

REIMBURSEMENT OF EXPENSE CLAIMS AND PAYMENT OF ALLOWANCES (2017/2018)

Following the Minister of Finance's budget speech for the 2017/2018 fiscal year, the University's rates for reimbursement of expenses in respect of travel, accommodation, subsistence and incidental expenses have been revised and **will apply retrospectively from 1 March 2017**, until further notice.

1. Reimbursive Travel Expenses (Local Travel)

The reimbursement rate for use of employees' private motor vehicles on official University business is **R3,55 per kilometre**.

No employees tax (PAYE) is required to be deducted from travel amounts reimbursed, provided the employee's business travel does not exceed 12 000 kilometres per annum and provided also that the employee receives no other compensation (e.g. a travel allowance) for such travel. Despite not being subject to taxation on assessment, the aggregate annual amount of individual staff members' reimbursement claims must nevertheless be disclosed to the South African Revenue Service (SARS) on employees' IRP5 tax certificates, hence the need for the University Finance Division to maintain accurate records of all travel claims for this purpose.

2. Subsistence Allowances – inside the Republic of South Africa

Where an employee is obliged to spend at least one night away from his or her usual place of residence on University business and the accommodation to which the allowance relates is in the Republic of South Africa and the allowance is granted to pay for –

- **Meals and incidental costs, the allowance amount is R397 per day**
- **Incidental costs only, the allowance amount is R122 per day**

The respective subsistence allowances - despite requiring to be disclosed on employees' IRP5 tax certificates to the SARS - are not taken into account by the University in determining the taxable income of employees. In all instances where employees are granted a subsistence allowance, as opposed to being reimbursed for actual expenses incurred, they will be personally responsible for meeting such costs. For income tax purposes, these amounts will be deemed to have been spent on accommodation, meals, personal subsistence and incidental expenses. Employees may, however, be required on assessment by SARS to prove how such allowances were spent.

Employees whose accommodation is not paid for directly by the University and who do not receive (or, alternatively, elect not to claim) the standard subsistence allowance, will be permitted to be reimbursed for actual expenses incurred for subsistence and accommodation for business purposes, provided however that such travel has been independently approved beforehand by the appropriate budget holder or delegated line manager (i.e. budget controller or grant holder) and provided further that the related expenditure is suitably substantiated. Claim forms must, therefore, be accompanied by the relevant vouchers and receipts, together with evidence of their authorisation. The reimbursement of these expenses will not be deemed to be subsistence allowances, hence do not require to be disclosed as such to SARS.

3. Meal Allowances

The rates of reimbursement in respect of local subsistence (i.e. for employees temporarily away from their normal place of work, but who are not required to be away from home overnight) and arising from working overtime, for which receipts must be provided (kindly note that these receipts are required for both income tax and audit purposes), are set out in **Annexure A**.

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4. Allowances – Outside the Republic of South Africa

The University's per diem allowances in respect of travel outside the Republic of South Africa will continue to be based on the official SARS rates. These, in turn, are based on the statutory list of Subsistence Allowances (Foreign Travel) published by SARS annually and are all-inclusive daily rates for meals and incidental costs, for which vouchers are NOT required to be provided. Details thereof are set out in **Annexure B** attached. Please note that the daily rates vary significantly from country to country, hence it is imperative that an itinerary detailing the countries visited and the number of nights spent in each country be submitted with all claims for foreign subsistence and incidental costs. Failure to do so will prejudice the processing of such claims.

In planning overseas travel, employees are encouraged to utilise the University's appointed travel agency services to book their accommodation. Unless arrangements are made for the University to pay for an employee's foreign accommodation separately, the respective allowances will be deemed to be inclusive of the cost of accommodation and their payment limited accordingly.

Employees travelling abroad or within Africa outside of the Common Monetary Area will be permitted to receive an advance on their foreign travel allowance (not exceeding the equivalent of the applicable per diem rate(s) multiplied by the number of nights outside the country). This concession is available, provided that employees make timely arrangements beforehand with the relevant Accountant in the Finance Division or the College/Support Services sector Finance Manager, as appropriate, and provided also that they submit proof of their travel arrangements, together with evidence of independent approval by the relevant budget holder or delegated line manager (i.e. budget controller or grant holder). Kindly note that, for the purposes of determining the applicable number of nights for which an employee is eligible to claim a foreign travel allowance, the travelling time on outbound flights from and on return flights to South Africa is excluded.

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Chief Finance Officer

ANNEXURE A
REIMBURSEMENT OF EXPENSE CLAIMS AND PAYMENT OF ALLOWANCES
(EFFECTIVE: 1 MARCH 2017)

1.	Travel using employee's own motor vehicle	R3.55 per kilometre
2.	Overnight accommodation and subsistence	
	Option 1: Reimbursement of actual costs of accommodation, meals and incidental costs, for which <u>receipts must be provided</u> ;	Actual costs incurred as pre-approved by the budget holder
	Option 2: Allowance for meals and incidental costs (where an employee is by reason of his/her duties required to spend at least one night away from his/her usual place of residence on an occasional basis) where the employee pays for his/her meals and incidental costs and for which <u>receipts need not be provided</u> ;	R397 per day
	Option 3: Allowance for incidental costs only (where an employee is by reason of his/her duties required to spend at least one night away from his/her usual place of residence on an occasional basis) where the University pays for the employee's accommodation and meals, the employee is permitted to claim an allowance to defray incidental costs and for which <u>receipts need not be provided</u> .	R122 per day
3.	Local Subsistence	
	Reimbursement of actual costs, not exceeding the maxima stipulated below, of a meal (or meals) and for which <u>receipts must be provided</u> , in the following circumstances :	
	Absent for more than 5 hours, spanning a normal mealtime; or	R110
	Absent for more than 10 hours, spanning two normal mealtimes.	R150
	Staff who are required to work overtime away from home :	
	Weekends and/or public holidays, for more than 5 hours spanning a normal mealtime;	R110
	Normal working days, for more than 3 hours beyond the official close of working hours;	R60
	For more than 10 hours, spanning two normal mealtimes.	R150
4.	Subsistence – Travelling outside of the Republic of South Africa	
	A daily allowance for meals and incidental costs for which receipts need not be provided	As per SARS List (Annexure B)
5.	Minor Purchases	Per Item
	Maximum cost (purchase to be pre-approved by the budget holder) <u>Receipts must be provided.</u>	R2 000

ANNEXURE B

SCHEDULE

1. Unless the context otherwise indicates, any word or expression to which a meaning has been assigned in the Income Tax Act, 1962, bears the meaning so assigned.
2. The following amounts will be deemed to have been actually expended by a recipient to whom an allowance or advance has been granted or paid—
 - (a) where the accommodation, to which that allowance or advance relates, is in the Republic and that allowance or advance is paid or granted to defray—
 - (i) incidental costs only, an amount equal to R122.00 per day; or
 - (ii) the cost of meals and incidental costs, an amount equal to R397.00 per day; or
 - (b) where the accommodation, to which that allowance or advance relates, is outside the Republic and that allowance or advance is paid or granted to defray the cost of meals and incidental costs, an amount per day determined in accordance with the following table for the country in which that accommodation is located—

Table: Daily Amount for Travel Outside the Republic

Country	Currency	Amount
Albania	Euro	97
Algeria	Euro	110
Angola	US \$	303
Antigua and Barbuda	US \$	220
Argentina	US \$	133
Armenia	US \$	220
Austria	Euro	131
Australia	A \$	230
Azarbaijani	US \$	145
Bahamas	US \$	191
Bahrain	B Dinars	36
Bangladesh	US \$	79

Barbados	US \$	202
Belarus	Euro	62
Belgium	Euro	146
Belize	US \$	152
Benin	Euro	111
Bolivia	US \$	78
Bosnia-Herzegovina	Euro	75
Botswana	Pula	826
Brazil	Reals	409
Brunei	US \$	88
Bulgaria	Euro	91
Burkina Faso	CFA Francs	58,790
Burundi	Euro	73
Cambodia	US \$	99
Cameroon	Euro	120
Canada	C \$	177
Cape Verde Islands	Euro	65
Central African Republic	Euro	94
Chad	Euro	121
Chile	US \$	106
China (People's Republic)	US \$	127
Colombia	US \$	94
Comoros Island	Euro	122
Cook Islands	NZ \$	211
Cote D'Ivoire	Euro	119
Costa Rica	US \$	116
Croatia	Euro	99
Cuba	US \$	114
Cyprus	Euro	117
Czech Republic	Euro	90
Democratic Republic of Congo	US \$	164
Denmark	Danish Kroner	2,328
Djibouti	US \$	99
Dominican Republic	US \$	99
Ecuador	US \$	163
Egypt	Egyptian Pounds	873
El Salvador	US \$	98
Equatorial Guinea	Euro	166

Eritrea	US \$	109
Estonia	Euro	92
Ethiopia	US \$	95
Fiji	US \$	102
Finland	Euro	171
France	Euro	129
Gabon	Euro	160
Gambia	Euro	74
Georgia	US \$	95
Germany	Euro	125
Ghana	US \$	130
Greece	Euro	138
Grenada	US \$	151
Guatemala	US \$	114
Guinea	Euro	78
Guinea Bissau	Euro	59
Guyana	US \$	118
Haiti	US \$	109
Honduras	US \$	186
Hong Kong	Hong Kong \$	1,395
Hungary	Euro	92
Iceland	ISK	25,466
India	Indian Rupee	5,932
Indonesia	US \$	86
Iran	US \$	120
Iraq	US \$	125
Ireland	Euro	139
Israel	US \$	209
Italy	Euro	125
Jamaica	US \$	151
Japan	Yen	16,424
Jordan	US \$	201
Kazakhstan	US \$	100
Kenya	US \$	138
Kiribati	Australian \$	233
Korea Republic	Korean Won	184,642
Kuwait (State of)	Kuwait Dinars	51
Kyrgyzstan	US \$	172
Laos	US \$	92

Latvia	US \$	150
Lebanon	US \$	158
Lesotho	RSA Rand	750
Liberia	US \$	112
Libya	US \$	120
Lithuania	Euro	154
Macao	Hong Kong \$	1,196
Macedonia (Former Yugoslav)	Euro	100
Madagascar	Euro	58
Madeira	Euro	290
Malawi	Malawi Kwacha	31,254
Malaysia	Ringgit	382
Maldives	US \$	202
Mali	Euro	178
Malta	Euro	132
Marshall Islands	US \$	255
Mauritania	Euro	97
Mauritius	US \$	114
Mexico	Mexican Pesos	1,313
Moldova	US \$	117
Mongolia	US \$	69
Montenegro	Euro	94
Morocco	Dirhams	1,081
Mozambique	US \$	101
Myanmar	US \$	123
Namibia	RSA Rands	950
Nauru	Australian \$	278
Nepal	US \$	64
Netherlands	Euro	122
New Zealand	NZ \$	206
Nicaragua	US \$	90
Niger	Euro	75
Nigeria	US \$	242
Niue	New Zealand \$	252
Norway	NOK	1,753
Oman	Rials Omani	77
Pakistan	Pakistani Rupees	6,235
Palau	US \$	252

Palestine	US \$	147
Panama	US \$	105
Papua New Guinea	Kina	285
Paraguay	US \$	76
Peru	US \$	139
Philippines	US \$	122
Poland	Euro	88
Portugal	Euro	87
Qatar	Qatar Riyals	715
Republic of Congo	Euro	149
Reunion	Euro	164
Romania	Euro	83
Russia	Euro	330
Rwanda	US \$	102
Samoa	Tala	193
Sao Tome & Principe	Euro	160
Saudi Arabia	Saudi Riyals	512
Senegal	Euro	113
Serbia	Euro	83
Seychelles	Euro	132
Sierra Leone	US \$	90
Singapore	Singapore \$	232
Slovakia	Euro	102
Slovenia	Euro	106
Solomon Islands	Sol Islands \$	1,107
South Sudan	US \$	146
Spain	Euro	112
Sri Lanka	US \$	100
St. Kitts & Nevis	US \$	227
St. Lucia	US \$	215
St. Vincent & The Grenadines	US \$	187
Sudan	US \$	200
Suriname	US \$	107
Swaziland	RSA Rand	1,367
Sweden	Swedish Kronor	1,317
Switzerland	S Franc	201
Syria	US \$	185
Taiwan	New Taiwan \$	4,015
Tajikistan	US \$	97

Tanzania	US \$	129
Thailand	Thai Baht	4,956
Togo	CFA Francs	64,214
Tonga	Pa'anga	251
Trinidad & Tobago	US \$	213
Tunisia	Tunisian Dinar	198
Turkey	Euro	101
Turkmenistan	US \$	125
Tuvalu	Australian \$	339
Uganda	US \$	111
Ukraine	Euro	131
United Arab Emirates	UAE Dirhams	699
United Kingdom	British Pounds	102
Uruguay	US \$	133
USA	US \$	155
Uzbekistan	Euro	80
Vanuatu	US \$	166
Venezuela	US \$	294
Vietnam	US \$	91
Yemen	US \$	94
Zambia	US \$	119
Zimbabwe	US \$	123
Other countries not listed	US \$	215