



SUBSISTENCE AND TRAVELLING POLICY

File Name	Subsistence and Travelling Policy
Original Author	Department of Culture, Sport and Recreation
Review Date	2019/2020

A. OVERVIEW

The primary objective of the policy is to provide guidelines or bases for recognition, delegation framework, validation, management, payments, disclosure and reporting. The policy covers all stages of the accounting events (inputting, processing and reporting stage). The policy is based on all legal source references (approved financial management prescripts), namely.

- Ministerial Handbook (5 May 1999)
- Public Service Regulations of 2000
- Transport Tariffs by the Department of Transport
- Section (3) © of the Public Service Act of 1994
- PFMA & Treasury Regulations
- Special conditions attached to funding.
- Generally Accepted Administrative Practices.

B. SUBSISTENCE & TRAVEL ALLOWANCE AND MISCELLANEOUS PAYMENTS

1. Travel and subsistence Allowance is an allowance that is paid to an official for travelling and sleeping outside while on an official business of the department. Subsistence is divided into four categories, they are listed below,

1.1. Flexible/variable allowance

The allowance is applicable where a staff member arranged his/her own bookings for accommodation and meals. The allowance shall be based on the rates approved by Department of Public Service Administration. The amount payable to claimant covers meals/food* and other related costs. Allowances shall be scrutinized for validity, accuracy and completeness.

1.2. Fixed allowance

The allowance is applicable where bookings for accommodation and meals/food* are arranged by the department. The allowance shall be paid based on the approved rates as published by Department of Public Service and Administration. The rates are made available by the Finance section. In a situation where food was not supplied additional amount based on cash slips for meals/food* bought for will be paid to the claimant. The total amount payable for meals/food* is inclusive of breakfast, dinner and supper, shall be based on the approved by the department for a specific year.

NB ** food / meals ~ all forms of food irrespective of nutritional content except liquor.

The meals shall not exceed the following rates:-

Breakfast	R110
Lunch	R160
Dinner	R160

1.3. Sitting allowance.

All staff members of agencies of the department are entitled to sitting allowance based on the rates determined by National Government. Allowances shall be scrutinized for validity, accuracy and completeness.

1.4 Other exceptional items.

Exceptional payments classified as allowance will be processed on Persal on submission of all relevant and valid documentation. In to submission, proper

consultation and verifications will be carried out by finance section. Allowances shall be scrutinized for validity, accuracy and completeness.

2. TRAVEL ALLOWANCE

The travel allowance is an allowance that is paid to an official for utilizing his/her private or subsidized vehicle to perform official duties of the department. The allowance is divided into two categories, being for private and subsidized.

2.1. For private vehicle.

All official kilometers travelled by employee using his/her private vehicle for official purpose shall be recognized and become payable accordingly.

2.2. For subsidized vehicle.

All official kilometers travelled by employee using his/her subsidized vehicle for official purpose shall be recognized and become payable accordingly.

3. PROCESSING OF TRAVEL AND SUBSISTENCE ALLOWANCE.

3.1 Delegation of authority and approval of claims

The Accounting Officer, Senior Managers, Managers, Assistant Managers and delegated have the authority or approval powers for all forms of claims.

3.2. Subsistence domestic and travel allowance.

3.2.1 All claims must be completed by the claimant on the correct form.

3.2.2 All completed claims must be approved by the relevant official conferred with the powers to do so.

3.2.3 All Claims must be valid, accurate and complete.

- **Validity**

A claim is valid only when the person conferred with the powers to do so has approved it. Approval powers are consistent with the delegation framework of the department.

- **Accuracy**

A claim is accurate only when the claimed cash equivalent is computed correctly according to approved rates as published by Department of Public Service Administration and those determined by the department and supporting documents are attached.

- **Completeness**

A claim is complete when all mandatory fields on the claim form are completed in full and it is ready for processing. Staff members irrespective of level of authority **"must"** comply with the requirement.

4. CAPTURING, PROCESSING AND PAYMENT OF CLAIMS.

4.1 Capturing.

- 4.1.1 Accountants must check claims for validity, accuracy and completeness before they are captured on the system. Claims must be captured on the Persal system once all requirements as indicated in 3.1 have been met.
- 4.1.2 Claims must be captured on the Persal System on the menu designed for that purpose.
- 4.1.3 Correct kilometers and rates must be used before a claims is captured on the system.
- 4.1.4 Accountants are conferred with the powers to effect corrections on the claims before they processed on the systems.

4.1.5 Claims must be reviewed by manager within the Financial accounting section before manual approval is effected.

The following details must appear on the claims:

- Names of the official
- Persal number of the official
- Month of the claim
- Amount of the claim
- Rates applied as stated per treasury and transport guidelines
- Other supporting documentation
- Number of days and hours outside office
- Description of the claim
- Item code
- Signature of the claimant
- Signature of the supervisor
- Signature of the capturer – for correctness
- Signature of the Approver
- Supporting documentation applicable to the claims – claims with incomplete and wrong submissions must not be processed.

4.2 PROCESSING AND PAYMENT OF CLAIMS

4.2.1. Claims are approved electronically by the manager conferred with the powers to do so.

4.2.2 Claims are reviewed by manager within the Financial accounting section before approval is effected.

4.2.3 Claims must be stamped paid immediately after approval is effected.

5. INTERNAL CONTROLS AND REPORTING.

5.1 Description of the claims as shown per physical documentation must correspond with the information captured on the Persal system.

- 5.2 Correct financial/code must be used to ensure relevance and reliability of the financial reports.
- 5.3 Rates applied per claim must be verified for accuracy.
- 5.4 Claims, which were not claimed during the month in which expenditure or liability was recognized are processed on approval from supervisor of the claimant.
- 5.5 Unitemarized claims for kilometers are processed and paid on approval from the Supervisor of the claimant.
- 5.6 Monthly reconciliation reports are scrutinized to ensure completeness and accuracy of the reports pertaining to subsistence and travel expenditure.

6. ADVANCE PAYMENT

Advance payment refers to an amount of money paid to an employee in advance in order to enable her/him to carry out a specific task/project. Advance payment is made in exceptional cases where it is impractical to utilize his/her own money or follow normal procurement procedures to carry out special tasks. An advance represent an asset to the department, therefore it has full rights to recoup the money from the recipient if the money was used for other things than for the purpose for which it acquired for.

6.1 REASONS FOR AN ADVANCE

- Where it is impractical for an employee to utilize his/her, own money to carry out special tasks assigned to her /him by the relevant authority (ies) ~ Subject to clinical verifications.
- Where it is impractical for an employee to follow normal procurement procedures to carry out special tasks assigned to her /him by the relevant authority (ies)~ Subject to clinical verifications.

6.2 REQUIREMENTS FOR OBTAINING AN ADVANCE

- Memorandum/motivation must be prepared and duly approved/signed by relevant official or authority conferred with the powers to do so.

- Correct Advance form with declaration to clear the advance within reasonable time as prescribed by Treasury regulations must be completed.
- The form must be duly signed, accurate and complete.
- Full names and persal number of the applicant must be appear on the face of the Advance form
- Bank details
- Amount requested in rand values and words
- Signature of the Chief Financial Officer on the declaration form.
- Other relevant supporting documentation

7. INTERNAL CONTROLS, PROCESSING, CLEARING AND REPORTING

For the purpose of management information, the travel and subsistence costs must

- Be processed used correct item description and codes.
- Only duly completed forms must be captured on the system.
- Advance requested must equal to the amount captured on the BAS system
- Advance payment must be authorized by manager conferred with the powers to do so.
- General Ledger postings must be reviewed for reliability and accuracy of the report.
- Advances must be cleared within specified period as per clause on the advance form.
- All advance payment made and uncleared must be appear on the suspense account (debtors) listing.
- All advance payment paid and cleared must not appear on the suspense account listing.
- Exceptional items must be investigated and followed up and corrective measures effected immediately.
- Clearing of advances is effected on presentation of valid supporting documentation.
- Offsetting of assets (advances) and claims (liabilities) is done in line with normal accounting principles.

8. PAYROLL CERTIFICATION

- For all employees, the person in charge at the respective pay-points must certify that all persons listed on the payroll report are entitled to payment.
- All employees must sign the payroll report when collecting their payslips.
- Within ten days of being certified, the payroll report must be returned to the chief financial officer. The accounting officer must ensure that all pay-point certificates have been received on a monthly basis.

The policy shall be effective with immediate effect from the date of approval by the Accounting Officer.

9. POLICY APPROVAL

Signed at Mbombela on the 01 day of APRIL 2019.



MR GS NTOMBELA

HEAD: CULTURE, SPORT AND RECREATION