



MAKHUDUTHAMAGA

LOCAL

MUNICIPALITY

Final Credit Control & Debt Collection

Policy

2019/2020

Formatted: Left: 2.75 cm, Right: 1.59 cm

Formatted: Body Text, Border: Box: (Single solid line, Auto, 0.5 pt Line width)

Contents

1. Definitions.....	4
2. Purpose of the Policy	6
3. Application of Policy	8
4. Responsibility/Accountability for Credit Control.....	9
5. Municipal Account	10
7. Screening, Credit Rating and Security Deposit	13
8. Payment of Municipal Services	14
9. Juristic Person	14
10. Interest.....	15
11. Dishonored Payments.....	15
12. Delivery.....	15
13. Settlement of Account	16
15. Collection Costs.....	16
16. Reminder Notice.....	16
17. Letter of Demand.....	17
18. Debt Collection Measures	17
19. Attorneys	19
20. Discontinuation and Resumption of Services	20
21. Extension for Payment.....	21
22. Provision for Bad Debts and Irrecoverable Debts	22

23. Official Language and Illiterate Persons	24
24. Disputes.....	24
26. Indigent Households	25
27. Penalties.....	25
28. Services Rendered	25
29. Approvals.....	Error! Bookmark not defined.
DEFINITIONS	3
PURPOSE OF THE POLICY	7
3. APPLICATION OF POLICY	10
4. RESPONSIBILITY/ACCOUNTABILITY FOR CREDIT CONTROL AND	11
5. MUNICIPAL ACCOUNT	14
6. SCREENING, CREDIT RATING AND SECURITY DEPOSIT	17
7. PAYMENT OF MUNICIPAL SERVICES	19
8. JURISTIC PERSON	19
9. INTEREST	20
10. DISHONOURED PAYMENTS	20
11. DELIVERY	21
12. SETTLEMENT OF ACCOUNT	21
13. CERTIFICATION	22
14. COLLECTION COSTS	22
15. REMINDER NOTICE	23

Formatted: Default Paragraph Font, Check spelling and grammar

Formatted: Default Paragraph Font, Check spelling and grammar

Formatted: Default Paragraph Font, Check spelling and grammar

Formatted: Default Paragraph Font, Check spelling and grammar

Formatted: Default Paragraph Font, Check spelling and grammar

Formatted: Default Paragraph Font, Check spelling and grammar

Formatted: Default Paragraph Font, Check spelling and grammar

Formatted: Default Paragraph Font, Check spelling and grammar

Formatted: Default Paragraph Font, Check spelling and grammar

Formatted: Default Paragraph Font, Check spelling and grammar

Formatted: Default Paragraph Font, Check spelling and grammar

Formatted: Default Paragraph Font, Check spelling and grammar

Formatted: Default Paragraph Font, Check spelling and grammar

Formatted: Default Paragraph Font, Check spelling and grammar

Formatted: Default Paragraph Font, Check spelling and grammar

Formatted: Default Paragraph Font, Check spelling and grammar

Formatted: Default Paragraph Font, Check spelling and grammar

Formatted: Default Paragraph Font, Check spelling and grammar

Formatted: Default Paragraph Font, Check spelling and grammar

Formatted: Default Paragraph Font, Check spelling and grammar

Formatted: Default Paragraph Font, Check spelling and grammar

Formatted: Default Paragraph Font, Check spelling and grammar

Formatted: Default Paragraph Font, Check spelling and grammar

Formatted: Default Paragraph Font, Check spelling and grammar

Formatted: Default Paragraph Font, Check spelling and grammar

Formatted: Default Paragraph Font, Check spelling and grammar

Formatted: Default Paragraph Font, Check spelling and grammar

<u>16. LETTER OF DEMAND</u>	23
<u>17. DEBT COLLECTION MEASURES</u>	24
<u>18. ATTORNEYS</u>	27
<u>19. DISCONTINUATION AND RESUMPTION OF SERVICES</u>	27
<u>20. EXTENSION FOR PAYMENT</u>	30
<u>21. PROVISION FOR BAD DEBTS AND IRRECOVERABLE DEBTS</u>	31
<u>22. OFFICIAL LANGUAGE AND ILLITERATE PERSONS</u>	33
<u>23. DISPUTES</u>	33
<u>24. ILLEGAL CONNECTIONS</u>	34
<u>25. INDIGENT HOUSEHOLDS</u>	34
<u>26. PENALTIES</u>	34

Formatted: Default Paragraph Font, Check spelling and grammar

Formatted: Default Paragraph Font, Check spelling and grammar

Formatted: Default Paragraph Font, Check spelling and grammar

Formatted: Default Paragraph Font, Check spelling and grammar

Formatted: Default Paragraph Font, Check spelling and grammar

Formatted: Default Paragraph Font, Check spelling and grammar

Formatted: Default Paragraph Font, Check spelling and grammar

Formatted: Default Paragraph Font, Check spelling and grammar

Formatted: Default Paragraph Font, Check spelling and grammar

Formatted: Default Paragraph Font, Check spelling and grammar

Formatted: Default Paragraph Font, Check spelling and grammar

Formatted: Default Paragraph Font, Check spelling and grammar

Formatted: Default Paragraph Font, Check spelling and grammar

Formatted: Default Paragraph Font, Check spelling and grammar

Formatted: Default Paragraph Font, Check spelling and grammar

Formatted: Default Paragraph Font, Check spelling and grammar

Formatted: Default Paragraph Font, Check spelling and grammar

Formatted: Default Paragraph Font, Check spelling and grammar

Formatted: Default Paragraph Font, Check spelling and grammar

Formatted: Default Paragraph Font, Check spelling and grammar

Formatted: Default Paragraph Font, Check spelling and grammar

Formatted: Default Paragraph Font, Check spelling and grammar

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

PREAMBLE

The development of this Policy is sanctioned by section 96(b) of the Municipal Systems Act, 32 of 2000, as amended. The Act requires a municipality to adopt, maintain and implement a Credit Control and Debt Collection Policy which in consistent with its rates and tariff policies, and complies with the provisions of this Act and any other legislations which are applicable to local government.

1. Definitions

For the purpose of this Policy the following words and expressions shall have the corresponding meaning, unless the context clearly indicates otherwise:

“**Accounts**” means the municipal accounts for services rendered, claims submitted, contractual obligations to the municipality and assessment rates or any other levied by the Municipality. If such accounts are not paid by the due date indicated on the statement, then they will be regarded as being in arrears. If no due date is indicated on an account, it will be in arrears if not paid within 30 Days after submission.

“**Acknowledgement of Debt**” means a form to be completed by a customer when is in default with a municipal debt;

“**Application for Extension of Time for Arrear Payment**” means a form to be completed together with the Acknowledgement of debt form when a customer applies for payment extension of the municipal debt;

“**Authorized Representative**” means an employee, agent and/ or service provider appointed by the council and /or authorized by Council to represent and act on behalf of the Council.

“**Chief Financial Officer**” means such municipal official appointed in terms of section 57 of the Municipal Systems Act, 2000 and administratively in charge of the budget and treasury office;

“**Consumers**” mean those residents who make use of electricity, water, sewerage and refuse removal services.

“**Credit Control and Debt Collection Policy**”

; means the functions relating to the collection of all money that is due and payable to the municipality;

“**Council**” means the municipal council of Makhuduthamaga Municipality; established by Provincial Notice as amended, exercising its legislative and executive authority through the Municipality;

(a) its successor in title; or

(b) a structure or person exercising a delegated power or carrying out an instruction, where any power in these by-laws has been delegated or sub-delegated, or an instruction given, as contemplated in section 59 of the Act; or

(c) a service provider fulfilling a responsibility under these by-laws, assigned to it in terms of section 81(2) of the act, or any other by-law, as the case may be;

“**Customer**” means the owner or occupier of property or premises, liable to the Council for payment of a Municipal Account or part thereof;

“**Debt collection**” is the execution of functions necessary to collect unpaid income of the municipality, owed by clients who are debtors.

“**Delegated**” means delegated in terms of section 59 of the Municipal Systems Act, 2000 as amended;

“**Illegal Connection**” means any connection or reconnection of a Property or Premises to the water and/or electricity reticulation network of the municipality, in contravention of this By-Law, any other by-law of the municipality, Act or Regulation;

“**indigent**” means a household who cannot afford to make a full monetary contribution towards rates and service charges as determined by council;

Formatted: Font: (Default) Arial, 11 pt, No underline, Font color: Accent 1

Formatted: Font: (Default) Arial, 11 pt

Formatted: Line spacing: single, Numbered + Level: 1 + Numbering Style: 1, 2, 3, ... + Start at: 1 + Alignment: Left + Aligned at: 0.63 cm + Indent at: 1.27 cm

Formatted: Font: (Default) Arial, 11 pt, No underline, Font color: Accent 1

Formatted: Line spacing: single

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

▲ **“Makhuduthamaga Municipality”** means such municipality established in terms of section 12 of the Local Government Municipal Structures Act, 1998 (Act 117 of 1998);

Formatted: No underline, Font color: Auto

▲ **“Municipal Account”**; means a formal notification by means of a statement of account to persons liable for payments for which they are billed by Makhuduthamaga Local Municipality or a municipal entity, as the case may be, and shall include levies or charges in respect of the following municipal services and taxes:

Formatted: No underline, Font color: Auto

- ▲ (a) electricity consumption,
- ▲ (b) water consumption,
- ▲ (c) refuse removal,
- ▲ (d) sewerage services,
- ▲ (e) rates and taxes,
- ▲ (f) interest, and
- ▲ (g) miscellaneous and sundry charges;

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

▲ **“Municipal Systems Act”** means the Local Government Municipal Systems Act, 2000 (Act 32 of 2000) as amended;

Formatted: No underline, Font color: Auto

Formatted: Indent: First line: 0 cm, Line spacing: single

Formatted: Line spacing: single

▲ **“Municipality”** means ~~Makhuduthamaga~~ means Makhuduthamaga Municipality or any municipal entity established by the municipality;

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

▲ **“National Credit Act”** refers to the National Credit Act, No 34 of 2005

Formatted: No underline, Font color: Auto

▲ **“Notice of New Occupier”** means a form to be completed by an owner of a property notifying the municipality about a new occupier of his/her property;

Formatted: No underline, Font color: Auto

▲ **“Notice of Termination of Services”** means a form to be completed by a customer when closing his/her municipal account;

Formatted: No underline, Font color: Auto

▲ **“Notice of Vacation of Occupation”** means a form to be completed by a customer when vacating a property

Formatted: No underline, Font color: Auto

▲ **“Occupier”** means a person who occupies a property premises or any part thereof, whether such occupation is lawful or otherwise;

Formatted: No underline, Font color: Auto

▲ **“Owner”-**

Formatted: No underline, Font color: Auto

▲ (a) in relation to a property referred to in paragraph (a) of the definition of “property”, means a person in whose name ownership of the property is registered;

Formatted: No underline, Font color: Auto

▲ (b) in relation to a right referred to in paragraph (b) of the definition of “property”, means a person in whose name the right is registered;

Formatted: No underline, Font color: Auto

▲ (c) in relation to a land tenure right referred to in paragraph (c) of the definition of “property”, means a person in whose name the right is registered or to whom it was granted in terms of legislation; or (d) in relation to public service infrastructure referred to in paragraph (d) of the definition of “property”, means the organ of state which owns or controls that public service infrastructure as envisaged in the definition of “publicly controlled” : provided that a person mentioned below may for the purpose of these By-laws be regarded by the Council as the owner of a property in the following cases:

Formatted: No underline, Font color: Auto

1. ~~(i)~~ A trustee, in the case of a property in a trust excluding state trust land;

Formatted: No underline, Font color: Auto

2. ~~(ii)~~ An executor or administrator, in the case of a property in a deceased estate;

Formatted: List Paragraph, Outline numbered + Level: 1 + Numbering Style: 1, 2, 3, ... + Start at: 1 + Alignment: Left + Aligned at: 0.63 cm + Indent at: 1.26 cm

3. ~~(iii)~~ A trustee or liquidator, in the case of a property in an insolvent estate or in liquidation;

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Municipality's banker as at 1 January and 1 July of each year for the six months following this two respective dates.

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

e)

Interest is levied on all arrears in excess of 59 days, subject to exceptions as per Council Resolution. Interest levied but not paid is included in the arrear amount of such a debtor.

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

f)

Credit Control measures are applied with a ~~prea pro~~ active reminder or warning. Accounts statements are regarded as reminders of the arrears status of the account as well as stating the intention to take credit control measures.

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

g)

Payment received by the municipality from its debtor will in terms of section 102 of the Local Government: Municipal Systems Act, ~~2000, 2000~~ (Act 32 of 2000) be allocated at the discretion of the municipality against any amount owed by such a debtor to the municipality.

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

h)

Metered service consumed by an unknown consumer is billed to the owner of the property to which the service connection is registered. Consumers who are to be billed separately must enter into a service agreement to have access to these services. No service agreement is valid without the written consent of the registered owner of the property.

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

i)

Refusal by banks to honour payments by cheque of debt order is regarded as non payment, upon which the relevant debtors are subject to credit control measures.

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

j)

Clients, who make no further use of any services but still owe an amount, are inactive debtors who, after the submission of a second inactive account statement to their latest known postal addresses, are handed over for collection to a debt collector appointed for this purpose. Limited collection actions (i.e Final Letter of Demand) are applied for inactive accounts smaller than R 1000 due to the cost – benefit ratio of such cases and any further action required for these individual accounts is at the discretion on the Chief Financial Officer.

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

k)

Debtors who are large consumers of services are managed by telephonic and personal conduct with them on a higher management level, e.g. corporate business and government department.

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

l)

Residential household debtors form a distinct group for whom the following special measures and exceptions apply:

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

m) Water supply to defaulting residential household debtors will not be completely discontinued, but rather be restricted due to hygienic reasons. Other types of debtors who are in default and whose water supply is involved will be completely deprived of the service.

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

n)

Any interest free arrangements for payment of arrears are intended to assist those debtors by making their current monthly accounts more affordable.

o)

All notifications served to the domicilia of client's state the reason/s for action taken as well as information as to how they can take corrective action to normalize the situation.

p)

If it is necessary to disconnect any service in terms of this Policy, the free crosssubsidised portion of that service in terms of the Municipality's tariffs for service delivery, will also not be available for as long as that service is to remain disconnected.

The purpose of this Policy is to:

- 2(1) Ensure that all monies due and payable to ~~a Council~~ Council are collected;
- 2(2) Outline credit control and debt collection policy procedures and mechanisms;
- 2(4) Provide for conditions pertaining to the supply of services and the discontinuation thereof;
- 2(5) Provide for mechanisms whereby accounts or metered services are queried or verified and for written objections;
- 2(6) provide for indigents in a way that is consistent with rates and tariff policies and any national policy on indigents;
- 2(7) provide for extensions of time for payment of accounts;
- 2(8) provide for charging of interest on arrears, where appropriate.
- 2(9) set realistic targets consistent with –
 - (i) generally recognized accounting practices and collection ratios; and
 - (ii) the estimates of income set in the budget less an acceptable provision for bad debts;

3. Application of ~~PPLICATION OF Policy~~OLICY,

3.1 This policy shall only apply to monies due and payable to the Council for -

- (a) Property rates;
- (b) municipal tax
- (c) fees, surcharges on fees, charges and tariffs in respect of municipal services, such as:
 - 1.1.1. ~~(i)~~ the provision of water;
 - 1.1.2. ~~(ii)~~ refuse removal;
 - 1.1.3. ~~(iii)~~ sewerage;
 - 1.1.4. ~~(iv)~~ the removal and purification of sewerage;
 - 1.1.5. ~~(v)~~ electricity consumption;
 - 1.1.6. ~~(vi)~~ interest which has accrued or will accrue in respect of money due and payable to the Council ;
 - 1.1.7. ~~(vii)~~ collection charges in those cases where the Council is responsible for –
 - (aa) the rendering of municipal accounts in respect of any one or more of the municipal services;
 - (bb) the recovery of amounts due and payable in respect thereof, irrespective whether the municipal services, or any of them, are provided by the Council itself or by a service utility with which it has concluded a service provider agreement to provide a service on the municipality's behalf;
 - ~~(viii)~~ any other charges levied from time to time

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: Font: Arial

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: Font: Arial

Formatted: Font: (Default) Arial, 11 pt, No underline, Font color: Accent 1

Formatted: Font: (Default) Arial, 11 pt, No underline, Font color: Accent 1

Formatted: Font: (Default) Arial, 11 pt, No underline, Font color: Accent 1

Formatted: Font: (Default) Arial, 11 pt

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: Line spacing: single

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

3.2 This policy shall also apply to municipal services provided through pre-paid meters.

Formatted: No underline, Font color: Auto

3.3 This policy shall apply to any municipal entity of which the municipality is the parent municipality.

Formatted: No underline, Font color: Auto

Formatted: Font: Arial

4. Responsibility/Accountability for Credit Control

Formatted: Font: (Default) Arial, 11 pt, No underline, Font color: Accent 1

Formatted: Font: (Default) Arial, 11 pt

DEBTORS

Formatted: Font: (Default) +Headings (Cambria), 14 pt, No underline, Font color: Auto

4.1 Responsibilities of communities, ratepayers and residents

Formatted: Heading 1, Indent: Left: 0 cm, Adjust space between Latin and Asian text, Adjust space between Asian text and numbers

The responsibilities of communities, ratepayers and residents are -

Formatted: Line spacing: single

(a) to fulfil certain responsibilities, as brought about by the privilege and or right to use and enjoy public facilities and municipal services.

Formatted: No underline, Font color: Auto

(b) to pay service fees, rates on property and other taxes, levies and duties imposed by the municipality.

Formatted: No underline, Font color: Auto

(c) to observe the mechanisms and processes of the municipality in exercising their rights.

Formatted: No underline, Font color: Auto

(d) to allow designated municipal officials unrestricted access to their property to execute municipal functions during normal working hours and at a time that is agreeable by the consumer and municipal officials for work to be done after hours against payment of the promulgated fees by the consumer.

Formatted: No underline, Font color: Auto

(e) to comply with the by-laws and other legislation of the municipality.

Formatted: No underline, Font color: Auto

(f) to refrain from tampering with municipal services and property.

Formatted: Indent: First line: 0 cm, Line spacing: single

4.2 Responsibilities of all councillors

Formatted: No underline, Font color: Auto

(a.) Section 12A of Schedule 1 of the Municipal Systems Act, Act 32 of 2000 as amended, stipulate as follows:

Formatted: Indent: Hanging: 0.12 cm, Line spacing: single

“A councillor may not be in arrears to the municipality for rates and services charges for a period longer than 3 months”

Formatted: Line spacing: single

(b) The municipality may deduct any outstanding amounts from a councillor’s allowance after this period.

Formatted: No underline, Font color: Auto

(d) The normal credit control procedures shall also be applied to any arrear account of a councillor

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

4.3 Responsibilities of all municipal staff

Formatted: No underline, Font color: Auto

(a) Section 10 of Schedule 2 of the Municipal Systems Act, Act 32 of 2000 as amended, stipulate as follows:

Formatted: No underline, Font color: Auto

“A staff member of a municipality may not be in arrears to the municipality for rates and services charges for a period longer than 3 months, and a municipality may deduct any outstanding amounts from a staff member’s salary after this period.”

Formatted: No underline, Font color: Auto

(b) The normal credit control procedures shall also be applied to any arrear account of a municipal staff member

Formatted: No underline, Font color: Auto

Formatted: Font: Arial

4(4) CUSTOMER CARE AND MANAGEMENT

Formatted: No underline, Font color: Auto

The municipality shall conduct itself towards its customers in a manner that it is stipulated in section 95 of the Municipal Systems Act, 2000 which requires the municipality to, within its financial and administrative capacity;

- (a) establish a sound customer management system that aims to create positive and reciprocal relationship between persons liable for the payments for municipal services and the municipality;
- (b) establish mechanisms for users of services and ratepayers to give feedback to the municipality regarding the quality of the services and the performance of the municipality;
- (c) take reasonable steps to ensure that users of services are informed of the costs involved in service provision. The reasons for the payment of service fees and the manner in which monies raised from the service are utilised;
- (d) where the consumption of services has to be measured, take reasonable steps to ensure that the consumption by individual users of services is measured through accurate and verifiable metering systems;
- (e) ensure that persons liable for payments receive regular and accurate accounts that indicate the basis for calculating the amounts due;
- (f) provide accessible mechanisms for those persons to query or verify accounts and metered consumption, and appeal procedures which allow such persons to receive prompt redress for inaccurate accounts;
- (g) provide accessible mechanisms for dealing with complaints from such persons, together with prompt replies and corrective action by the municipality;
- (h) provide mechanisms to monitor the response time and efficiency in complying with paragraph (g); and
- (i) provide accessible pay points and other mechanisms for settling accounts or for making pre-payments for services. ,.

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

5. MUNICIPAL ACCOUNT

5 (1) The municipality shall on monthly ~~cause-basis delivery~~ a municipal account, as reflected in the financial account relating to a property or premise, to be delivered to the customer in the manner provided for in section 10.

5 (2) The Municipal Account shall reflect amounts due for the following:

- (a) The rates and services charge for a specific period;
- (b) The interest charges for any overdue amount;
- (c) Any other charges, levies and taxes due to the municipality; and
- (d) The number of units consumed in relation to electricity and/or water consumed for a specific period.

5 (3) Consumers will receive monthly statement/s with an indicated payment due date. The statement shall contain messages of events within the municipality from month to month. Consumers with disputes on their account/s must pay other services and an average of the disputed service/s. Ratepayers/consumers who have not received an account for a specific month, are advised to pay an average of the previous two months' accounts and to notify the Manager Revenue in order to ensure that correct postal details are on the system. It should be stressed that the non-receipt of an account does not exempt one from the liability of payment.

Formatted: Font: (Default) Arial, 11 pt, No underline, Font color: Accent 1

Formatted: Font: (Default) Arial, 11 pt, No underline, Font color: Accent 1

Formatted: Font: (Default) Arial, 11 pt, No underline, Font color: Accent 1

Formatted: Font: (Default) Arial, 11 pt, No underline, Font color: Accent 1

Formatted: Font: (Default) Arial, 11 pt

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: Indent: First line: 0 cm, Line spacing: single

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: Line spacing: single

Formatted: Font: 11 pt, No underline, Font color: Auto

Formatted: Indent: Left: 0 cm, Hanging: 1.27 cm

Formatted: Font: 11 pt, No underline, Font color: Auto

Formatted: Font: 11 pt

Formatted: Line spacing: single

credit control measures

a)

Reminder/Demand for payment

A reminder that the previous account has not been paid on the due date is generated after the due date and hand-delivered to the debtor's physical address.

This reminder clearly states that a period of 7 days is allowed for payment and arrangement for payment, in the absence of which, service delivery to the client will be limited.

The account of the debtor is debited with the cost of such a reminder at the approved tariff of the Municipality.

Formatted: No underline, Font color: Auto, Highlight

Formatted: Highlight

Formatted: No underline, Font color: Auto, Highlight

Formatted: Highlight

Formatted: No underline, Font color: Auto, Highlight

Formatted: Highlight

Formatted: No underline, Font color: Auto, Highlight

Formatted: Highlight

Formatted: No underline, Font color: Auto, Highlight

Formatted: Highlight

Formatted: No underline, Font color: Auto, Highlight

Formatted: Highlight

Formatted: No underline, Font color: Auto, Highlight

Formatted: Highlight

Formatted: No underline, Font color: Auto, Highlight

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

b) Electricity disconnection (level 1) and Water restriction

Formatted

In the absence of reaction on the 7 day reminder, the electricity supply to the debtor is discontinued together with the notice for the reason of the discontinuance. The account of the debtor is debited with the cost of the level 1 cut-off at the approved tariff of the Municipality.

Formatted

Formatted

Formatted

Should the debtor receive an amount for water consumption levies but not for electricity, a disconnection (restriction for residential debtors) of water is carried out at the consumption address and a notice to that effect is left at the premises. The account of the debtor is debited with the cost of this action at the approved tariff of the Municipality.

Formatted

Formatted

Formatted

Formatted

c) Electricity disconnection (level 2) and Water restriction

Formatted

In the further absence of reaction on the level 1 cut-off of electricity, the level 1 cut-off is inspected after 7 days to ensure that the service is still discontinued. If the electricity is found on, it is again discontinued with the relevant notification, but then via a more expensive procedure to ensure a more tamperproof disconnection. The account of the debtor is debited with the higher cost of the level 2 cut-off at the approved tariff of the Municipality.

Formatted

Formatted

Formatted

Formatted

Formatted

Together with the level 1 electricity cut-off inspection, the water supply is also disconnected (restricted for residential debtors) and a notice to that effect is left at the premises. The account of the debtor is debited with the cost of this action at the approved tariff of the Municipality.

Formatted

Formatted

Formatted

d) Illegal reconnection /tampering of electricity

Formatted

If consecutive follow-up actions due to the no re-action by the debtor reveal that illegal consumption of the service occurred or a disconnection has been tampered with, the service connection is removed and evidence against offenders is filed on an investigation document.

Formatted

Formatted

Formatted

e) Illegal reconnection /tampering of water

Formatted

The water disconnection/restriction is monitored and followed up in cases of absence of reaction by the debtor to ensure the disconnection/restriction is not tampered with. Interference with disconnections will lead to the eventual removal of such a service connection. Any first time discovery of tampering at the address of a residential debtor leads to more severe restriction of the water supply and any further tampering after that will lead to disconnection of the water supply. Evidence against offenders is filed on an investigation document.

Formatted

Formatted

Formatted

Formatted

Formatted

6.5. Service Agreement

Formatted: No underline, Font color: Auto, Highlight

Formatted

6.5(1) No municipal services shall be provided to any property unless a written agreement governing the supply and cost thereof has been entered into with the municipality subject to its administrative, logistical and financial capability.

Formatted: No underline, Font color: Auto

6.5(2) Such an agreement shall be entered into by both the owner and occupier, where applicable. The owner shall bind himself/herself as surety and co- principal debtor in favour of the municipality for the fulfilment of the obligations of the occupier towards the municipality;

Formatted: No underline, Font color: Auto

6.5(3) The owner and occupier shall be jointly and severally liable for payment of all services charges. It is the duty of the owner to ensure that at all times that the occupier of the premises are not in arrears with payments, but the Municipality shall within its financial and human resource constraints, make an endeavour to inform the owner of the performance by the occupier in terms of the agreement.

Formatted: No underline, Font color: Auto

6.5(4) In case of service agreement by business entities, including but not limited to trusts, companies, close corporations, partnerships, sole proprietors and voluntary associations the

Formatted: No underline, Font color: Auto

municipality may require the agreement to be accompanied by any one or more or all of the following:

- (a) A resolution whereby authority to enter into the agreement is delegated to the signatory;
- (b) The business entity's registration number or ID number, if applicable;
- (c) The names, addresses and all relevant contact particulars of all the businesses' directors or members or trustees or proprietors or partners or executive members;
- (d) That any one or more or all partners/members/directors/trustees must sign as surety and co-principal debtor for the due fulfilment of all the obligations of the business entity;
- (e) That the signatory to the agreement warrants that he/she is duly authorised to do so, that all information supplied is true and correct and shall further warrant that the business is not trading in insolvent circumstances.

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

65(5) The Owner must inform the municipality of the vacation of the property or premise by an occupier on or before the date of vacation or as soon thereafter as the owner may become aware of such vacation, by submitting to the Council a Notice of Vacation of Occupation.

Formatted: No underline, Font color: Auto

65(6) Should the owner or occupier be represented by an agent or other representative, such agent or representative must submit a power of attorney authorizing such agency or representation in a form and contents to the satisfaction of the Chief Financial Officer.

Formatted: No underline, Font color: Auto

7.6- Screening, Credit Rating and Security Deposit

Formatted: Font: (Default) Arial, 11 pt, No underline, Font color: Accent 1

Formatted: Font: (Default) Arial, 11 pt, No underline, Font color: Accent 1

Formatted: Font: (Default) Arial, 11 pt, No underline, Font color: Accent 1

Formatted: Font: (Default) Arial, 11 pt, No underline, Font color: Accent 1

Formatted: Font: (Default) Arial, 11 pt, No underline, Font color: Accent 1

Formatted: Font: (Default) Arial, 11 pt, No underline, Font color: Accent 1

Formatted: Font: (Default) Arial, 11 pt, No underline, Font color: Accent 1

Formatted: Font: (Default) Arial, 11 pt

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

76(1) The municipality shall require the service agreements to be accompanied with banking details, previous municipal account, particulars of trade creditors and the consumer shall give in the service agreement permission and authority to the municipality to verify such information in order to assess the credit risk of the customer;

76(2) Apart from section 6(1) above the municipality may also make the necessary enquiries with credit bureaus and similar institutions in order to assess the credit risk of the customer.

76(3) The municipality shall classify customers in terms of their credit risk profile into three groups;

- (a) Good Customers – Customers with a good credit record and pose no credit risk to the municipality;
- (b) Moderate Customers – Customers with a moderate credit record and pose a credit risk to the municipality; and
- (c) Bad Customers – Customers with a bad credit record and pose a significant credit risk to the municipality.

76(4) Prior to the provision by the municipality of consumption services a security deposit shall be paid by the owner or occupier.

76(5) Such security deposit shall be paid either in cash or any other means of payment acceptable to the municipality.

76(6) The security deposit may vary according to the credit rating of the customer as assessed by the municipality. The security deposits will be determined as follows depending on the grouping of the customer;

- (a) The security deposit for a customer with a good credit rating shall be determined and set to cover one month consumption charges which shall include water and electricity consumption;
- (b) The security deposit for a customer with moderate credit rating shall be determined and set to cover an aggregate of two months consumption charges which shall include water and electricity consumption; and

(c) For a customer with bad credit rating, the security deposit shall be determined and set to cover an aggregate of three months consumption charges which shall include water and electricity consumption.

Formatted: No underline, Font color: Auto

76(7) The municipality shall review the security deposit on an annually basis in terms of the annual budget process. Any increase or decrease on security deposit shall be reflected on the municipal account of the customer.

Formatted: No underline, Font color: Auto

76(8) Upon termination of the service agreement the amount of the deposit less any outstanding amounts due will be refunded to the customer.

Formatted: No underline, Font color: Auto

76(9) No interest shall be payable to the customer on deposits held by the municipality.

Formatted: No underline, Font color: Auto

76(10) Should the customer wish to appeal against a decision of the Chief Financial Officer in terms of subsections 6(3) and 6(6), the customer may submit an appeal and reasons in writing to the Municipal Manager, within twenty one (21) days from the date on which the customer is notified of the determination of the Chief Financial Officer meant on the above subsections.

Formatted: No underline, Font color: Auto

76(11) The Municipal Manager shall consider the appeal within six weeks from the date of the appeal and shall notify the customer of his or her decision within a reasonable time thereafter.

Formatted: No underline, Font color: Auto

87. PaymentAYMENT of OF MunicipalUNICIPAL ServicesSERVICES

87(1) The customer shall be responsible for payment of municipal services when the municipal account become due.

Formatted: Font: (Default) Arial, 11 pt, No underline, Font color: Accent 1

87(2) The Chief Financial Officer may consolidate separate Municipal Accounts, or portions thereof, of persons liable for payments to the municipality.

Formatted: Font: (Default) Arial, 11 pt, No underline, Font color: Accent 1

87(3) The Occupier, who fails to enter into the service agreement, will despite such failure be liable for the payment of the municipal account.

Formatted: Font: (Default) Arial, 11 pt, No underline, Font color: Accent 1

87(4) Nothing contained in this Policy will prohibit the municipality to collect payment of any amount from the owner or any other person in terms of an applicable legislation.

Formatted: Font: (Default) Arial, 11 pt, No underline, Font color: Accent 1

87(5) An increase in a consumer deposit in terms of section 6(7), becomes payable within twenty one (21) days from the date on which the customer is informed thereof or should the customer appeal against such increase, then within twenty one (21) days from the date on which the Customer is informed of the decision of the Municipal Manager, if the appeal is not up held.

Formatted: Font: (Default) Arial, 11 pt, No underline, Font color: Accent 1

Formatted: Font: (Default) Arial, 11 pt

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: Font: (Default) Arial, 11 pt, No underline, Font color: Accent 1

98. JuristicURISTIC PersonERSON

98(1) Should the Occupier be a Juristic person, the following will apply:

(a) If the Occupier is a company registered in terms of the Companies Act, No 61 of 1973, the Directors of such, Company shall agree to be jointly and severally liable for payment in terms of the Service Agreement, if the Company fails to make such payment.

Formatted: Font: (Default) Arial, 11 pt, No underline, Font color: Accent 1

(b) If the Occupier is a closed corporation registered in terms of the Closed Corporations Act 1984 (Act 69 of 1984), the members shall agree to be jointly and severally liable for payment in terms of the Service Agreement, if the Close Corporation fails to make such payment.

Formatted: Font: (Default) Arial, 11 pt, No underline, Font color: Accent 1

Formatted: Font: (Default) Arial, 11 pt

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

(c) If the Occupier is an Association with legal persona, the members of the, Association shall agree to be jointly and severally liable for payment in terms of the Service Agreement, if the Association fails to make such payment.

Formatted: No underline, Font color: Auto

98(2) Any Service Agreement signed by a person on behalf of a legal person in section 8(1) above must be accompanied by a resolution authorizing such person to sign on behalf of the legal person.

Formatted: No underline, Font color: Auto

109. Interest~~INTEREST~~

Formatted: Font: (Default) Arial, 11 pt, No underline, Font color: Accent 1

109(1) The municipality shall levy interest on any amount due and in arrears, in terms of section 75A (1) (b) of the Municipal Systems Act.

Formatted: Font: (Default) Arial, 11 pt, No underline, Font color: Accent 1

109(2) The interest charged on a default amount shall not in aggregate, exceed the unpaid balance of the principal debt as at the time that the default occurs in terms of Section 103(5) of the National Credit Act, 2005.

Formatted: Font: (Default) Arial, 11 pt

Formatted: No underline, Font color: Auto

109(3) The interest rate to be charged on overdue amount on property rates shall be set at prime rate plus one percent (1%) as stipulated on Government Gazette No. 28113 (Notice 1856 of 2005).

Formatted: No underline, Font color: Auto

Formatted: Font: (Default) Arial, 11 pt, No underline, Font color: Accent 1

Formatted: Font: (Default) Arial, 11 pt, No underline, Font color: Accent 1

110. ~~Dishonoured~~SHONOURED Payment~~AYMENTS~~s

Formatted: Font: (Default) Arial, 11 pt, No underline, Font color: Accent 1

110(1) Should any payment made to the municipality by cheque or other negotiable instrument, be dishonoured by the financial institution on which it is drawn, the municipality may levy such collection charge against the Municipal Account to which the payment relates, as determined by the Council in terms of section 75A (2) of the Municipal Systems Act.

Formatted: Font: (Default) Arial, 11 pt, No underline, Font color: Accent 1

110(2) Any dishonoured payment meant in section 10(1) due to insufficient funds with the financial institution on which it is drawn, will be sufficient grounds for a review of the credit rating of the Customer in terms of section 6(1).

Formatted: Font: (Default) Arial, 11 pt

Formatted: No underline, Font color: Auto

110(3) The Chief Financial Officer may determine not to accept a cheque or other, negotiable instrument as payment from a Customer, other than a cheque or negotiable instrument on which payment is guaranteed by the financial institution on which it is drawn, should a payment or previous payment by the Customer been dishonoured as meant in section 10(1).

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: Font: (Default) Arial, 11 pt, No underline, Font color: Accent 1

Formatted: Font: (Default) Arial, 11 pt, No underline, Font color: Accent 1

124. Delivery~~ELIVERY~~

Formatted: Font: (Default) Arial, 11 pt, No underline, Font color: Accent 1

124(1) Every document that is required to be delivered to a customer shall be delivered through one or more of the following mechanisms;

Formatted: Font: (Default) Arial, 11 pt

(a) in person at the residential or business premises of the customer, or at any other location designated by the customer but at the expense of the customer, or by ordinary mail;

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

(b) by fax;

Formatted: No underline, Font color: Auto

(c) by cellphone short message service (SMS)

Formatted: No underline, Font color: Auto

(d) by e-mail; and

Formatted: No underline, Font color: Auto

(e) by printable web-page.

Formatted: No underline, Font color: Auto

124(2) Delivery of document shall be in a manner chosen by the customer from the options made available on section 11(1)(a) to (e).

Formatted: No underline, Font color: Auto

124(3) The municipality shall deliver municipal account to all customers one per month at no charge in a manner chosen by the customer for the options made available on Section 11(1)(a) to (e).

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

124(2) In the event that delivery cannot be effected in terms of section 11(1) (a) to (e) above, then by fixing it to or placing it in a conspicuous place, on the Property or Premises to which it relates.

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

132. Settlement of Account SETTLEMENT OF ACCOUNT

Formatted: Font: (Default) Arial, 11 pt, No underline, Font color: Accent 1

Formatted: Font: (Default) Arial, 11 pt, No underline, Font color: Accent 1

132(1) An amount tendered as payment against a Municipal Account will, if not representative of the full balance of such account on date of payment, be deemed not to be accepted a full and final payment of the amount due and payable on that date or any future date, unless so authorized by the Chief Financial Officer in writing.

Formatted: Font: (Default) Arial, 11 pt, No underline, Font color: Accent 1

Formatted: Font: (Default) Arial, 11 pt

132(2) An amount tendered as payment against a Municipal Account will, if less than the outstanding balance, be credited pro rata to the longest outstanding debt items reflected on such account subject thereto that the Chief Financial Officer may direct otherwise.

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

132(3) If an amount due and payable in terms of the Municipal Account is in arrears and the amount tendered is less than the balance reflected on such account, the payment will be credited against such items on the Municipal Account as the Chief Financial Officer may direct.

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: Font: (Default) Arial, 11 pt, No underline, Font color: Accent 1, Highlight

Formatted: Font: (Default) Arial, 11 pt, Highlight

Formatted: Highlight

Formatted: No underline, Font color: Auto, Highlight

Formatted: Indent: Left: 0 cm, First line: 0 cm, Line spacing: single

Formatted: Font: (Default) Arial, 11 pt, No underline, Font color: Accent 1

Formatted: Line spacing: single

Formatted: Font: (Default) Arial, 11 pt, No underline, Font color: Accent 1

Formatted: Font: (Default) Arial, 11 pt, No underline, Font color: Accent 1

Formatted: Font: (Default) Arial, 11 pt, No underline, Font color: Accent 1

Formatted: Font: (Default) Arial, 11 pt

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: Font: (Default) Arial, 11 pt, No underline, Font color: Accent 1

Formatted: Font: (Default) Arial, 11 pt, No underline, Font color: Accent 1

Formatted: Font: (Default) Arial, 11 pt, No underline, Font color: Accent 1

Formatted: Font: (Default) Arial, 11 pt, No underline, Font color: Accent 1

Formatted: Font: (Default) Arial, 11 pt

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

13. CERTIFICATION

A certificate issued under the signature of the Chief Financial Officer, will be prima facie evidence of the amount or amounts due and payable to the Council as reflected in such certificate, by the Customer indicated in the certificate, and will upon production thereof in a court of law, be accepted as prima facie evidence of the contents thereof. Council will not be obliged to prove the appointment and authority of the Chief Financial Officer.

154. Collection COLLECTION Costs COSTS

154(1) All legal cost incurred by the Council for the recovery of arrear amounts, due and payable in terms of the Municipal Account, will be a debited against the Municipal Account, including any tracing cost and attorney's fees at the Attorney- and-own- client scale, subject to the discretion of the court regarding the awarding of cost.

154(2) The Council may levy and recover such collection charges determined in terms of section 75A(1)(b) of the Municipal Systems Act, not included in subsection 14(1).

165. Reminder REMINDER Notice NOTICE

165(1) The Council may cause to be delivered to a Customer who fails to make timeous payment in terms of a Municipal Account, a notice to remind such Customer to make the due payment on or before a date specified in such notice.

165(2) A notice in terms of subsection (1) may, notwithstanding section 10, be served on a Customer by electronic mail or by cellular phone short message service send to the electronic mail address or cellular phone number, respectively, provided by the Customer on the service Agreement: and such service shall have the effect as if served in terms of section 10.

Formatted: Font: (Default) Arial, 11 pt, No underline, Font color: Accent 1

Formatted: Font: (Default) Arial, 11 pt, No underline, Font color: Accent 1

Formatted: Font: (Default) Arial, 11 pt

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

The tracing cost and the telephone cost are debited to the account of the debtor at the approved tariff of the Municipality.

Arrear account in excess of R 100 000 which are to be summonsed are Supreme Court Matters, which are referred ~~to the~~ to the appointed debt collector for summonsing in conjunction with one of the appointed panel of attorneys. The legal cost is debited to the debtor's account on accordance with the eventual outcome of the matter.

d) Arrear accounts smaller than R100 000 are Magistrate Court matters for which the relevant summonses are issued. The different Sheriffs of the Courts deliver these summonses to the summonsed debtors. The expenses of the issuing and delivery of the summonses are debited to the debtors accounts.

e) If debtors react on the summonses received within 10 working days after delivery by the Sheriff, by either payment in full or partial payment and arrangement for monthly payment of the balance, no further legal costs are debited by the Attorney or debt collection agent, and the matter is not further pursued for as long as the debtor comply with the agreed monthly payment.

~~If debtors react on the summonses received within 10 working days after delivery by the Sheriff, by either payment in full or partial payment and arrangement for monthly payment of the balance, no further legal costs are debited by the Attorney or debt collection agent, and the matter is not further pursued for as long as the debtor comply with the agreed monthly payment.~~

f) Summonses are reacted upon within the 10 working days window period are ~~referred~~ referred to the local Magistrate Courts in conjunction with the collection agents, who has jurisdiction in these Courts.

g) Default judgment is obtained and the relevant debtor is automatically also blacklisted at the major credit bureaus. A notice of the default judgment is posted to the debtor by registered mail.

h) Default judgments not reacted upon within the 10 working days are again presented at the Magistrate, who issues a warrant of execution, which can either order the sale of property of the debtor to recover arrears or order the debtor to be evicted in case of arrear rentals. Where the debtor has no fixed property a court order can be served on him/her to appear in court where the Magistrate can approve a garnishee order on the debt.

i) The process of debt collection of any portion or category of the debtor book can be outsourced to collection agents by the Chief Financial officer. Any cost that arises from such action can be recovered from the debtor.

All accounts not paid within 30 days are in arrears and may be blacklisted through the Credit Bureaus agencies after legal steps were taken in terms of chapter 4 of the National Credit Act, ~~2005~~ 2005 (Act 34 of 2005)

The process for debt collection of any portion or category of the debtor book may

Formatted: Line spacing: single

Formatted: No underline, Font color: Auto

Formatted: Indent: First line: 0 cm, Line spacing: single

Formatted: Line spacing: single

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: Indent: First line: 0 cm, Line spacing: single

Formatted: No underline, Font color: Auto

Formatted: Line spacing: single

Formatted: No underline, Font color: Auto

Formatted: Indent: Left: 0 cm, First line: 0 cm, Line spacing: single

Formatted: Line spacing: single

Formatted: No underline, Font color: Auto

Formatted: Indent: Left: 1.28 cm, Line spacing: single

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: Line spacing: single

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

be outsourced to collection agents by Chief Financial Officer. Any cost that arises from such actions will be recovered from the debtors.

Formatted: No underline, Font color: Auto

The following principles will apply to agreements with debt collectors.

Formatted: No underline, Font color: Auto

Council may, when any consumer is 90 days in arrears and no agreement has been entered into between the consumer and the Municipality, commence handing over the consumer to the debt collectors.

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

The "no success on fee" will be agreed between the Council and debt collectors

Formatted: No underline, Font color: Auto

The fees on success will be agreed between the Council and debt collectors and no additional cost will be levied by the debt collectors on the consumers' accounts.

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

The account may be taken over from debt collectors if no progress is made to recover the debt at no additional cost to the Council within the period agreed upon by both parties.

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Council will establish procedures and code of conduct with these outside parties.

Formatted: No underline, Font color: Auto

Complete records will be kept of all the steps taken to collect arrears and these records will be available to the Municipality.

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

All the legal costs of this process are for the account of the consumer and will be recovered from debtors by debt collectors.

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Individual consumer accounts are protected and are not the subject of public information. However Council may release consumer information to credit bureaus.

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Consumer will be informed of the powers and duties of such debt collectors and their responsibilities including their responsibility to observe agreed codes of conduct.

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Any agreement concluded with debt collectors shall include a clause whereby breaches of the code by them will see the contract terminated.

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Any cash or a bank guaranteed cheque for the full outstanding balance reflected on the account shall be deemed acceptable payment before a customer's particulars are removed from any adverse credit listing. In the case of default judgments entered into against consumers, the consumers, the consumer shall at its own cost appoint in attorney to set aside the judgment, after payment of the full outstanding balance has been made to Council

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: Font: (Default) Arial, 11 pt, No underline, Font color: Accent 1

Formatted: Font: (Default) Arial, 11 pt, No underline, Font color: Accent 1

Formatted: Font: (Default) Arial, 11 pt, No underline, Font color: Accent 1

Formatted: Font: (Default) Arial, 11 pt

2049.2 Inactive Accounts

Amounts outstanding less than R1000.00, These debts are written off as bad debts after a final demand has been issued, as collection cost does not warrant proceeding with further legal action.

Amount outstanding greater than R1000.00, these debts are referred to the Legal Division for summoning and further legal action if the levy payer has not reacted to the final demand for payment.

2049.3 Levy Inspection:

Identify arrears accounts (older than 60 days) during routine sweeping action and verify levy information.

Identify non-registered levy payers and ensure that they are duly registered.

2049.4 Summonsed Accounts:

Summonsed accounts of which the warrant of execution is returned "Nulla Bona" are listed for writing the arrears off as bad-debt as there were no assets that could be attached.

2049.5 Sundry Debtors

If sundry debtors are in arrears, a final demand for payment within 14 days is submitted to them, If there is no response after the final demand, the matter is handed over to the Legal Division for further collection action.

Where there is a response for arrangements, a payment based on a percentage of the outstanding debt has to be made and an interest free arrangement for the balance over a period not exceeding 24 months depending on the amount outstanding and what the debtor can afford. Only exceptional cases will arrangements exceeding 24 months since most of sundry debtors are cases where the service is provided once off. In the exceptional cases, the period of an arrangement agreement will be extended to more than 24 months up to a maximum of 60 months.

In case of payment not being received as agreed, the matter is handed over to the Legal Division for further collection action.

The minimum amount for an account to be handed over to the Legal Division is R1000.00. All accounts less than R1000.00 are written off after all collection efforts other than legal action have failed.

219. Extension/XTENSION for FOR PaymentAYMENT

219(1) A Customer may apply for extension of time for payment of arrears on the Municipal Account by submitting an Application for Extension of Time for Arrear Payment.

219(2) An application will only be considered if the Customer provides all the information as required on the Application For Extension Of Time For Arrear Payment.

219(3) The Chief Financial Officer will consider an application submitted in terms of subsection (1), having regard to all relevant facts pertaining to the application and in particular the following:

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: Font: (Default) Arial, 11 pt, No underline, Font color: Accent 1

Formatted ...

Formatted ...

Formatted ...

Formatted ...

Formatted ...

Formatted: Font: (Default) Arial, 11 pt

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

2. Align all the debt collection indicators so that the history of an account can be used as basis for recommendations for writing off bad debts in future.

Formatted: Line spacing: single

Formatted: No underline, Font color: Auto

3. The report indicating the debtors in 0 – 4 scoring must be examined by a senior official and the specific debtors must be flagged for impairment and the amount of impairment must be double-checked and agreed to be consistent with any agreements to repay or knowledge that no repayments will take place.

Formatted: No underline, Font color: Auto

4. A scoring system would be used by adding additional fields in the database for each debtor / group of debtors indicating the following:

Formatted: Font: (Default) Arial, 11 pt

Formatted: Normal

Formatted: No underline, Font color: Auto

- ~~A Number of times account referred to debt collectors~~
- ~~Number of demand letter on account~~

Formatted: Line spacing: single

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

5. The subsequent measurement is essential and should be done monthly. However, regardless of whether or not this was done correctly throughout the year, it is of paramount importance that all the debtors outstanding at year-end be screened in some way for impairment.

Formatted: Line spacing: single

Formatted: No underline, Font color: Auto

6. For each of the items impaired ~~at year-end the following must be determined in accordance with GRAP.~~

Formatted: Indent: Left: 0 cm, First line: 0 cm, Line spacing: single

Formatted: No underline, Font color: Auto

Formatted: Line spacing: single

- ~~100% of debtor amount will be impaired on debtors who have not paid since the billing started. (Aging more than 122 days outstanding)~~
- ~~80% of debtor amount will be impaired on debtors who pay once a year. (Aging between 92 – 122 days outstanding)~~
- ~~60% of debtor amount will be impaired on debtors who pay quarterly during year. (Aging between 62 – 91 days outstanding)~~
- ~~40% of debtor amount will be impaired on debtors who pay regularly during year. (Aging between 31 – 61 days outstanding)~~
- ~~20% of debtor amount will be impaired on debtors on a monthly basis. (Aging between 0 – 30 days outstanding)~~

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

~~21(1) The provision for bad debts shall be determined based on the credit classification of customers.~~

Formatted: No underline, Font color: Auto

~~21(2) The classification of customers in section 6(3) shall be applied to determine the provision for bad debts. The provision shall be determined as follows;~~

Formatted: No underline, Font color: Auto

~~(a) No provision for bad debts shall be made to outstanding debts of customers classified in section 6(3)(a) as good customers;~~

Formatted: No underline, Font color: Auto

~~(b) The provision for bad debts to outstanding debts of customers classified in section 6(3)(b) as moderate customers shall be made on the debts which are more than 120 days old; and~~

Formatted: No underline, Font color: Auto

~~(c) The provision for bad debts to outstanding debts of customers classified in section 6(3)(c) shall be made on the debts which are more than 30 days old.~~

Formatted: No underline, Font color: Auto

~~22(23) The municipality, in the case of charges due or where it is the Service Provider, shall only abandon recovery of a debt owed to it in one or more of the following circumstances:~~

Formatted: No underline, Font color: Auto

~~(a) Insolvency or demise of the customer or debtor as the case may be, if proven that his or her estate has insufficient funds to make payment;~~

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

Formatted: No underline, Font color: Auto

- ~~243~~(4) Should the Customer wishes to appeal against a decision of the Chief Financial Officer, the Customer may submit an appeal and reasons in writing to the Municipal Manager, within twenty one (21) days from the date on which the Customer is informed of the decision of the Chief Financial Officer meant in subsection (3).
- ~~243~~(5) The Municipal Manager must consider the appeal within fourteen (14) days from the date of the appeal and must notify the Customer of the decision within a reasonable time thereafter.

- Formatted: No underline, Font color: Auto
- Formatted: No underline, Font color: Auto
- Formatted: No underline, Font color: Auto
- Formatted: No underline, Font color: Auto
- Formatted: Indent: Left: 0 cm, First line: 0 cm, Line spacing: single
- Formatted: Font: (Default) Arial, 11 pt, No underline, Font color: Accent 1, Highlight
- Formatted: Font: (Default) Arial, 11 pt, Highlight
- Formatted: Highlight
- Formatted: Line spacing: single
- Formatted: No underline, Font color: Auto, Highlight
- Formatted: Highlight

~~24.~~ **ILLEGAL CONNECTIONS**

- ~~24(1)~~ Any person who undertakes or allow or causes any other person to undertake an illegal connection, will be guilty of an offence.
- ~~24(2)~~ A customer who becomes aware of an illegal connection of the electricity supply or the water supply to a property or premise owned by or occupied by such customer, must immediately notify the municipality.
- ~~24(3)~~ The Council will immediately disconnect any illegal connection and remove any wiring, piping or other equipment or installation relating to an illegal connection.
- ~~24(4)~~ The municipality shall impose a penalty on the property or premise where the illegal connection was discovered.

- Formatted: Highlight
- Formatted: No underline, Font color: Auto, Highlight
- Formatted: Highlight
- Formatted: No underline, Font color: Auto, Highlight
- Formatted: Highlight
- Formatted: No underline, Font color: Auto, Highlight
- Formatted: Font: (Default) Arial, 11 pt, No underline, Font color: Accent 1
- Formatted: Font: (Default) Arial, 11 pt, No underline, Font color: Accent 1
- Formatted: Font: (Default) Arial, 11 pt, No underline, Font color: Accent 1

~~265.~~ **IndigentHOUSEHOLDS**

The indigent households shall be treated in terms of the Indigent Policy of the municipality.

- Formatted: Font: (Default) Arial, 11 pt, No underline, Font color: Accent 1
- Formatted: Font: (Default) Arial, 11 pt
- Formatted: No underline, Font color: Auto
- Formatted: Indent: First line: 0 cm, Line spacing: single
- Formatted: Line spacing: single

~~276.~~ **PenaltiesENALTIES**

- ~~276(1)~~ A person who fails or omits to do anything prescribed by this policy or do anything prohibited in terms of this policy, will be guilty of an offence.
- ~~276(2)~~ A person found guilty of an offence in terms of section 26(1) will be liable to a fine or imprisonment or both such fine and imprisonment.

- Formatted: Font: (Default) Arial, 11 pt, No underline, Font color: Accent 1
- Formatted: Font: (Default) Arial, 11 pt, No underline, Font color: Accent 1
- Formatted: Font: (Default) Arial, 11 pt, No underline, Font color: Accent 1
- Formatted: Font: (Default) Arial, 11 pt

~~28.~~ **Services Rendered**

The Municipality shall not conduct any business activity with any persons who are in arrears with municipal accounts except as provided for in policy and as determined by the Municipality from time to time, nor will any outstanding fund will be offset to that debtor account.

- Formatted: No underline, Font color: Auto
- Formatted: No underline, Font color: Auto
- Formatted: No underline, Font color: Auto
- Formatted: No underline, Font color: Auto
- Formatted: Indent: Left: 0 cm, First line: 0 cm, Line spacing: single
- Formatted
- Formatted
- Formatted
- Formatted: Line spacing: single
- Formatted: Line spacing: single