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**DRAFT- BIG 5 HLABISA LOCAL MUNICIPALITY**  
**CAR ALLOWANCE POLICY & PROCEDURE FRAMEWORK**

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**BIG 5 HLABISA LOCAL MUNICIPALITY**

**CAR ALLOWANCE**

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The following Policy is adopted and issued as the Car allowance Policy for the Big 5 Hlabisa Municipality.

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**Dr VJ Mthembu**

**MUNICIPAL MANAGER.**

**BIG 5 HLABISALOCAL MUNICIPALITY**  
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## **1. PART 1: PREAMBLE**

This document details Big 5 Hlabisa Local Municipality's policy and procedures regarding Car Allowance and it regulates the granting of Car allowance to the employees of Big 5 Hlabisa Local Municipality. The policy applies to all categories of staff employed by Big 5 Hlabisa Local Municipality as outlined below. Variations to the policy may be considered in special circumstances, but all variations require the prior approval of the Council/Municipal Manager.

## **2. PART 2: PURPOSE**

2.1 To establish uniform directives, procedures, conditions and limitations according to which the Car allowance can be used and conditions under which employees can use their private vehicle in the execution of their official duties

2.2 To motivate staff to own vehicles as to perform business of the Municipality effectively

2.3 To create a uniform policy that is adequate for all employees who qualify for a car allowance within Municipality

2.4 To regulate the granting of Car Allowance to the employees of Big 5 Hlabisa Municipality

## **3. PART 3: SCOPES**

3.1 This Policy is applicable to all categories of staff employed by Big 5 Hlabisa Local Municipality as outlined below:

- Section 57 & 56 managers
- Managers reporting directly to S56 Managers (Directors)
- Non Managers Section heads
- Employees who by nature of their duties are compelled to use their private vehicles in the completion of official duties on a regular basis

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#### **4. PART 4: DEFINITIONS**

4.1 “**Motor Vehicle Allowance**” means an allowance granted to an employee who has been authorized to use his / her private transport on a regular basis in the execution of his / her official duties

4.2 “**Place of Work**” means the employee’s normal work site or office, viz where he / she normally commences work

4.3 “**Private Transport**” means the motor vehicle for which the fixed costs and running costs are calculated and paid to the employee

4.4 “**Official Distance**” means the distance in kilometers Carled by an employee in his / her employer’s service excluding distances between place of work and residence

4.5 “**Days**” indicate the number of working days in the service of the Council

4.6 “**Running Carling Allowance Bearing Post**” This is the term attached to managerial, section heads and employees whose nature of their work warrants Carling and who qualify for an allowance in terms of this Policy.

4.7 “**Fixed Carling Allowance Bearing Posts**” This is the term attached to all managerial posts on levels 15 to 22 and section heads who receive a Carling allowance whether the nature of their work warrants Carling or not.

#### **5. PART 5: LEGISLATIVE FRAMEWORK**

5.1 The Constitution of the RSA Act

5.2 Labour Relations Act

5.3 Basic Conditions of Employment Act

5.4 Municipal Finance Management Act

5.5 SARS

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## **6. PART 6: ALLOCATION OF CAR ALLOWANCE**

6.1 The allocation of car allowances to employees is mainly informed by the functions and duties that they perform. However, the following positions shall automatically qualify for the allowances:

- Section 57 & 56 Managers (included in their remuneration package)
- Managers reporting directly to S56 managers
- Non Managers Section heads
- Employees who by nature of their duties are compelled to use their private vehicles in the completion of official duties on a regular basis

6.2 The Section 56 & 57 Managers have the latitude of structuring their Car allowance as a condition of their employment contracts.

6.3 Allocation of car allowance to employees may be reviewed if the duties of that position change.

6.4 All employees allocated a Car allowance must have the vehicle on which a Car allowance is paid, available for the execution of official duties at all times. Other official transport will not be made available to such incumbents.

6.5 Prior written permission must be obtained from supervisors for the use of a different vehicle, other than the one for which an allowance is paid for. Such written permission must be submitted together with the Car claim.

6.6 All heads of Departments must ensure that adequate budgetary provisions are made for all posts that qualify for an allowance during the budgetary process.

## **7. PART 7: AMOUNT OF CAR ALLOWANCE PER OFFICIALS**

7.1 Employees who qualify for a car allowance such as Officer / Coordinator / Supervisor / middle Managers and Deputy Directors not covered by collective agreement shall qualify as follows subject to the amendment of this policy:

- Non Managers Section heads - R6500.00
- Employees who by nature of their duties are compelled to use their vehicles in the completion of official duties on a regular basis – R4500.00

## **8. PART 8: CONDITIONS FOR CAR ALLOWANCE**

8.1 Employees with Car allowances are not entitled to use of Municipal vehicles unless proper authorization was done by the Municipal Manager or his / her nominee.

8.2 Employees receiving Car allowance **should be paid 25% of their** annual salary

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8.3 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

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

8.5 An employee will be allowed to claim if they use their Car outside the jurisdiction of the Municipality from the office.

8.6 All claims for official trips must be supported by a trip Authorization Form, which shall be submitted as Car claims are presented

8.7 The calculation for Car allowances is automatically adjusted and amended in accordance with the Department of Transport schedules published from time to time.

8.8 All claims shall be duly certified by the relevant HOD before submission to Budget and Treasury office. The municipal manger will certify claims for the HODs.

## **9. PART 9: REVIEW OF POLICY**

9. This policy will be reviewed annually and any review thereof is the responsibility of the Human Resources Manager in Consultation with the Executive Director: Corporate & Community Services, Municipal Manager, LLF and Council for adoption.

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**ANNEXURE A**

**VECHILE LOGBOOK FOR EMPLOYEES ON THE CARLING ALLOWANCE SCHEME:**

**VEHICLE LOGBOOK FOR THE WEEK ENDED .....**

**Vehicle Reg. No.....**

Date	DESCRIPTION OF WORK	KILOMETRES		
		Started	Finished	TOTAL

Checked and certified  
Correct by ..... and by .....

Official to whom vehicle is allocated ..... Immediate Senior / Supervisor