

Department of Higher Education and Training Recommended Policy on Vehicle Rental for Public CET Colleges



Department of Higher Education and Training
Community Education and Training Colleges
Recommended Policy on Vehicle Rental
Annexure 23

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AMENDMENT AND APPROVAL RECORD

Amendment No.	Amendment description	Originator	Approved by	Date

Name of CETC:		
Vehicle Rental Policy		
Department: Finance Responsibility : Accounting Officer		
_____ Prepared and submitted by the Accounting Officer to Council Date: _____	_____ Adopted by Council (Signed by Chairperson obo Council) Date: _____	Implementation Date:

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1. Legislative framework and best practice regulations

Key principles contained in the following legislation and best practices were applied to develop this policy:

- a) CET Act No.16 of 2006, (as amended) (the “Act”)(formerly ABET Act);
- b) Public Finance Management Act, 1999 (Act No 1 of 1999 as amended by Act 29 of 1999)(PFMA);
- c) National Treasury Regulations of March 2005; and
- d) National Treasury Instruction 01 of 2013/2014: Cost containment measures.

The content should be read in conjunction with the DHET recommended policies on:

- a) Fleet Management; and
- b) Subsistence and Travel.

2. Purpose

The purpose is to establish a uniform procedure to rent a vehicle for official business of the College.

3. Definitions, acronyms and abbreviations

For the purpose of this policy, unless the context indicates otherwise, the following definitions, acronyms and abbreviations are set out for the terms indicated:

- 3.1 “Accounting Officer” – is the College Principal.
- 3.2 “Act” – is the CET Act No.16 of 2006, as amended.
- 3.3 “Car Hire Company” – a reputable company selected through the College Supply Chain Management process, with whom a contractual arrangement and procedure has been entered into to Rent/Hire commercial or passenger vehicles.
- 3.4 “College”, “CETC” – is the Community Education and Training College
- 3.5 “Department”; “DHET” – is the Department of Higher Education and Training.
- 3.6 “Employee” – is any official, employed by the College, irrespective of grade, full-time Council or Departmental appointed, and paid on a salaried or an hourly/daily individual basis. (Part time officials are excluded for this policy).
- 3.7 “Group B” – is a standard grouping of vehicle sizes used and to be found in the terminology of all South African vehicle rental companies.
- 3.8 “Minister” – is the Minister for Higher Education and Training.

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4. Procedure prior to rental

- 4.1. No vehicle may be rented for Council members. Vehicle rentals are for College Employees only and are in terms of the College's Subsistence and Travel policy.
- 4.2. Before an Employee requests a Rental Vehicle, he or she must consider other, potentially more cost effective options available, such as a College owned vehicle. This may also include the use of an Employee's personal vehicle if authorised in advance, in writing, by the Accounting Officer and especially if a number of Employees are required to travel to a common destination and provided that the vehicle is appropriately insured. Employee personal vehicles however must be personally insured. Vehicle rentals may not be used for personal use.
- 4.3. Should the circumstances warrant application of 4.2, the College policies regarding fleet management and subsistence and travel policy shall prevail.
- 4.4. Subject to 4.1, the Employee requiring the use of a rental car must first complete a trip authorization in terms of the College Subsistence and Travel Policy, either in hard copy or on the College's computerised procurement system, for the approval of his or her direct manager or supervisor.
- 4.5. The trip authorisation must state the reason for the use of a Rental vehicle and date(s) and location(s) of collection and drop off points from which the duration and anticipated cost of the rental may be calculated. The requisition should also state the group (refer to 4.8 below) of vehicle to be rented and that other more cost effective options have been considered but rejected or not viable in the particular circumstances. The cost centre and budget code to be charged must also be specified by name and general ledger account code. (Refer to Subsistence and Travel policy for example of Trip Authorisation and Hire Vehicle requisition form).
- 4.6. The requisition shall be routed, manually or electronically, to the manager or supervisor authorised or delegated to approve such requisitions, from whom it will be passed to the College Supply Chain official, responsible for placing orders on Car Hire Companies.
- 4.7. The Supply Chain unit must confirm whether sufficient budget exists within the cost centre to which the rental or hire charges will be debited. Note that fuel costs in respect of vehicle rentals must also be included in a budget, either of the cost centre or of the College, typically under fleet management costs.
- 4.8. The group of vehicle to be rented will never be higher than "Group B", or equivalent. Where possible, and taking consideration of the number of passengers and their luggage, the rental of a "Group A" vehicle should be considered and encouraged, particularly if the distance to be travelled is relatively short in distance and duration. Note that most "Group A" vehicles have four doors, four seats, air conditioning and power steering.

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- 4.9. When a different class of vehicle is required for a particular terrain or to cater for the special needs of an Employee, the motivation must be included in the trip authorisation that must be routed via the appropriate manager (for endorsement) to the Accounting Officer or delegated official for final approval. Deviation from 4.8 may only be made with the written approval of the Accounting Officer.
- 4.10. A Rental Vehicle may not be delivered to a private address unless special, written approval has been obtained from the Accounting Officer.
- 4.11. Vehicles must, unless exceptionally arranged otherwise, be collected from, and returned to the same location (i.e. branch or airport).
- 4.12. Employees utilising Rental Vehicles are required to familiarise themselves with the College Fleet Management and Subsistence and Travel policies, and the sections dealing with the use of a College vehicle, in particular.
- 4.13. A Rental Vehicle, in terms of the liability for any damage and / or losses caused by the driver, falls within the definition of College vehicle.

5. Responsibility of the Accounting Officer

The Accounting Officer will ensure, through delegating the responsibility to the Deputy Principal Finance, that internal procedures and internal control measures are in place for authorizing vehicle rentals.

6. Adoption of policy

This policy is effective from the date on which it is adopted by the Council.

7. Availability of vehicle rental policy

A copy of this policy and other relevant documentation should be made available on the College website.

8. Annual revision of policy

This policy will be subject to an annual review by College management to ensure its relevance. Colleges should forward any inputs and recommendations to the CET Branch of the Department for possible consideration during the annual review process.

Any recommended changes agreed by the Department to the Vehicle Rental policy should be presented to the College Council for adoption.