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### CERTIFIED COUNCIL RESOLUTION

The Council at its Special Council Meeting held on the 30<sup>th</sup> May 2022 under:

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SC 02/05/22      FINAL MTREF BUDGET AND INTEGRATED DEVELOPMENT  
PLAN FINANCIAL YEAR 2022/2023 – 2024/2025

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#### RESOLVED AS FOLLOWS:

1. Council approved the Final Budget/Integrated Development Plan as well as the final Medium-Term Revenue and Expenditure (MTREF) Budget for 2022/2023-2024/2025 financial year.
2. Council approved the following budget related policies which were considered in the preparation of the final budget/IDP and are tabled together with the budget/IDP as follows:
  - 2.1. Water and Sanitation Tariff policy
  - 2.2. Indigent policy
  - 2.3. Free Basic Water Policy
  - 2.4. Credit control and debt collection policy
  - 2.5. Investment and cash management policy
  - 2.6. Asset management policy
  - 2.7. Funding and reserves policy
  - 2.8. Supply chain management policy
  - 2.9. Virement policy
  - 2.10. Budget policy
  - 2.11. Blacklisting policy
  - 2.12. Petty cash policy
  - 2.13. Acting policy
  - 2.14. Cost Containment policy
  - 2.15. Secondment policy
  - 2.16. Overtime policy
  - 2.17. Relocation policy
  - 2.18. Service Standards
  - 2.19. Political Support staff policy
  - 2.20. Recruitment Selection and appointment policy
  - 2.21. Subsistence and Travelling allowance policy
  - 2.22. Individual Performance Management and Development System policy

- 2.23. Subsidized Motor Transport Scheme policy
- 2.24. Bursary Policy
3. Council resolved that a workshop on policies be arranged for Councillors.

  
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CERTIFIED AS TRUE RESOLUTION  
COUNCIL SECRETARY  
TSOANE A

03/26/2022  
/DATE



**SEKHUKHUNE**  
District Municipality

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## SEKHUKHUNE DISTRICT MUNICIPALITY

# FINAL POLICY ON MOTOR VEHICLE SUBSIDY SCHEME 2022/2023

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## **1.PREAMBLE.**

This document details Sekhukhune District Municipality's policy and procedures regarding Subsidized Motor Scheme. Variations to the policy may be considered in special circumstances, but all variations require prior approval of the Council.

## **2. PURPOSE.**

The aim of this policy is to regulate the granting of Motor Subsidy to SDM employees.

## **3.OBJECTIVES**

3.1 To outline the Sekhukhune District Municipality (SDM)'s policy concerning motor vehicle subsidy scheme.

3.2 To provide rules governing motor vehicle subsidy scheme.

3.3 To establish uniform directives, procedures, conditions, and limitations according to which the motor subsidy can be paid.

## **4.Statutory Requirements**

4.1 Municipality Systems Act, 2000.

4.2 Basic Conditions of Employment Act, No. 75 of 1997.

4.3 Labour Relations Act, 66 of 1995.

## **5.Scope**

5.1 The policy on motor vehicle subsidy scheme is applicable to positions where employees need to travel regularly as part of their daily duties. The job description of the employee determines the award of the motor vehicle scheme.

5.2 All officials whose duties necessitate the use of a motor vehicle and where the provision of a motor vehicle is in the interest of the Municipality

5.3.The allocation of a vehicle is left in hands the Municipal Manager.

5.4. All reasonable alternative means of transport are to be considered taking into consideration the economic implications thereof.

5.3. The allocated money on the motor vehicle scheme should be 100% utilised for the payment of the vehicle.

5.4. The motor vehicle scheme should not be used as a profit or an extra income making Scheme. The monthly allocation should be spent 100% on the monthly payment of the vehicle.

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## 6.Subsidy Scheme

- 6.1 The provision of the motor vehicle subsidy to an officer is deemed as a work facility, which enables him/her to undertake essential approved official trips. It must not be a service benefit or construed as a right.
- 6.2 An employee should initiate the application for vehicle subsidy to the Head of the Department who will motivate to the Transport Committee.
- 6.3 The Transport Committee shall motivate to the Municipal Manager.
- 6.4 The application should further be approved or declined by the Municipal Manager or his /her delegate.
- 6.5 Allocation of the subsidy to an employee may be reviewed if the job description or position of the employee changes.
- 6.6 All employees allocated a motor vehicle subsidy must provide a proof of purchase or lease on which the subsidy is paid. This should be in the form of a contract.

## 7.Qualifying Criteria

- 7.1 Officials qualify for the allocation of motor vehicle subsidy if they travel for job related purpose, a minimum of 18 000km per annum or 1 500km per month.
- 7.2 The application for the motor vehicle subsidy should be made in the designated form.
- 7.3 Applicants should also attach a certified copies that may be required to the transport Officer.
- 7.4 Employees should submit proof of purchase or proof of lease. This should be in the form of A contract duly signed by both parties.

## 8.Policy

- 8.1 An employee is obliged to maintain a reliable vehicle to be utilized for official journeys when necessary.
- 8.2 An employee may purchase a new or reliable pre-owned vehicle.
- 8.3 No time frames exist when a vehicle should be replaced. But the employee must restart the application process so that an approval or decline can be obtained.

D.K

8.4 The employee must at all times have his or vehicle available for official journeys. The shall pay motor subsidy

8.5. The Municipality shall pay motor subsidy of 15% or R4500 whichever comes first of the employees monthly remuneration.

8.6. An employee must secure his or her own financing of loans.

8.7. The Municipality may confirm that an employee receives motor vehicle subsidy to financial institutions if requested to do so by an employee

8.8. The Municipality does not finance residual or balloon arrangements.

8.9. An employee must obtain and maintain comprehensive insurance on the vehicle and is fully responsible for all running and maintenance costs and the cost of registration and licensing of the vehicle.

8.10. The employee must possess a valid driver's license in order to be eligible for motor vehicle subsidy

8.11. If an employee utilizes his or her vehicle to travel for official purposes away from his or her usual place of work, the Municipality shall reimburse toll fees, and parking fees in excess of R50 per month. An employee is responsible for parking fees levied at the place of work.

8.12. Any journey between a member's home and usual place of work constitute a private journey.

8.13. As far as possible, an employee is obliged to provide free transport to official passengers to the same destination on an official journey.

8.14. If an employee utilizes his or her private vehicle to carry out official duties, the Municipality will compensate an employee running costs according to the AA tariffs and if he or she utilises subsidize vehicle then the tariffs of the National Department of Transport will apply.

8.15. The Municipal Manager shall have powers to approve, temporarily withdraw or cancel motor vehicle subsidy.

### **9. Control Measures on employees receiving motor vehicle subsidy**

9.1 Employees are to provide proof of availability of suitable vehicles on the request of the Fleet Unit. If not, the affected employees' motor vehicle subsidy shall be stopped until such vehicle is available or provided.

9.2 In the event that it can be shown that the employee has received the motor vehicle subsidy without having the requisite vehicle available, the overpayment of the subsidy for the identified non-qualifying period shall be recovered from the employee's salary.

9.3 Employees shall inform the Fleet Unit immediately if they do not have a vehicle available.

9.4 Furthermore, the employee shall face disciplinary action and or incapacity proceedings relating to their non-compliance with this provision and inability to perform their duties due to them not having the requisite vehicle.

9.5 Where the employee continued to receive the subsidy without complying with the above qualifying requirements, they shall be charged with fraud.

9.6 Employees who are in receipt of existing motor subsidy which they enjoyed from their previous post and who are appointed any other posts that do not have the motor scheme attached to them shall have their scheme terminated as per duties of the new post.

## **10 Roles and Responsibilities**

10.1 The Director Corporate Services accept overall responsibility for the implementation and monitoring of the policy.

10.2 The financial implications related to implementing this policy shall be qualified and disquantified by Corporate Services in consultation with the Chief Financial Officer.

## **11. Termination of the motor vehicle subsidy.**

11.1 If an employee, who is an incumbent of a position linked to the motor vehicle subsidy scheme is transferred by the Municipality to another position not linked to a motor vehicle scheme and such was not requested by the employee, the municipality will give the employee six months' notice of its intention to withdraw the subsidy.

11.2. If an employee, who is an incumbent of a position linked to the motor vehicle scheme and as such was requested by the employee, the municipality will give the employee three months' notice of its intention to withdraw the subsidy.

11.3. Payment of the subsidy will be terminated immediately if the employee decides to dispose of the vehicle for which the motor vehicle subsidy was received.

11.4. If the employee is demoted or transferred based on an of misconduct, the Municipality will give such employee three months' notice for the termination of the subsidy.

11.5. The Municipality will terminate the motor vehicle subsidy on terminatin of service by the employee.

11.6 The Municipality will terminate the motor vehicle subsidy if the employee fails to avail the vehicle for verification.

11.7 The Municipality shall terminate the motor vehicle subsidy if the employee cannot travel 1500 kilometres per month.

11.8 The Municipality shall terminate the motor vehicle subsidy if the employee fails to submit the relevant documents required relating to the motor vehicle subsidy.

11.9 The Municipality shall terminate the motor vehicle subsidy scheme once the purchase or lease contract elapses.

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**12. Financing.**

12.1. Employees are expected to arrange for the financing of private vehicles at a financial institution of their choice and submit the contract to the Fleet Unit.

12.2. The Municipality may negotiate with the financial institution to grant preferential rates to employees, utilising the services of such financial institution however this is not compulsory.

**13. Choice of Vehicle.**

13.1. The decision about the choice of a vehicle, which the employee prefers to use in the daily execution of work activities, rests with the employee, with the understanding that the type of vehicle shall comply with the purpose and requirements for the execution of the employee's official duties.

**14. Policy Monitoring ,Evaluation and Review.**

This policy shall be implemented and once approved by Council.

14.1. Non-compliance to the stipulations contained in this policy shall be regarded as misconduct which shall be dealt with in terms of the Code of Conduct.

14.2 Head of Corporate Services shall carry out the monitoring and evaluation of the policy and the review will be in an interval of three years.

**15. Approval of the Policy**

Approved by the Council on this.....day of.....2022

  
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Cllr chego D.K  
Speaker

13/06/2022  
Date

\_\_\_\_\_  
Cllr L.J Mathebe  
Executive Mayor

\_\_\_\_\_  
Date