



Mileage Policy

[PAY004]

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Mileage

Contents

1. Objective.....	3
2. Scope	3
3. Applicable to	3
4. Definitions.....	3
5. Policy.....	4
5.1 Rates.....	4
5.2 Claim conditions	4
5.3 Tax implications.....	5
5.4 Exceptions and restrictions.....	5
6. Procedure.....	7
6.1 Staff or student claims	7
6.2 Claims for external parties.....	7
7. Roles and responsibilities	8
7.1 Claimant	8
7.2 Fund Holder / Line Manager	9
7.3 Finance Manager	9
7.4 Purchasers	9
7.5 Accounts Payable.....	9
8. Related legislation, policies, and guidelines	10
9. Implementation responsibility	10
10. Contact.....	10

Acronyms

CFO	Chief Financial Officer
ED	Executive Director
HOD	Head of Department
NHLS	National Health Laboratory Service
PASS	Professional, Administrative, Support & Service
PGWC	Provincial Government Western Cape
PO	Purchase Order
S&T	Subsistence and Travel
SAP	UCT's integrated Finance System

1. Objective

The purpose of the policy is to:

- set out the conditions and authorisation required for reimbursement of mileage-related business expenses,
- clarify the process for mileage claims, and
- clarify related roles and responsibilities.


2. Scope

Includes all mileage claims that are paid for by UCT funds.

3. Applicable to

All UCT staff, students, organisations, committee members, external parties, Joint Staff on PGWC or NHLS conditions of service authorised to claim mileage for the use of privately owned vehicles for official University purposes (>10km radius from the University), including research.

4. Definitions

Term	Description
UCT Staff	Staff members who are active on UCT payroll as well as Joint Staff on PGWC or NHLS conditions of service.
UCT Students	Students who are active and formally enrolled in an academic program at the University.
External Parties	<p>An individual who is associated with the University, but not formally part of the University's internal structure (i.e. active staff or active student).</p> <p>Includes: Emeritus staff, visiting academics, alumni.</p> <p> <i>This association must be provided by the Line Manager or HOD as part of the claim.</i></p>

5. Policy

- Mileage claims cover the cost of using a privately owned vehicle for official business travel using a fixed rate per kilometer to account for fuel costs, wear and tear on the vehicle, insurance and licensing, and depreciation. This approach simplifies reimbursement and ensures fairness across different vehicle types and fuel efficiencies.
- Mileage claims should reflect the most efficient travel arrangement. Staff members are expected to travel together where reasonably possible. Individual mileage claims for the same journey undertaken separately may be queried unless a valid justification is provided.



Before any expense is incurred, the claimant must ensure that the relevant Fund Holder is aware of and has agreed to the expenditure being charged to their fund.

5.1 Rates

- The current fixed rate per SARS, applicable from 1 March 2026 to 28 February 2027, is **R4,95 per kilometer** for all motor vehicles.
- This rate is the maximum applicable rate per vehicle (including motorcycles).
- The rate is a fixed rate and does not vary according to the number of passengers.
- Only in exceptional circumstances will mileage be reimbursed at a rate that exceeds the above rate, e.g. where a research contract explicitly states that a mileage reimbursement rate more than the above is to be paid. See 5.3 below for [tax implications](#).

5.2 Claim conditions

- Travelling between the staff member's residential address and the principle place of employment, in the normal course of business, is considered private travelling and no claim can be made for such travel.



Any exception to this must be motivated for and approved by the Line Manager.

- Mileage claims for field work, off-campus teaching (that is part of the official course requirements) and any other UCT business is paid only for travel outside a radius of 10 km from the relevant campus.



This limit also applies when the claim is measured from the staff member's residential address and the incremental mileage is claimed.

- Travel between the staff member's residential address and the airport on UCT business can be claimed separate to the S&T allowance.
- All mileage claims must be approved by the Fund Holder as authorised signatory. In addition, the signature of the Line Manager of the claimant is required if the amount exceeds R15,000.
- Mileage claims for less than R300 should, where practical, be accumulated.
- All mileage reimbursements must be claimed within 3 months, preferably within the same financial and tax year as the expenditure. If this 3-month period has elapsed, a motivation giving the extenuating circumstances must be submitted, authorised by the Line Manager and submitted together with the relevant claim form.



Claims older than 3 months are subject to review, and where the circumstances are not deemed valid, the claim may be rejected.

5.3 Tax implications

- The mileage claim will not initially be subject to employees' tax in the month in which it is received by the staff member. UCT is responsible for ensuring that the full amount received by an employee is reflected on the IRP5.
- No taxable income will have been earned where the cumulative mileage claims do not exceed 12,000 km per tax year at the rate per kilometre limitation allowed, and no other compensation is paid to the employee with respect to mileage.
- Where the claimed rate exceeds the prescribed rate per kilometer (irrespective of the kilometers travelled), the full amount is subject to employees' tax.

5.4 Exceptions and restrictions

- If a staff member receives a travel allowance, then business mileage cannot be reimbursed.
- Mileage may not be claimed for year-end functions.

- When a business trip commences from a claimant's residential address, mileage reimbursement is calculated by comparing the regular commute to the principal place of employment, with the distance travelled to the business destination.

Mileage claims may not include private commuting:

- No reimbursement is payable where the business destination is closer than the principal place of employment.
- Where the business destination is further away, only the additional distance beyond the regular commute may be claimed.

For example:

A staff member's regular commute from their residence to their principal place of employment is 15 km.

- If the staff member travels directly from home to a business destination 12 km away, no mileage may be claimed, as the distance is shorter than the regular commute and is regarded as private travel.
- If the staff member travels directly from home to a business destination 25 km away, mileage may be claimed for 10 km only (25 km less the standard 15 km commute). The regular commuting distance is not reimbursable.



For staff working in a hybrid arrangement, the residential address does not constitute the principal place of employment and travel from home is assessed as regular commute, and only the incremental business distance may be reimbursed.

- If the job requires frequent business travel of less than 10 km (excluding trips between residential address and place of work), such travel may be claimed provided each submission includes explicit authorisation from the Line Manager. This authorisation must be reviewed and renewed annually.
- Mileage claims will only be paid based on the most economical means of transport, which is the lesser of
 - the mileage claim, at the above rate, or
 - the cost of a return air ticket and/or the hire of a Group A motorcar from the University's approved car rental firm, with proof of the equivalent cost included with the claim.



If special circumstances prevail requiring the use of a privately owned vehicle, this must have prior motivation and approval by the Line Manager and be included with the claim.

- Reimbursement for tanks of fuel, rather than mileage-based claims, is permitted only for departmental or hired vehicles that have prior approval for business use. Refer Reimbursement policy [\[PAY005\]](#).
- For external parties, where the residential address is the place of employment, the full distance can be claimed via the Reimbursement (UCT External) claim [\[FM049\]](#).

6. Procedure

6.1 Staff or student claims

- All mileage claimants must have a SAP vendor number. For a new:
 - SAP staff vendor: email the name and staff number of the claimant to fnd-purch@uct.ac.za or complete a Staff Vendor Application form [\[FM040\]](#).
 - SAP student vendor number, use the **New Vendor Request** transaction within SAP. Ensure “Student Vendor” is selected



Individuals who are both students and staff must provide both numbers, however, claims may only be processed against the staff vendor number.

- Complete and submit the Claim for Mileage Reimbursement form [\[FM030\]](#).
 - The claim details submitted must include the actual business mileage of each trip, and not the total kilometers for multiple trips combined.
 - If special circumstances require additional documentation (i.e. proof of equivalent costs or letter of motivation), these must be attached to the claim.
- For IRP5 purposes, the purchaser must use the **material code for the mileage claim** and enter the number of kilometers claimed.
- The completed Claim for Mileage Reimbursement form [\[FM030\]](#), together with the PO and relevant documentation must be emailed to fnd-claims@uct.ac.za. A Remittance Advice will be sent to the staff member or student on or before the day of transfer.

6.2 Claims for external parties

- Mileage can be claimed where an external party has used a vehicle for official business travel.

- Complete and submit a Reimbursement (UCT External) claim [\[FM049\]](#) with all applicable detail and supporting documentation.
- The claim details submitted must include the actual business mileage of each trip, and not the total kilometers for multiple trips combined.
- If payment is paid to:
 - Local bank account – a temporary vendor must be created. To request a SAP vendor number, purchasers must complete the **New Vendor Request** transaction within SAP.
 - Foreign bank account – in addition to all supporting documentation, attach a copy of the claimant's passport, confirmation of bank details and an invoice.



Purchaser Orders to be created using the Foreign vendor number (201450).

- A supporting letter signed by the Line Manager / HOD, stating the nature of the association and reason for the claim, must be attached to the claim.
- The completed Reimbursement (UCT External) form, together with the PO and relevant documentation must be emailed to fnd-claims@uct.ac.za (local) or fnd-foreign@uct.ac.za (foreign).

7. Roles and responsibilities

7.1 Claimant

- Ensures that the travel meets the criteria for a mileage claim.
- Complete the appropriate reimbursement form accurately (internal or external).
- Provide accurate trip details (dates, location from and to, number of kilometers claimed).
- Attach all required supporting documentation.
- Submit the claim within the prescribed timeframe (preferably within the same financial year and no later than 3 months after expenditure).
- Ensure that claims are submitted within the appropriate tax year.

7.2 Fund Holder / Line Manager

- Verify that the expenditure is valid, necessary and within budget.
- Ensure compliance with UCT financial policies and funder requirements.
- Fund Holder authorises all claims.
- Line Manager of the claimant provides additional approval where amounts exceed R15,000 or require exceptions.
- For external parties, confirm the nature of the association and reason for payment in writing.

7.3 Finance Manager

- Review claims for adherence to financial controls and policy requirements.
- Confirm that authorisations are in line with Delegation of Authority [\[GEN002\]](#).
- Provide guidance on complex or exceptional claims and escalate where necessary.
- Monitor reimbursement trends to identify potential risks or policy breaches.
- To ensure appropriate segregation of duties, Finance Managers may not authorise their own claims.

7.4 Purchasers

- Ensure vendor details (staff/student/external) are correctly set up in SAP before processing.
- Create Purchase Order (PO) in SAP for all approved mileage claims.
- Use the **material code for the mileage** claim and enter number of kilometers claimed – this information will appear on the claimant's IRP5 for tax purposes.
- Ensure the correct rate is used for claims that are submitted across tax years
- Goods Receipt (GR) the PO and validate supporting documentation.

7.5 Accounts Payable

- Validate completeness of documentation and authorisations before processing payment.
- Process claims accurately in SAP.
- Ensure timely payment to the claimant and issue Remittance Advice.
- Maintain records for audit and compliance purposes.

8. Related legislation, policies, and guidelines

- Funds deposited at or held by UCT [\[GEN001\]](#)
- Reimbursement [\[PAY005\]](#)
- Delegation of Authorities [\[GEN002\]](#)
- Purchasing Card (PCard) [\[PUR002\]](#)
- Fleet Card [\[PUR010\]](#)
- Insurance Cover Guidelines [\[FG008\]](#)
- Subsistence & Travel [\[PAY002\]](#)

9. Implementation responsibility

The Line manager/HOD must ensure all policies and procedures are communicated to and implemented by the responsible individual(s), including research staff. The Faculty/PASS Finance Manager must ensure reasonable controls exist to support the implementation of policies, and where non-compliance is identified, that this is escalated and followed up accordingly.

10. Contact

Finance Helpdesk

fnd-finance@uct.ac.za