



LIMPOPO

PROVINCIAL GOVERNMENT
REPUBLIC OF SOUTH AFRICA

PROVINCIAL TREASURY

LIMPOPO PROVINCIAL TREASURY

DEPARTMENTAL SUBSIDISED MOTOR TRANSPORT

POLICY

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1. **PREAMBLE**

1.1 The Departmental Subsidized Motor Transport policy is developed to provide a policy framework under which the allocation and utilization of subsidized vehicles can be effectively managed within the Limpopo Provincial Treasury (Department), based on the specific Departmental needs and requirements.

2. **APPLICABLE LEGAL FRAMEWORK**

2.1 Policy on Subsidized Motor Transport Scheme (Transport Circular No. 5 of 2003).

2.2 Transport Circular No. 27 of 2002.

2.3 Provincial Policy for the provision of a government subsidized motor transport subsidy scheme (Transport Circular No. 10 of 2003).

2.4 Amendment No. 1 of 2007 of Transport Circular No.10 of 2003.

2.5 Public Finance Management Act, 1999 (Act No.1 of 1999).

2.6 Treasury Regulations for Departments, Trading Entities, issued in terms of the Public Finance Management Act, 1999.

3. **OBJECTIVES OF THE POLICY**

3.1 To set out principles, responsibilities and control measures for the effective and efficient allocation and utilization of subsidized vehicles within the Department

4. **SCOPE OF APPLICATION**

4.1 The policy applies to all employees of the Department from rank of Manager downwards.

5. ROLES AND RESPONSIBILITIES

5.1 Logistics Directorate

5.1.1 Receives applications forms for subsidized vehicles.

5.2.1 Implementation of the policy.

5.2 Departmental Transport Advisory Committee (DTC)

5.2.1 Verify and evaluate application forms.

5.3 Head of Department

5.3.1 Head of Department approves application forms for subsidized vehicles before they are forwarded to the bank in order to start with the process of purchasing.

5.4 Bank

5.5.1. Purchases subsidized vehicles.

5.5.2. Notify the Transport Officer about delivery of the vehicles.

6. PROVISIONS

6.1 Allocation of subsidized vehicles

6.1.1 Officials qualify for the allocation of a subsidized vehicle under this scheme if they officially travel a minimum of 21000 km and a maximum of 29000 km per annum.

Where an officials' duties necessitate the official use of a motor vehicles and where provision of a subsidized vehicle is in the best interest of the state, economical and cost effective. All reasonable alternative means of transport and

financial implications must be taken into account before submitting a request to the DTC.

6.1.2. Benchmark

The Department will provide the smallest cheapest functional vehicles to the officials based on the nature of their duties.

Sedans

1251- 1550 cc
1551- 1750 cc
1751- 1950 cc

Light delivery vans (LDVs)

1551- 1750 cc
1751- 1950 cc
1951- 2000 cc

If the nature of the official duties require a vehicle with an engine capacity exceeding 2000 cc of LDV category, motivations must be provided and DAC will evaluate such application.

6.2 Maintenance of allocated subsidized vehicles

6.2.1 Subsidized vehicles are maintained by service provider as outlined in the book of life (i.e. service book).

6.3 Parameters of usage

6.3.1 Utilization period

The officials utilization period of a subsidized vehicle is from a minimum period of 32 months to a maximum of 48 months, covering a life span of 160 000 km.

A	B	C	D	E
Contract period in Months	Total contract KMS/ Distance	Standard KMS/Distance (Official and Private)PM (B/A)	Standard private KMS P.M=30%	Standard Officials KMS p.m=70%
32	160,000	5,000	1,500	3,500
36	160,000	4,444	1,333	3,111
42	160,000	3,810	1,143	2,667
48	160,000	3,333	1,000	2,333

6.3.2 Trip authorization

Trip authorization shall be obtained prior to trip being undertaken. Such authorization shall be in terms of the departmental delegation. The kilometers travelled shall be completed from point to point in the logbook.

Officials have a contractual obligation to cover the predetermined kilometer quota. Any underutilization of subsidized vehicles is a breach of contract and may result in the termination of the official's contract. Unauthorized official kilometers travelled in excess of contracted monthly kilometers will not be paid and such kilometers will be regarded as private.

6.3.3. Inspection of subsidized vehicles

Official using subsidized vehicles under scheme "A" shall avail their vehicles for monthly physical inspection and

odometer reading before payment of their fuel claims could be made.

6.3.3. Submission of log sheet

Log sheet claims shall be submitted on or before the 7th of each month for capturing and payment. None submission of log sheet for more than 3(three) months, shall result in such claims not being paid. However such kilometers shall be credited to the official as official kilometers.

6.3.4. Withdrawal

There are two types of withdrawals namely normal and premature withdrawal.

6.3.4.1. Normal withdrawal

The following three requirements should be met to qualify for withdrawal of the subsidized vehicles from service:

6.3.4.1.1. assigned official kilometers should be completed.

6.3.4.1.2. purchase price of the vehicle should be paid in full.

6.3.4.1.3. selected official utilization period should be completed.

6.3.4.2. Premature withdrawal

It occurs as the result of dismissal, retrenchment, ill-health, death, resignation, resignation or where an official has been transferred to a post that the use of the subsidized vehicle is no longer justified.

NB: The powers to change the type and size of a subsidized vehicle rest with the Head of Department or his/her delegate instead of an applicant or the Bank.

7. SCHEME "B"

7.1. Scheme "B" is meant for officials who are office bound in the sense that they cannot travel more than 21000 official kilometers per year (i.e. not more than 1750 official kilometers per month).

7.1.1. There are two options to participate in this scheme:

(a) Option .1

The official can secure loan with the Bank after approaching a dealership where he/she chooses a vehicle which is not older than two years.

The officer completes application form (Z81) and attaches all documents, which are required when an official applies to participate under scheme "A"

The application will be evaluated by DTC as well as the Bank.

(b) Option. 2.

(i)The official applies in writing to the Head of Department to utilize his/her privately owned vehicle and after approval has been granted he/she will be compensated for all official trips undertaken. The official trips should not exceed 1750 kilometers per month. Should it be envisaged that for the particular month that 1750 will be exceeded, prior approval should be obtained.

(ii) The vehicle cannot be purchased in terms of state contract RT57.

8. In those instances where the Departmental policy is silent on a specific issue that has been expressly stated in the National and Provincial policies, the National and Provincial policies will take precedence.

9. **POLICY CONTROL**

9.1 **Policy Audit**

7.1.1 The Accounting Officer must ensure periodic audits when deemed necessary to ensure compliance with the policy.

9.2 **Policy Review**

9.2.1 This policy is subject to annual reviews or when deemed necessary by the Department to ensure that it is aligned to with prevailing legislation and conditions

9.3 **Policy Amendments**

9.3.1 No amendment(s) may be made to any section of this policy without such amendment(s):

9.3.1.1 first being submitted to the review panel for discussion and review;

9.3.1.2 made by the review panel incorporated into the policy; and

9.3.1.3 duly approved and signed by the MEC, Head of Department and the Chief Financial Officer.

9.3.2. Amendments to this policy will be distributed to Branch Managers who will in turn ensure that each unit within their branch receives copies of the amended policy.


8. EFFECTIVE DATE

The policy will be effective from the 22 day of JUNE 2007

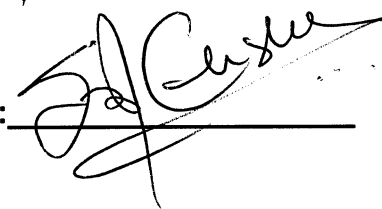
9. RATIFICATION

Signed at Polokwane on this 22 day of JUNE 2007.

HEAD OF DEPARTMENT :



MEMBER OF EXECUTIVE COUNCIL:



13. DEFINITIONS

In this policy, unless the context indicates otherwise:

MEC

Means Member of Executive Council

Accounting Officer

Means the Head of Department of the Limpopo Department of Provincial Treasury.

Cashier

Means a person who has been appointed by the Department to receive money in the form of cash or cheque on behalf of the Department.

Department

Means the Department of Provincial Treasury in the Limpopo Province.