

SOUL CITY INSTITUTE

TRAVEL POLICY

V201706/29/1

Soul City Institute NPC: Travel and Business Expense Policy

This policy should be read in conjunction with Soul City's Per Diem Policy

1. GENERAL GUIDELINES

These policies and procedures are designed to act as a guideline for business travel and miscellaneous expense reimbursements. They are based on practices employed by most organizations of our size and take into consideration what is considered reasonable and customary. While this policy does contain expense limits, we challenge all employees to use professional judgment when incurring expenses on behalf of the Company. Soul City Institute. Soul City Institute recognizes that, in some isolated cases, business related expenses might need to be reviewed on a case-by-case basis; however, this primarily applies if the expense in question was not discussed in this policy.

ALL APPROVED EXPENSES INCURRED MUST BE IN ACCORDANCE WITH DEPARTMENTAL AND PROJECT BUDGETS. IF YOU ARE UNCLEAR AS TO THE EXPENSE BUDGET, PLEASE CONTACT YOUR DEPARTMENT HEAD OR FINANCE PRIOR TO INCURRING ANY EXPENSES.

This policy is designed to accomplish the following key points:

Ensure all employees have a clear and consistent understanding of policies and procedures for business travel and expenses.

Ensure employees are reimbursed for legitimate business travel and entertainment expenses.

Provide employees who must travel with a reasonable level of service and comfort at the lowest possible cost.

Maximize the company's ability to negotiate discounted rates with preferred suppliers and reduce travel expenses.

Provide the appropriate level of accounting and business controls for the company to ensure that expenses are reviewed and approved by the appropriate person.

1.1 Responsibility

The traveller is responsible for complying with the Soul City Institute Travel Policy. The

manager who approves and signs expense reports is responsible for accurately reviewing expense reports for compliance. Soul City Institute will reimburse employees for all reasonable and necessary expenses while travelling on authorized company business. Soul City Institute assumes no obligation to reimburse employees for expenses that are not in compliance with this policy. Soul City Institute's Executive Committee must approve any deviation from this policy.

1.2 Enforcement

Employees, contractors and fieldworkers who do not comply with this policy may be subject to delay or withholding of reimbursement and/or disciplinary action.

1.3 Alcoholic Beverages

Soul City's policy is to refrain from consuming alcoholic beverages during business hours or meetings. The organisation will not reimburse the cost of alcoholic beverages purchased and the traveller will be liable for any such cost incurred.. In the event an employee chooses to consume alcoholic beverages in connection with a business function, the Company expects that employees will act responsibly and avoid excess. If an employee has any concerns that he/she is not capable of safely driving after such events, the Company will reimburse the cost of alternative transportation to ensure that the employee does not place themselves or others in danger. An employee, who is arrested and convicted for driving under the influence while in the performance of company business, or when returning from a business function, is subject to disciplinary action up to and including termination.

1.4 Night travel

It is preferable for employees to travel during the daytime whenever possible due to personal safety concerns. Where travel at night is unavoidable, employees are to note that they need to make arrangements for their own personal safety while travelling and to be vigilant at all times in this regard.

1.5 Exco travel

It is recommended that Executive Committee members do not travel together over long distances and that separate travel arrangements be made where feasible and possible. If not feasible a maximum of two EXCO members should share the same mode of transport. This includes long flight and road travel.

2. REPORTING GUIDELINES

Employees receiving an advance must submit expense reconciliations no later than 5 working days following the completion of the trip or of incurring the expense.

Claims for out-of-pocket expenses must be submitted within 1 month of being incurred, or they will not be reimbursed. Per diem/subsistence allowances will be paid to employees for every night they are away from home and this will be pre-arranged and the agreed dates of travel will be provided to the finance department so that advance per diem allowances can be paid to travellers wherever possible. In instances where this is not possible the employees will need to submit the proof of expenses incurred as detailed below:

2.1 Documentation Requirements

Employees must provide the following information in order to be reimbursed for any business related meals:

- Names of individuals present, their titles and company name
- Name and location of where the meal or event took place
- Exact amount and date of the expense
- Receipts and invoices

Employees must submit the following documentation with their Expense reconciliation:

- Proof of Additional transport costs, if any
- Parking vouchers
- Entertainment – invoice and cash register receipt attached to credit card voucher for all expenses (Box for credit card documents is located in the finance department).
- Meals – invoice and credit card receipt or register receipts for meal expenses

Receipts must be affixed to the reconciliation (e.g. cabs/meter taxis/shuttles). An explanation of the business expense and a list of the individuals/company affiliations entertained (in the case of meal/entertainment receipts) must be documented next to the original invoice and receipt. The credit card voucher which accompanies receipts and invoices for credit card expenditure allows for this. Queries can be directed to the finance department.

If like items have been combined to arrive at a single figure for entry to a single cell on the expense report, please indicate which items are being totalled on the paper where numerous receipts are provided. Expense reports containing entries that cannot easily be supported by receipts will be returned to the person submitting the expense report for explanation and clarification.

Original invoices and receipts must be submitted; photocopies will be acceptable only with a detailed explanation as to why the original is unavailable. If a receipt is not available for a valid reason, a full written explanation of the expense and the reason for the missing receipt is required. Receipts must include the name of the vendor, location, date and Rand amount. All expenses must be reported, regardless of how they were paid. The following receipts are acceptable:

- Original invoice and receipt completed by the vendor (manual or computerised)
- Credit card slip
- Original phone bill
- Receipt from Petrol station

2.2 Incorrect or Incomplete Expense Reports

Expense reports that are incorrect, incomplete or include disorganized receipts will be returned to the approver for completion. Reports that are not completed /amended cannot be processed by the finance department until rectified by the preparer and the approver. This may result in the delay or non payment of specific items.

Disregard for company policy and/or altering of receipts could result in disciplinary action.

3. TRAVEL BOOKINGS AND AUTHORIZATION

All travel bookings should be done by the travel administrator, or in her absence by the business unit administrator or Finance BUA. Booking procedures should be followed all the time. In exceptional circumstances, Senior Managers may do their own bookings if it works out cheaper.

Soul City uses Thompson's Travel as the appointed travel agency.

Alternate administrators- The relevant Department Administrators will assist with any emergency that may arise during the afternoons but this will be restricted to emergencies – new orders will stand over until the next morning when the travel Administrator will assist with the arrangements.

4. LOGGING YOUR EXPENSES

The traveller should complete the Soul City Institute Expense Reconciliation Form for reimbursement of expenses.

4.1 Air/Rail Travel

Air travel reservations should be made in such a manner as to secure the best available fare. Available resources include, but are not limited to: travel agents, online resources or directly with the airline. ALL AIR TRAVEL MUST BE IN ECONOMY CLASS UNLESS AUTHORISED AND APPROVED BY THE SENIOR MANAGEMENT COMMITTEE.

When travelling by air:

- Travellers are expected to use the most economical airfare available.
- Travellers are expected to reserve 7-day advance notice purchases
- Obtain CEO/CFO approval for all trips over R10 000 per individual (using Travel Authorization Form).
- Obtain CEO/CFO approval for all International travel (using Travel Authorization Form).

4.2 Upgrades for Air Travel

Upgrades for air travel are not reimbursable. If an employee wishes to upgrade, it is done at the employee's expense.

4.3 Cancellations, missed arrangements, changed flights and booking changes

When a trip is cancelled after the ticket has been issued, the traveller should inquire about using the same ticket for future travel. Employees should try as far as possible to reuse airline tickets if: a) they are travelling on the same route, or b) airfare eligibility requirements (verified with travel agent) are met. These arrangements must be co-ordinated through the travel administrator.

Cancellations of travel arrangements or changes of airtickets that have already been issued should be confirmed in writing with the manager responsible and the travel administrator should be copied in the corresponding notification when it is immediately possible to do so

and a valid reason should be provided for the cancellation or change of flight. Should the reason be considered by management to be unfounded or invalid, the employee could be held personally financially liable for the costs incurred in cancelling or changing the travel arrangements.

Missed flights: Should a traveller miss a flight without giving timely notice to the travel agent in order that they could inform the airline, the ticket will be lost and the airline will not give a reimbursement for the unused ticket. The traveller will be held responsible under these circumstances and the additional cost of a new ticket will be for the traveller's personal account.

The recovery of costs incurred when travel arrangements are cancelled or amended without valid grounds, will in the case of employees be processed through payroll and the employee and employer will agree on the deduction by way of an acknowledgement of debt to be signed, specifying the repayment period and any interest charges that would apply should the amount be deducted over more than 3 months. In the case of travellers that are not employees, the cost will be recovered from future invoices or will be invoiced to the traveller by Finance.

4.4 Unused/Voided Airline Tickets

Unused airline tickets (manual or electronic) or flight coupons must never be discarded or destroyed as these documents may have a cash value.

To expedite refunds, unused or partially used airline tickets must be returned immediately to the travel agent, this is done through the travel administrator to initiate a refund. Travellers must NOT include unused tickets with their expense reconciliations..

4.5 Lost or Stolen Airline Tickets

Immediately upon discovery of a lost/stolen ticket, the traveller must:

- Report the loss to the travel agent/issuing authority who will file the lost ticket application
- Fill out a lost ticket application at the airline ticket counter.

4.6 Airport and Train Station Parking

When parking at an airport or train station is part of business travel, and the duration is for more than 72 hours it is expected that Travellers will utilize Long Term parking lots. Short Term parking fees will be reimbursed for durations shorter than 48 hours.

4.7 Car Rental

Travellers may rent a car to get to their destination when driving is more cost effective than airline or rail travel. Travellers may rent a car at their destination when it is less expensive than other transportation modes such as taxis, airport and airport shuttles. Whenever multiple Travellers are travelling together, every effort to rideshare or carpool must be made. Travellers must reserve a car in the compact rental car category. At the time of rental, inspect the car and be sure that any damage found is noted on the contract before the vehicle is accepted.

When plans change, Travellers are responsible for working with their Travel Administrator to cancel rental car reservations.

Only Group B cars should be booked at all times.

Employees may book a car rental class of service one level higher when:

- Cars in the authorized category are not available
- Transporting excess baggage or distribution materials such as displays and marketing material/books.
- Upon authorisation of the Senior Manager responsible for the trip.
- In case of a non-standard class rental, that is Group B, the travel administrator immediately or before the car leaves the car rental agency so that appropriate insurance cover is taken.
- Travellers should not accept insurance cover offered by car rental services.

International travellers should not accept insurances offered. Employees are insured for business travel through the Company and there is appropriate life cover and Injured on Duty cover; consultants are however not insured for travel and this cost and liability would be for their own account.

Rental cars must be returned as follows:

- To the original rental location unless approved for a one-way rental
- Intact (i.e. no bumps, scratches, any mechanical failures need to be reported to the rental agency)
- On time, to avoid additional hourly charges
- F possible with a full tank of petrol.

4.7.4 Should a rental car accident occur, travellers should immediately contact the rental Car Company, local authorities (as required), and the Finance BUA and Executive Corporate Services.

4.8 Rental Car Petrol

Petrol / Diesel for use in rental cars is reimbursable with proper documentation. The receipts should have the car registration and odometer reading of the car. Make sure to log this expense to the relevant project and Donor.

4.9 Cell Phone Use While Driving

4.9.1 Use of a cell phone for making calls or sending messages while driving is illegal and is subject to a fine by the traffic Police. Travellers are strongly encouraged to pull off to the side of the road and safely stop the vehicle before placing or accepting a call or reading or sending messages. If acceptance of a call is unavoidable and pulling over is not an option, travellers are expected to keep the call short. Soul City Institute strictly prohibits travellers from using a cell phone without a hands-free device while driving. In the event that the traveller receives a fine from a Metropolitan Police representative this fine will not be reimbursed by the Company to the traveller and the fine will be for the traveller's account.

4.10 Taxi / Shuttle / Parking Fees

The use of airport shuttles, taxis upon arrival at the traveller's destination is the preferred mode of transportation. Make sure to ask for a receipt for your parking. This documentation aids in the expense-tracking process.

4.11 Business Use of Personal Vehicle

Travellers may use their personal vehicle for business purposes if it is less expensive than renting a car. Any use of own vehicle for trips over 50km should be authorised by your manager.

It is the personal responsibility of the vehicle owner to carry adequate insurance cover for their protection and for the protection of any passengers.

Mileage is reimbursed at the Soul City Institute approved rate. This follows the guideline rates established and published by the SARS .This mileage allowance is in lieu of actual expenses for petrol, oil, repairs, insurance, and depreciation. Therefore, actual expenses for those items will not be reimbursed when your personal vehicle is used for business. Toll fees will be reimbursed upon presentation of a valid proof of expense being incurred.

To be reimbursed for the use of your personal vehicle for business, employees must submit a log book to support the expense report reflecting the following:

- Registration number of vehicle used
- Date and purpose of the trip
- Locations travelled to and from
- Total distance travelled for that trip

The claim form must be supported by a calculation of the distance travelled from place of work to destination (e.g. google maps trip calculator) on a normal business day. If the employee has travelled to his/her destination directly from his/her residence and/or returned directly to their residence, the total kilometres claimed should be the lesser of the two between travel from home to destination and travel from work to destination. If travel is on a public holiday or weekend, the actual distance travelled will apply.

The reimbursed travel allowance is not taxable up to a maximum of 5000 kilometres in a tax year. When an employee exceeds 5000 kilometres in a tax year, the excess above 5000 will be taxable and PAYE will be deducted in accordance with legislation.

4.12 Accommodation

Accommodation reservations should be made in such a manner as to secure the best

available rate and must be booked through the assistance of a Travel Administrator. Travellers are also requested to consider making use of Bed and Breakfast lodgings where possible. If this is not possible, then the most affordable rate for a hotel can be used that is in the vicinity of the project. 3 star and in exceptional cases 4 star accommodation should be used.

In case of cancellations:

- Travellers are responsible for working with the Travel Administrator to cancel the reservation.
- Travellers will be held responsible and will not be reimbursed for "no-show" charges unless there is sufficient proof that the billing is in error or circumstances were beyond the traveller's control.
- Travellers should request and record the cancellation number in case of billing disputes.
- Travellers should note prior to travel that cancellation deadlines are based on local times and cancellation policies of the service provider for the accommodation.

4.13 Meals

Personal meals are defined as meal expenses incurred by the traveller when dining alone on an out-of-town business trip. The per diem allowance covers the cost of lunch, refreshments and any other personal incidentals. Bed and Breakfast/Hotel accommodation would include breakfast. Dinner may be arranged with the accommodation provider unless specifically a request is made to the contrary. In that case the traveller will be re-imbursement the dinner expense up to a maximum rate approved by the organisation at that time. The rates of the per diem allowance are allocated to travellers based on the guidance from SARS relating to the rates for subsistence and travel. See Per Diem Policy.

Travellers need to ensure that immunisation; visa applications, passports and other requirements are adhered to and arranged prior to their departure for trips taken outside South Africa. Any recognised and registered Travel Clinic can provide these services. Costs incurred for these purposes paid directly by the traveller should be included in the re-imbursement forms submitted to finance on the traveller's return to the office.

4.16 Business Meals Taken with Other Travellers

Travellers will be reimbursed for business-related meals taken with other relevant persons only in the following circumstances:

- When a client is present ;
- When at least one company employee is from out of town ;
- When, for confidentiality reasons, business must be conducted off company premises.

The following documentation is required and the following should be recorded on the expense report:

- Names of individuals present, their titles and company name,
- Name and location of where the meal or event took place,
- Exact amount and date of the expense.

Please note that travellers will not be reimbursed for entertaining other travellers

4.17 Telephone Expenses: Business Phone Calls

Most employees receive a monthly allowance that is processed through the payroll for use of their private cell phone to conduct the business of Soul City Institute. Only those travelling employees who do not receive this allowance will be allowed to claim telephone expenses by producing proof of expense.

4.18 Hotel /Guest house Telephone Usage

Travellers should find out the property's local and long distance phone rates. Travellers should avoid making phone calls that have an added surcharge. To avoid substantial charges added by hotels to telephone bills, travellers can:

- Use a, calling card or cellular phone whenever possible.
- Press the # key after each call and wait for the tone, and then dial the next phone number when making several long distance calls.
- Phone from local company offices whenever possible.
- Use a local internet cafe for Internet connections.

4.19 Miscellaneous Expenses

The Miscellaneous column is designated for expenses that do not fit into the previous categories, yet are directly business related and therefore reimbursable. ONLY the following items can be considered as reimbursable business expenses:

- Office services (i.e. faxes, copies, overnight delivery / postage)
- Business gifts of reasonable value (under R250) with prior management approval
- Laundry / Dry Cleaning / Suit Pressing for trips exceeding 5 days
- Seminar fees / training classes with prior approval

The following items are NOT reimbursable under this policy:

- Airline club / Country club membership dues
- Parking tickets/fines or other fines
- Delinquency fees / Finance charges for personal credit cards

- Excess baggage charges, unless it is work related materials that could not be sent by courier
- Expenses for travel incurred by companions / family members, unless your child is under 2 years of age and is still breastfed by you.
- Expenses related to vacation or personal days while on a business trip
- Loss / Theft of personal funds or property / Lost baggage
- Avoidable "No-Show" charges for hotel or car service
- Non-Compulsory insurance coverage
- Rental car upgrades
- Repairs to personal property due to accidents

Be sure to check with your manager if an item you need is not outlined specifically in this policy. Please ensure that the expense codes that you use are the expense codes as per the chart of accounts and that the expenses are allowable expenses.

5. APPROVAL/AUTHORIZATION PROCESS

The employee's manager must approve all expense reports. No employee is authorized to approve his/her own, a peer's, or a manager's travel expense report. The manager is responsible for verifying:

- Business purpose
- Correct totals
- Supporting documentation and receipts
- Policy compliance.

In addition, the person in attendance with the most senior title must put the expense on his/her expense report to facilitate review by a more senior person not in attendance. Remember:

- Travellers are responsible for complying with the Soul City Institute's Travel & Business Expense Policy
- Managers who approve and sign the expense report are responsible for reviewing the report for compliance.

Once approval has been obtained, be sure to make a copy of the signed report along with copies of your invoices and receipts to keep for your own records.

Policy Control

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