



MSINGA MUNICIPALITY

CAR ALLOWANCE POLICY

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1. Introduction

This document details Msinga Municipality's policy and procedures regarding Car Allowance. The Policy applies to all categories of staff employed by Msinga Municipality as outlined below. Variations to the policy may be considered in special circumstances, but all variations require the prior approval of the Council.

2. Purpose of the policy

1. To provide guidelines for issuing employee car allowances by the Municipality to the staff and councilors of the Municipality.
2. To motivate staff to own vehicles as to perform business of the Municipality effectively.

3 Definitions

3.1 Employment contract vehicles

Contract vehicles include vehicles that are provided as part of the staff member's remuneration package and whose entitlement to which is specified in writing in a staff member's employment contract. The vehicle is available for business and private use.

3.2 Business travel

Business travel is defined as:

- Travel between a regional / Head office and another location (apart from the employee's home) for business purposes
- Travel between a staff member's home and a business destination, provided this is shorter than going via the staff member's primary place of employment.

4. Eligibility

4.1 General

Subject to the policy laid out in this document, car allowances will be available to the following grades of personnel:

- Middle management	R7 500.00
- Technicians	R8 500.00
- Field workers	R5 000.00
- And by the manager's discretion	R5 000.00

Car allowances are taxed at the current applicable tax rates and will form part of the Employee's salary as an additional item on the pay advice. **It is advised that employees receiving a car allowance keep a detailed logbook for taxation purposes.**

Employees with car allowances are not entitled to use of Municipal vehicles unless proper authorization was done by the Municipal Manager.

Car allowance holders must submit to finance department annually the details of the vehicle that will be used for business travelling. This entails model, engine capacity and registration number.

All vehicles purchased are to be within the specifications listed below. Any special purchase (outside of specification) must be approved in writing in advance by the Municipal Manager.

In the event that an employee joins the scheme with an existing vehicle, the allowance can be utilized to finance such vehicle

4.2 Vehicle types and specification

4.2.1 Technicians and Field workers

- All vehicles to be fitted with ABS brakes, dual airbags and air conditioning
- Vehicles may be manual or automatic transmission
- Vehicles may be petrol or diesel

- 4x4 or 4x2 bakkies strictly for all technicians and field workers
- All vehicles to be comprehensively insured
- It is advised that the vehicle insurance include a courtesy car clause i.e. Courtesy car to be supplied in the event of an accident.
- Alarm / immobilizer and tracking system to be fitted to the vehicle

4.2.2 Office based officials

- All vehicles to be fitted with ABS brakes, dual airbags and air conditioning
- Vehicles may be manual or automatic transmission
- Vehicles may be petrol or diesel
- vehicles can be 4 door hatchback, sedan or bakkies
- All vehicles to be comprehensively insured
- It is advised that the vehicle insurance include a courtesy car clause i.e. Courtesy car to be supplied in the event of an accident.
- Alarm / immobilizer and tracking system to be fitted to the vehicle

4.3 Vehicle maintenance

Vehicle owners are responsible for all maintenance and regular servicing of the Vehicle. Vehicles are to be cleaned regularly in order to maintain the company's good image. It is the responsibility of all employees to maintain vehicles to a standard that ensures an appropriate trade-in price is obtained.

5. Fuel

Officials are only authorized to claim after 500 kilometers per month. The claim is calculated based on running costs of actual vehicle based on a **per kilometer if trip is within the Municipality's jurisdiction.**

To claim the excess of 500 kilos the claimant must produce a weekly plan to the HOD for approval as proof that all the kilometers incurred were of business nature. The copy of the plan is then attached to the claim with a copy of the logbook and handed in to the Finance Department for payment. D.O.T tariffs will be used for calculating all claims received by the municipality.

For trips outside the Municipal jurisdiction

The officials are entitled to claim per kilometer if such trip is deemed to be of business nature and proof of attendance must be attached with the claim and Msinga Municipal Subsistence and Travel Policy rates must be applied.

6. Availability of this policy

Every staff member, upon being appointed in the service of the Council with this allowance, shall be supplied with a copy of this policy, and shall acknowledge receipt thereof by signing a duplicate copy thereof. The said duplicate copy shall be filed on the personal file of the staff member.

7. Consequence of non-compliance

A failure to comply with the policy will be viewed as a serious disciplinary transgression, and appropriate disciplinary action could result from such action

8. Policy Administration

Responsibility and authority to implement this Policy is with the Municipal Manager or his / her delegated manager/s. This responsibility includes communication of the Policy and related procedures. Any questions should be directed to the Municipal Manager Department

9. Commencement

This policy will come into effect on the date of adoption by the council

10. Amendment and or abolition of this policy

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

CAR ALLOWANCE POLICY SUMMARY

POLICY HIGHLIGHTS:

Purpose of the policy

1. To provide guidelines for issuing employee car allowances by the Municipality to the staff of the Municipality.
2. To motivate staff to own vehicles as to perform business of the Municipality effectively.

In 2017-2018 financial years, the policy entails the following:

1. Officials are only authorized to claim after 500 kilometers per month. The claim is calculated based on running costs of actual vehicle based on a tariff **per kilometer if trip is within the Municipality's jurisdiction.**
2. **Trips outside the Municipal jurisdiction** officials are entitled to claim at a per kilometer if such trip is deemed to be of business nature and proof of attendance must be attached with the claim.
3. **Car allowance holders must submit to finance department annually the details of the vehicle that will be used for business travelling. This entails model, engine capacity and registration number.**
4. To claim the excess of 500 kilos the claimant must produce a weekly plan to the HOD for approval as proof that all the kilometers incurred were of business nature. The copy of the plan is then attached to the claim with a copy of the logbook and handed in to the Finance Department for payments

Car specifications for Technicians and Field workers

All vehicles to be fitted with ABS brakes, dual airbags and air conditioning

Vehicles may be manual or automatic transmission

Vehicles may be petrol or diesel

4x4 or 4x2 bakkies strictly for all technicians and field workers

All vehicles to be comprehensively insured

It is advised that the vehicle insurance include a courtesy car clause i.e.

Courtesy car to be supplied in the event of an accident.

Alarm / immobilizer and tracking system to be fitted to the vehicle

Office based officials

- All vehicles to be fitted with ABS brakes, dual airbags and air conditioning
- Vehicles may be manual or automatic transmission

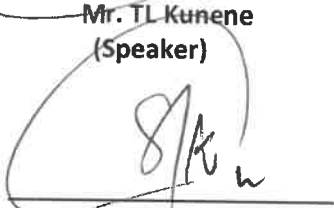
- Vehicles may be petrol or diesel
- vehicles can be 4 door hatchback, sedan or bakkies
- All vehicles to be comprehensively insured
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Courtesy car to be supplied in the event of an accident.

Alarm / immobilizer and tracking system to be fitted to the vehicle



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