, supported by documentary proof will be borne by company, subject to the following maximum star rating or equivalent thereof per overnight stay:

Occupational Level	Establishment rating
CEO, Executive Managers, Company Secretary and Board Members	5 Star
All other Managers	4 Star
All other Officials	3 Star

In the case where the five star hotel, guest house, lodge or Bed and Breakfast is the closest and/ or available than the overnight accommodation facilities referred to above, the employee can be accommodated in such overnight accommodation.

In the unforeseen circumstances that the actual accommodation costs exceed the above prescribed amounts, the authority to approve the excess amount vest with the CEO for all other employees, including the company secretary, and in the Board in the case of the CEO.

Additional expenses incurred by delegates for parking and tollgate fees may be claimed for reimbursement on return, subject to submission of valid documentary proof. For electronic toll fees claimed(E-Toll) both invoice and proof of payment must be submitted documentary proof.

No accommodation arrangements may be made or paid for by the company in respect to any event scheduled to start at or after 10:00 and closing before or at 15:00 on the same day if such event is within 200 km from Centlec (single trip).

7.2 Subsistence Allowance

Where a representative is, by reason of his duties obliged to spend at least one night away from his usual place of residence, he/she shall be entitled to a subsistence allowance as follows:

- Incidental costs only: R 122 per day (Per 2018 SARS Schedule)

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- Incidental costs and costs of meals R 397 per day (Per 2018 SARS Schedule)

Subsistence allowances should be reviewed and approved annually in order to ensure these amounts are in line with the SARS guidelines.

Where accommodation costs include any meal, the cost thereof shall be deducted from the applicable meal costs allowance as stipulated above. Only meals enjoyed by the delegate shall be reimbursed.

Whenever an event that must be attended is scheduled for more than one day at a place further than 150 km from Centlec, travelling expenses, including tollgate fees, may be paid in respect of only one return journey between Centlec and the place where the event takes / took place.

Expenses for alcoholic beverages, private telephone calls and entertainment will be excluded from any claim.

If a delegate stays privately on its own, or with a relative or friend, no accommodation costs will be paid; however, incidental costs of R 206.00 may still be claimed per overnight stay.

Where it is not necessary to stay overnight on any travel on company business as approved under this policy, an allowance of R 103.00 per day for incidental costs may be claimed.

SECTION 8: INTERNATIONAL TRAVEL

Notwithstanding any of the above policy provisions, all international travel shall be authorised by the Board in respect of the CEO and the CEO in respect of other employees prior to the travel occurring.

Allowance claimable or payable for international travels (i.e travels outside the borders of the Republic of South Africa), may not exceed any amount determined by the South African Revenue Services from time to time.

Where a representative is invited by a third party or institution to be part of an international delegation for a matter related to the business of the company and the company consented thereto in terms of this policy, then the following will apply:

- a) The tariffs / costs payable by the third party or institution concerned must be confirmed in writing and in advance by the third party or institution;
- b) The company shall bear the costs equal to the difference between the costs borne by the third party or institution and the actual costs for travel;

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- c) Subsistence allowance shall be determined according to the amounts determined by South African Revenue Services for international travel from time to time;
- d) Where third party or institution is responsible for all costs, including subsistence allowance, no further subsistence allowance are paid to delegates.

SECTION 9: TRAVELLING AND ACCOMODATION OF PERSONS ATTENDING INTERVIEWS

An applicant for a job with the company who is required to attend an interview or to submit to any other selection procedures determined by the company, and who resides outside the area of jurisdiction of Mangaung Metropolitan Municipality, must be reimbursed as follows:

- a) Travelling: R0 -75 per km travelled;
- b) Tollage: provided receipts issued at a toll gate are submitted; and
- c) Accommodation: As determined for different occupational levels in terms of section 6 of this policy

SECTION 10: INDEMNITY

The company is not liable for the payment of:-

- a) any damage to or breakages or loss of an employee's vehicle that she/he may incur whilst on official business; and
- b) any tariff fine issued to an employee whilst on official business, whether she/he used his/her own vehicle or an official vehicle.

SECTION 11: CONSEQUENCES OF BREACH OF THIS POLICY

Any person who breaches this policy and in so doing causes financial loss to the company shall be required refund the company or rectify the loss and be liable for disciplinary action.

SECTION 12: REVIEW PROCESS

This policy and underlying strategies will be reviewed at least annually, or as necessary, to ensure its continued application and relevance.