2 May 2012

REIMBURSEMENT OF EXPENSES CLAIMS AND PAYMENT OF ALLOWANCES: 2012 / 2013

Your attention is drawn to the following stipulations in terms of the University's Reimbursement of Expenses Policy.

Following the Minister of Finance's recent budget speech for the 2012/2013 fiscal year, the University's rates for reimbursement of expenses in respect of travel, accommodation, subsistence and incidental expenses have been revised and approved by the Finance Committee of Council, as more fully explained below. The respective rates of reimbursement and allowances will apply retrospectively from **1 March 2012**, until further notice.

1. Reimbursive Travel Expenses (Local Travel)

The reimbursement rate for use of employees' private motor vehicles on official University business has been increased from R 3,05 per kilometre to **R 3,16 per kilometre.**

No employees tax (PAYE) is required to be deducted from travel amounts reimbursed, provided the employee's business travel does not exceed 8 000 kilometres per annum and provided also that the employee receives no other compensation (eg. 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. Overnight Accommodation and Subsistence (Local Travel)

The daily subsistence allowance (inclusive of accommodation and meals) has been increased from R286 per day to **R303 per day** where an employee is obliged to spend at least one night away from his/her usual residence on official University business. Where, however, the University bears the actual cost of employees' accommodation and meals, an employee may nevertheless claim a daily allowance in lieu of expenses for incidental costs. This allowance is limited to **R93 per day**, for which receipts need not be provided.

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 budgetholder or delegated line manager (i.e. budget controller or grantholder) 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. Local Subsistence

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 is either **R58** or **R88 per day**, depending on the particular circumstances (see attached **"Annexure A"**), for which receipts must be provided (kindly note that these receipts are required for both income tax and audit purposes).

4. Foreign Travel, Accommodation and Subsistence (Outside the Common Monetary Area)

The University's *per diem* allowances in respect of foreign travel 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.

B J MAHLANGU
Chief Finance Officer

ANNEXURE A

REIMBURSEMENT RATES: TRAVEL, ACCOMMODATION, SUBSISTENCE AND MINOR PURCHASES
(Effective from 1 March 2012)

1. TRAVELLING (Employees' Own Vehicles)		Rate per Km
Motor Vehicles :		R3,16

2. OVERNIGHT ACCOMMODATION AND SUBSISTENCE — Rate per day

Either:

- **Reimbursement of actual costs** of accommodation and subsistence, for which receipts must be provided; — Actual costs incurred (As approved by the budgetholder)

or

- **Accommodation and subsistence allowance** (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 accommodation, meals and incidental costs and for which receipts need not be provided; — R303,00

or

- **Daily Allowance** (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 (employer) pays for the employee's accommodation and meals, the employee is permitted to claim an allowance to defray incidental costs and for which receipts need not be provided. — R93,00

3. LOCAL SUBSISTENCE

Reimbursement of actual costs, not exceeding the maxima stipulated below, of a meal (or meals) and for which receipts must be provided, in the following circumstances :-

Employees more than fifty kilometres away from both their home and normal place of work who are:-

Absent for more than five hours, spanning a normal mealtime; or	R 58,00
Absent for more than ten hours, spanning two normal mealtimes.	R 88,00

Staff who are required to work overtime away from home:

Over a weekend or on a public holiday, for more than five hours spanning a normal mealtime;	R 58,00
On other occasions, for more than three hours beyond the official close of working hours;	R 58,00
For more than ten hours, spanning two normal mealtimes.	R 88,00

4. FOREIGN SUBSISTENCE (Outside the Common Monetary Area)

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 (as defined in, and in accordance with the prevailing policy). Receipts must be provided.	R1 000,00

ANNEXURE B

SARS

EFFECTIVE DATE
2012.03.01

1 SUBSISTENCE ALLOWANCE – FOREIGN TRAVEL

1.1 LIST OF DAILY MAXIMUM AMOUNT PER COUNTRY WHICH IS DEEMED TO BEEN EXPENDED

Country	Currency	Maximum deemed expended amount
Albania	Euro	97
Algeria	Euro	103
Angola	US $	340
Antigua and Barbuda	US $	220
Argentina	US $	91
Armenia	US $	220
Austria	Euro	108
Australia	Australian $	188
Azerbaijani	US $	145
Bahamas	US $	191
Bahrain	B Dinars	36
Bangladesh	US $	79
Barbados	US $	202
Belarus	Euro	76
Belgium	Euro	140
Belize	US $	152
Benin	Euro	89
Bolivia	US $	64
Bosnia-Herzegovina	Euro	78
Botswana	Pula	518
Brazil	US $	146
Brunei Darussalam	US $	88
Bulgaria	Euro	92
Burkina Faso	Euro	92
Burundi	US $	138
Cambodia	US $	79
Cameroon	Euro	206
Canada	Canadian $	157
Cape Verde Islands	Euro	65
Central African Republic	Euro	94
Chad	Euro	121
Chile	US $	103
China (People's Republic)	US $	129
Colombia	US $	94
Comoro Island	Euro	128
Cook Islands	New Zealand $	201

Country	Currency	Maximum deemed expended amount
Cote D'Ivoire	Euro	97
Costa Rica	US $	74
Croatia	Euro	116
Cuba	US $	133
Cyprus	Euro	114
Czech Republic	Euro	90
Democratic Republic of Congo	US $	288
Denmark	Danish Kroner	1 469
Djibouti	US $	99
Dominican Republic	US $	99
Ecuador	US $	110
Egypt	US $	118
El Salvador	US $	193
Equatorial Guinea	Euro	130
Eritrea	US $	92
Estonia	Euro	91
Ethiopia	US $	65
Fiji	US $	78
Finland	Euro	154
France	Euro	141
Gabon	Euro	144
Gambia	Euro	105
Georgia	US $	95
Germany	Euro	107
Ghana	US $	132
Greece	Euro	120
Grenada	US $	151
Guatemala	US $	83
Guinea	Euro	78
Guinea Bissau	Euro	59
Guyana	US $	118
Haiti	US $	109
Honduras	US $	186
Hong Kong	Hong Kong $	1 000
Hungary	Euro	85
Iceland	ISK	23 786
India	Indian Rupee	4 791
Indonesia	US $	86
Iran	US $	92
Iraq	US $	125

Country	Currency	Maximum deemed expended amount
Ireland	Euro	240
Israel	US $	162
Italy	Euro	127
Jamaica	US $	151
Japan	Yen	17 466
Jordan	US $	172
Kazakhstan	US $	130
Kenya	US $	116
Kiribati	Australian $	233
Korea	US $	154
Kuwait (State of)	US $	166
Kyrgyzstan	US $	172
Laos	US $	79
Latvia	US $	147
Lebanon	US $	139
Lesotho	Rand	750
Liberia	US $	97
Libya	US $	112
Lithuania	Euro	154
Macau	Hong Kong $	1 196
Macedonia (Former Yugoslav)	Euro	100
Madagascar	Euro	107
Madeira	Euro	290
Malawi	Malawi Kwacha	21 699
Malaysia	Ringgit	338
Maldives	US $	202
Mali	Euro	182
Malta	Euro	132
Marshall Islands	US $	255
Mauritania	Euro	178
Mauritius	US $	106
Mexico	US $	86
Moldova	US $	117
Mongolia	US $	69
Montenegro	Euro	119
Morocco	Dirhams	1 034
Mozambique	US $	69
Myanmar (Burma)	US $	140
Namibia	Rand	779
Nauru	Australian $	278
Nepal	US $	64

Country	Currency	Maximum deemed expended amount
Netherlands	Euro	112
New Zealand	New Zealand $	174
Nicaragua	US $	288
Niger	Euro	99
Nigeria	US $	121
Niue	New Zealand $	252
Norway	NOK	1 685
Oman	Rials Omani	69
Pakistan	Pakistani Rupees	5 775
Palau	US $	252
Palestine	US $	147
Panama	US $	98
Papua New Guinea	Kina	285
Paraguay	US $	70
Peru	US $	124
Philippines	US $	119
Poland	Euro	95
Portugal	Euro	107
Qatar	Qatar Riyals	600
Republic of Congo	Euro	149
Reunion	Euro	164
Romania	Euro	76
Russia	Euro	167
Rwanda	US $	83
Samoa	Tala	325
Sao Tome	Euro	86
Saudi Arabia	Saudi Riyal	453
Senegal	Euro	95
Serbia	Euro	81
Seychelles	Euro	275
Sierra Leone	US $	90
Singapore	Singapore $	201
Slovakia	Euro	101
Slovenia	Euro	85
Solomon Islands	Sol Islands $	912
Spain	Euro	111
Sri Lanka	US $	86
St. Kitts & Nevis	US $	227
St. Lucia	US $	215
St. Vincent & The Grenadines	US $	187

Country	Currency	Maximum deemed expended amount
Sudan	US $	121
Suriname	US $	107
Swaziland	Rand	818
Sweden	Swedish Krona	1 285
Switzerland	S Franc	201
Syria	US $	95
Taiwan	New Taiwan $	3 279
Tajikistan	US $	108
Tanzania	US $	96
Thailand	Thai Baht	4 179
Togo	Euro	78
Tonga	Pa'anga	216
Trinidad & Tobago	US $	213
Tunisia	Tunisian Dinar	121
Turkey	Euro	111
Turkmenistan	US $	125
Tuvalu	Australian $	339
Uganda	US $	90
Ukraine	Euro	103
United Arab Emirates	Dirhams	653
United Kingdom	B Pounds	124
Uruguay	US $	109
USA	US $	142
Uzbekistan	Euro	117
Vanuatu	US $	161
Venezuela	US $	338
Vietnam	US $	94
Yemen	US $	94
Zambia	US $	119
Zimbabwe	US $	120
Other countries not listed	US $	215

2 QUALITY RECORDS

- Completed forms as listed below :

Number	Title
IRP5/IT3(a)	Employee~~s~~' Income ~~T~~tax certificate