

Finance Guidelines

For Departments, Divisions and Institutes in Respect of Travel, Subsistence & Accommodation Allowances

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1. PURPOSE

The purpose of this document is to assist Rhodes University staff in understanding the rules and regulations around claiming allowances for local and international travel, subsistence and accommodation.

This basic guide explains the methods to be applied in respect of allowances payable to Rhodes University staff in accordance with SARS legislation requirements.

2. SUBSISTENCE ALLOWANCES

A subsistence allowance is an allowance given to an individual for expenses incurred or to be incurred in respect of living expenses and incidental costs when travelling on University business. Incidental costs include expenses such as taxi, laundry, news papers, private telephone calls, etc.

It is important to note that compensation or an allowance paid to an individual who resides far away from their normal place of employment or who do not spend the night away from home is not regarded as a subsistence allowance and is subject to employees' tax.

2.1 Local Subsistence Allowances

Where the accommodation to which the allowance relates is within South Africa, the following applies:

- A rate (in accordance with prevailing SARS T&S allowances) can be claimed per night absent (**no vouchers required**) to cover all meals and other incidental costs. In addition to this amount, accommodation expenses up to a maximum of three star accommodation will also be paid. Note that proof of accommodation costs (invoices/receipts) must accompany the payment request when claiming this amount. If meals or any other incidental costs are included in your accommodation bill, these costs can not also be claimed as subsistence and should be subtracted from the overnight subsistence rate.
- Should the staff member be compelled to stay at a specific hotel where the rates exceed the maximum of three star accommodation, he/she must submit motivation in writing before departure to the finance division.
- Should the staff member incur excessive incidental expenses due to circumstances beyond their control, he/she must submit motivation in writing to the finance division of why they should be reimbursed for these over and above the allowed per night subsistence rate.

2.2 Local Day Trip Allowances

Where individuals are required to undertake a day trip and no overnight accommodation is required, the following applies:

- A rate (in accordance with prevailing SARS T&S allowances) can be claimed to cover meals and other incidental costs. **Submission of vouchers as proof of actual expenditure is required.**
- Should the staff member incur excessive incidental expenses due to circumstances beyond their control, he/she must submit motivation in writing to the finance division of why they should be reimbursed for these over and above the allowed daily rate.

2.3 International Subsistence Allowance

The following applies to individuals (ordinarily resident in South Africa) who travel internationally:

- A daily subsistence amount equal to the current prevailing amount applicable to the relevant country as per the SARS schedule of rates per country (published on the SARS website www.sars.co.za) can be claimed to cover all meals and other incidental costs. **No vouchers required.** This amount can be claimed for each night the individual is absent from South Africa. In addition to this amount accommodation expenses up to a maximum of three star accommodation can be claimed. Note that proof of accommodation costs (invoices/receipts) must accompany the payment request when claiming this amount. If meals or any other incidental costs are included in your accommodation bill, these costs can not also be claimed as subsistence and should be subtracted from the international subsistence rate.
- Should the staff member be compelled to stay at a specific hotel where the rates exceed the maximum of three star accommodation, he/she must submit motivation in writing before departure to the finance division.
- In the case where the period spent outside the borders of South Africa exceeds six weeks (42 days), the full allowance will be declared as a taxable amount on the employee's IRP5. No tax will be deducted by RU, but employees must keep all relevant proof of expenses relating to personal accommodation and incidental expenses for their own personal tax returns.
- Should the staff member incur excessive incidental expenses due to circumstances beyond their control, he/she must submit motivation in writing to the finance division of why they should be reimbursed for these over and above the prescribed rate (applicable to the relevant country).

*****International Subsistence claims can be requested the maximum of 30 days before departure!*****

3. TRAVEL ALLOWANCE (PER KILOMETER RATE)

A rate per kilometer (in accordance with prevailing SARS T&S allowances) can be claimed for travel when a staff member/student uses his/her own vehicle for business purposes.

The amount payable is deemed to be the actual distance travelled, multiplied by the prescribed rate per kilometer.

Staff member/student to ensure that their comprehensive motor vehicle insurance includes cover for use of their vehicle on University business.

RU will not reimburse/pay for insurance excesses, incidental damage to vehicles or any traffic fines incurred during official University business trips.

The above rates only apply to kilometer claims and excludes any policies and procedures for vehicle hire and airfares.

When staff need to travel a great distance on University business, the Department/Division/HOD should explore whether it wouldn't be more cost effective for the University to make use of air travel. If air travel is recommended and the staff member still chooses to travel with his own vehicle, a decision should be made whether he will then only be reimbursed the equivalent of an air ticket.

4. GENERAL

4.1 Can you claim Travel and Subsistence expenses for family members:

The travel and subsistence expenses of family members and friends accompanying RU staff who undertake an official journey may not be defrayed by RU. These costs must be paid by the staff member concerned and no expenses in this regard may be processed through or be reflected in the University's books.

4.2 Can you claim Personal Expenses incurred during an official journey:

No personal expenses may be incurred from the University's books, whether the expense is paid back or not.

5. AIRFARE EXPENSES – LOCAL AND INTERNATIONAL

Where flying on University business all flights to be economy class unless otherwise authorized. When claiming reimbursement of airfare, copy of flight ticket to be attached

6. CLAIMING PROCESS

NOTE: There are two options for claiming travel and subsistence:

Option 1

Claim in advance as detailed above.

Option 2

Claim reimbursement of actual costs incurred (supported by vouchers) on return from official journey. Limit of three star accommodation still applies.

6.1 Claiming for Local Subsistence Allowances:

Complete a "Local Travel & Subsistence Payment Request" form, ensuring that the general ledger number from which your claim is to be paid is completed in the space provided. Sign the form where "Signature of Claimant" is specified (on reverse side). Your HOD or an authorized

signatory must sign on the front where “Authorised By” as well as on the back of the form where “Passed for Payment” is specified.

Attach all relevant required vouchers (originals) to the completed form and submit it to Finance Division for payment.

6.2 Claiming for International Subsistence Allowances:

Complete an “International Travel & Subsistence Payment Request” form, ensuring that the general ledger number from which your claim is to be paid is completed in the space provided. Sign the form where “Signature of Claimant” is specified (on reverse side). Your HOD or an authorized signatory must sign on the front where “Authorised By” as well as on the back of the form where “Passed for Payment” is specified.

When calculating the number of “days absent”, add up the number of nights you will be abroad and claim the daily prescribed amount for that destination. The daily rate is then converted to ZAR (South African Rand), using the exchange rate prevailing on the day of the claim.

Attach all relevant required vouchers (originals) to the completed form and submit it to Finance Division for payment.

6.3 Claiming for local expenses incurred on the day of departure for International travel:

If you travel with your own vehicle to the airport on the day of your departure or return, you may claim the local prevailing travel rate per kilometer or your transport fee (supported by vouchers).

On the day of your departure or return, you may claim the prevailing day trip rate as specified in point 2.2 above.

Should you have to stay overnight in South Africa, either before your departure or on your return, you may claim the rates as specified in point 6.1 above.

6.4 Claiming for Local Day Trip Subsistence Allowance:

Complete a “Local Travel & Subsistence Payment Request” form, ensuring that the general ledger number from which your claim is to be paid is completed in the space provided. Sign the form where “Signature of Claimant” is specified (on reverse side). Your HOD or an authorized signatory must sign on the front where “Authorised By” as well as on the back of the form where “Passed for Payment” is specified.

Attach your original required vouchers to the completed form and submit it to Finance Division for payment.

6.5 Claiming for actual costs - Travel & Subsistence (Local & International):

Complete the relevant “Travel & Subsistence Payment Request” form, ensuring that the general ledger number from which your claim is to be paid is completed in the space provided. Sign the form where “Signature of Claimant” is specified (on reverse side). Your HOD or an authorized

signatory must sign on the front where “Authorised By” as well as on the back of the form where “Passed for Payment” is specified.

Complete a hand written or excel spreadsheet summary of all your expenses eg. accommodation, meals, travel, incidental costs, etc. Attach your original expense vouchers and your expense summary to the completed claim form and submit to Finance Division for payment.

Any enquiries may be directed to the Finance Division.