MUNICIPALITY BEAUFORT WEST

Notice no. 20/2010

The Council of the Municipality of Beaufort West publishes the sub-joined By-law amending the By-law relating to Credit Control and Debt Collection for general notice.

BY-LAW RELATING TO THE AMENDMENT OF THE BY-LAW RELATING TO CREDIT CONTROL AND DEBT COLLECTION

INTRODUCTION

WHEREAS the Municipality of Beaufort-Wes is vested with legislative authority in terms of the Constitution of the Republic of South Africa (Act No. 108 of 1996);

AND WHEREAS the Municipality in the exercise of its functions deemed it necessary to amend the By-Law relating to Credit Control and Debt Collection as enacted on 20 August 2004 by Notice 55/2004;

Be it therefore enacted by the Municipality of Beaufort Wet as follows:-

1. That item 1 to 8 stipulated in the Schedule to Notice 55/2004 be substituted as a whole by the Schedule as set out in the Annexure to this By-law.

ANNEXURE

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PREAMBLE

WHEREAS section 152(1)(b) of the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996) (hereinafter referred to as "the Constitution") stipulates that one of the objects of local government is to ensure the provision of services to communities in a sustainable manner;

AND WHEREAS section 153(a) of the Constitution stipulates that a municipality must structure and manage its administration and budgeting and planning processes to give priority to the basic needs of the community, and promote the social and economic development of the community;

AND WHEREAS section 195(1) of the Constitution stipulates that public administration must be governed by the democratic values enshrined in the Constitution, including the principles that:

- Efficient, economic and effective use of resources must be promoted;
- Services must be provided impartially, fairly, equitable and without bias; and
- People's needs must be responded to;

AND WHEREAS section 4(1) van the Local Government: Municipal Systems Act, 2000 (hereinafter referred to as "the Systems Act") stipulates that a municipal council has the right to finance its affairs by charging fees for services, and imposing surcharges on fees, rates, and, to the extent permitted by national legislation, other taxes, levies and duties;

AND WHEREAS section 5(1)(g) read with subsection (2)(b) of the Systems Act, 2000 stipulates that the local community has the right to have access to services provided by the municipality, provided that where applicable and subject to the Indigent Policy, the fees, tariffs, surcharges on fees, other taxes and levies imposed by the municipality for the delivery of services are paid promptly;

AND WHEREAS Chapter 9, sections 95, 96, 97, 98, 99, and 100 of the Systems Act, 2000 provides for the customer care and debt collection responsibility of die Municipality, the contents of the Policy, the by-law that gives effect to the Policy, the supervisory authority and the implementing authority;

THEREFORE the Municipal Council of the Beaufort West Municipality at its Council meeting held on 28 March 2008 adopted this Policy as the Credit Control and Debt Collection Policy of the Municipality.

1. DEFINITIONS

Unless the context otherwise indicates –

"accounting officer" means the municipal manager appointed in terms of section 82(1)(a) or (b) of the Local Government: Municipal Structures Act, 1998 (Act 117 of 1998) or his nominee;

"bank guarantee" means an undertaking by a registered financial institution to pay a specified maximum amount if the main debtor fails to pay;

"chief financial officer" means the person who has been appointed as such in terms of section 75(2)(a) of the Local Government: Municipal Finance Management Act, 2003, (Act 56 of 2003) and any person duly authorised to act as chief financial officer;

"consolidated account" means the one combined account that is rendered for all municipal services, house rent, house instalments, rates and basic fees payable by the consumer;

"consumer" means any occupant of premises to which the Municipality delivers services or has undertaken to deliver services, or if there is no occupant, the owner of the premises, including any debtor of the Municipality;

"conventional meter" means an electricity and/or water meter that is used to measure the supply of electricity and water to premises, which is read on a monthly basis or other fixed cycle;

"credit control" means all the functions with regard to the collection of money owed by consumers of municipal services;

"deposit" means a minimum amount specified by the Chief Financial Officer, which is payable by the consumer to the Municipality before taking possession of a property and prior to the date on which services to the premises are required;

"due date" in the absence of an express agreement between Council and the consumer in respect of a due date, means the date that is indicated on the consolidated account and which has been determined as the last date on which the account must be paid;

"equipment" means any building or other structure, pipes, pumps, wire, cable, meter, machine or any other accessories;

"estimated consumption" means the amount that is calculated when actual meter readings cannot be taken, which is based on the average consumption of the consumer;

"existing consumer" means a consumer who has entered into a service-delivery agreement for the delivery of municipal services with the Municipality;

"financial year" means the period that commences on 1 July and ends on 30 June of the next year;

"implementing authority" means the municipal manager or his nominee acting in terms of section 100 of the Municipal Systems Act, 2000;

"instalment agreement" means a written agreement entered into between the Municipality and a debtor, in which the payment of overdue money in specific instalments was agreed to;

"interest" means a fee with the same legality as a service fee levied on overdue money, as from time to time determined by Council;

"meter audit" means the examination that is carried out to verify the correctness of the consumption of water and electricity supply;

"municipal services" mean any services delivered by the Municipality or an authorised service-provider, which are available or which must be applied for or which are supplied or for which provision has been made, and in respect of which the Municipality is entitled to charge a fee or tariff, which is payable by the consumer, and "service" shall have a corresponding meaning;

"occupant" means the person who occupies premises or part thereof, despite the origin of his right to occupy such premises;

"official" means an employee of Beaufort West Municipality;

"overdue money/account" means any money overdue and payable by a consumer in respect of a municipal account, which has not been paid in full on the due date;

"owner" means any natural person, including but not restricted to a legal entity, a registered company registered in terms of the Companies Act, 1973 (Act 61 of 1973), a Trust, a Closed Corporation registered in terms of the Closed Corporations Act, 1984 (Act 69 of 1984), any Government department, any Council established in terms of South African legislation, an embassy or any foreign entity in whose name the title deed to the property is registered wth the Registrar of Deeds;

also, if the Municipality is unable to establish the identity of the owner, the person or institution enjoying the benefit of the use of the premises with or without buildings;

in the case of property that has been leased for more than thirty years, the tenant of the property;

if the registered title-holder for any reason whatsoever is lacking contractual ability, the person who deals with the administration of the premises as curator, trustee, administrator, liquiator, or any other legal representative;

"premises" mean any portion of land, the surface boundaries of which have been registered by means of a general plan or diagram in terms of the Land Survey Act, 1927 (Act 9 of 1927) or the Deeds Registries Act, 1937 (Act 47 of 1937), or a sectional title plan registered in terms of the Sectional Titles Act, 1986 (Act 95 of 1986), and situated within the Municipality's area of jurisdiction;

"rates" mean the rates levied on a property in terms of the provisions of the Local Government: Municipal Property Rates Act, 2004, (Act 6 of 2004);

"service-delivery agreement" means an agreement for the use of water and/or electricity and any other services;

"voluntary remuneration attachment order" means an order of a court of competent jurisdiction to deduct a certain amount from a consumer's salary;

and all other words shall have the meaning ascribed to them by the Municipal Systems Act, 2000 (Act 32 of 2000) or any other municipal legislation.

2. INTRODUCTION

2.1 Council will be able to develop the local economy and deliver services of an acceptable standard to its residents only if the services that are rendered by Council are fully paid for.

2.2 The Municipality must develop and maintain a Credit Control and Debt Collection Policy which complies with the applicable legislation.

2.3 This Policy must be read with the Beaufort West Municipality's Indigent, Tariff and Rates Policy.

3. OBJECTIVES

The objectives of the Credit Control and Debt Collection Policy are to:

3.1 Establish a framework within which the Municipality can develop an effective procedure for rendering accounts and collecting money.

3.2 Ensure that all money that is due and payable to the Municipality is collected and utilised to deliver municipal services in a financially sustainable manner to the best advantage of the community, residents and ratepayers, as prescribed in the Municipal Systems Act, 2000, and other applicable legislation.

3.3 Maintain and implement a Credit Control and Debt Collection Policy which is consistent with and complies with section 97 of the Municipal Systems Act, 2000.

3.4 Ensure that the Municipality develops credit control procedures and mechanisms which are consistent, fair and effective for all its consumers.

4. UNDERLYING PRINCIPLES OF THE POLICY

4.1 The administrative integrity of the Municipality must be protected at all times. The democratically elected Councillors are responsible for policy-making, while Council, the Municipal Manager and Council personnel are responsible for giving effect to policy.

4.2 The Policy shall come into effect and be carried out from the date on which it was approved by Council.

4.3 The collection process must be cost-effective and the collection of money for services rendered must be prompt, consistent and effective.

4.4 Unauthorised consumption, connections, reconnections, tampering with or theft of meters, service equipment and the distribution network or any deceitful activity in respect of the provision of a municipal service shall result in the services being disconnected and/or restricted, fines being imposed, rights being suspended as well as criminal prosecution.

5. ROLE AND RESPONSIBILITIES OF MUNICIPAL MANAGER

5.1 In terms of section 100 of the Municipal Systems Act, 2000 the Municipal Manager shall be responsible for the implementation of the Credit Control and Debt Collection Policy and therefore also for the following:

5.1.1 Ensuring that an effective accounting system is maintained;

5.1.2 Rendering accounts;

5.1.3 Payment of accounts claim on due date;

5.1.4 Levying fines and interest on overdue accounts;

5.1.5 Allocation of payments received;

5.1.6 Collection of overdue money;

5.1.7 Provision of alternative payment methods;

5.1.8 Determining credit control and debt collection measures;

5.1.9 Determining all relevant procedures of work, inter alia for instalment arrangements, connection and disconnection of services, issuing of summonses, attachment of assets, in execution, writing-off debts, diverse debtors and legal proceedings.

5.1.10 Instructing attorneys to proceed with legal proceedings;

5.1.11 Appointment of personnel to give effect to the Policy and by-law;

5.1.12 Determining internal control measures;

5.1.13 Monitoring contracts with service-providers in respect of credit control and debt collection.

5.2 The Municipal Manager may delegate any of these responsibilities to the Chief Financial Officer. Delegations do not absolve the Municipal Manager from his responsibility for the implementation of the Policy.

5.3 The Municipal Manager must report monthly to the Mayoral Committee and quarterly to Council on the steps that have been taken in terms of the Policy, as well as the payment levels for the period concerned.

5.4 Although the Municipal Manager shall be responsible for the implementation of the Policy, all municipal officials are co-responsible for supporting and promoting the Credit Control and Debt Collection Policy.

6. ROLE AND RESPONSIBILITIES OF COUNCILLORS

6.1 The role and responsibilities of councillors in respect of the Credit Control and Debt Collection Policy shall be to:

6.1.1 Approve budgets in accordance with the needs of the communities, ratepayers and residents;

6.1.2 Determine rates, service tariffs, levies, fees, fines and interest in order to finance the budget;

6.1.3 Vote sufficient funds to give poor households access to basic services;

6.1.4 Provide for un-collectable debt that is in proportion to the recovery percentage of money payable and owing to Council;

6.1.5 Approve the format of reporting on credit control and debt collection to Council;

6.1.6 Set realistic goals for debt collection every year in consultation with the Chief Financial Officer;

6.1.7 Consider and approve by-laws to give effect to Council policy;

6.1.8 Review and adjust the budget, if collection objectives are not met;

6.1.9 Approve a list of suitably qualified service-providers who can act on behalf of Council in the collection of debt and the legal aspects arising from it;

6.1.10 Make available sufficient capacity for credit control and debt collection in the Municipality's Financial Directorate, or alternatively appoint service-providers for this purpose;

6.1.11 Assist the Municipal Manager in the performance of his duties when requested to do so;

6.1.12 Vote sufficient funds for the appointment and training of credit control personnel;

6.1.13 Monitor the enforcement of the Policy in terms of section 99 of the Municipal Systems Act, 2000 (Act 32 of 2000).

6.2 To ensure the credibility of the Municipality in the enforcement of this Policy, Councillors shall on approval of this Policy undertake not to allow their own municipal accounts to become overdue.

7. DUTIES AND FUNCTIONS OF WARD COUNCILLORS

The duties and functions of Ward Councillors in respect of the Credit Control and Debt Collection Policy shall be to:

7.1 Support Council policies and to inform residents and ratepayers of policies;

7.2 Support and respect the Code of Conduct for Councillors;

7.3 Operate ward committees in terms of the roles and functions as approved by Council;

7.4 Encourage ward committees to promote this Policy and at the same time, to ensure that the Municipality's customer care service is of an acceptable standard.

8. DUTIES AND FUNCTIONS OF COMMUNITIES, RATEPAYERS AND RESIDENTS

The duties and functions of communities, ratepayers and residents shall be to

8.1 Fulfil their responsibilities arising from the privilege and right to make use of public facilities and municipal services;

8.2 Pay the service fees, property rates, levies and charges imposed by the Municipality on or before the due date;

8.3 Comply with the Municipality's mechanisms and processes in the exercising of their rights;

8.4 Allow municipal officials on their premises in the performance of their duties;

8.5 Refrain from tampering with municipal services and property;

8.6 Obey the Municipality's by-laws and other legislation.

9. EXPECTED DEBTORS' PAYMENT LEVELS

9.1 Council shall attempt to ensure that a 100% payment level is achieved and maintained for the current and future financial years in respect of money owing to the Municipality, excluding the balance of monthly accounts payable by indigent cases.

9.2 The longer-term objective shall be a 30 days' debtor turnover, which means that debtors shall be expected to pay their accounts in full within 30 days of the accounts being rendered.

10. ENFORCEMENT OF POLICY

10.1 This Policy shall be applicable in the whole area of jurisdiction of Beaufort West Municipality.

10.2 Council shall reserve the right to differentiate between different categories of consumers, debtors, services and service standards in the enforcement of this Policy, provided that the differentiation does not amount to unfair discrimination.

11. APPLICATION FOR SERVICES AND SERVICE-DELIVERY AGREEMENTS

11.1 Before electricity, water and/or any other municipal services are delivered and before a consumer takes possession of premises, the consumer shall enter into a service-delivery agreement with Council in the prescribed format. The service-delivery agreement shall inter alia stipulate that the consumer agrees that electricity, water and/or any other service, whether provided by prepaid or conventional meter, may be used for credit control and debt collection purposes to recover overdue money.

11.2 All consumers who intend to make use of a municipal service must apply to enter into a service-delivery agreement with the Municipality.

11.3 The service-delivery agreement shall be entered into before any services are provided and before the consumer takes possession of the premises.

11.4 A new service-delivery agreement shall be entered into only if all other money in respect of any other debtor's account of the applicant is paid in full.

11.5 A new service-delivery agreement shall be entered into in respect of premises only if all money in respect of those premises is paid in full. From 1 July 2008 the owner of the premises shall be responsible for ensuring that tenants pay their accounts in full in order to prevent services not being delivered.

11.6 The owner who is responsible for the payment of the rates on premises shall be debited with the metered consumption and other municipal service charges on the premises if municipal services are used on premises where the tenants or occupants fail to enter into a service-delivery agreement for the delivery of such services.

11.7 The service-delivery agreement shall indicate that a tax clearance certificate shall not be issued unless all money owing in respect of the property is paid in full. Outstanding money shall include money owed by the tenants of the property who vacated the property prior to the sale thereof.

11.8 Service-delivery application forms may be obtained from all municipal offices. To ensure that services are available when the property is occupied, application for services must be done at least ten (10) working days before occupation. As soon as the application is approved, a service-delivery agreement shall be entered into and services shall be provided.

11.9 The Municipality shall render the first account after the first meter-reading cycle following on the signing of the service-delivery agreement.

11.10 The services of consumers who use services without a valid agreement shall be cut off and criminal charges may be brought against them.

11.11 The service-delivery agreement shall stipulate the conditions according to which services are delivered, and signatories shall be required to adopt the provisions of the Municipality's Credit Control and Debt Collection Policy, as well as the provisions of the Municipal Systems Act, 2000 (Act 32 of 2000). The service-delivery agreement shall contain the following undertakings by the consumer and Council respectively:

11.11.1 **Undertaking by consumer**

(a) That electricity, water and/or other services, whether provided by prepaid or conventional meter, may be used for credit control purposes to recover all overdue money owing to Council.

(b) That the consumer shall be liable for all collection costs, including administration fees, fines for late payment, legal costs, interest, disconnection and reconnection fees.

(c) That non-receipt of accounts shall not exempt the consumer from his liability for payment of the account or the introduction of credit control processes.

11.11.2 **Undertaking by Council**

(a) That Council shall render accounts to all consumers;

(b) That if a consumer did not receive an account, a copy of the account shall be provided free of charge.

11.12 If an applicant is not the owner of a property where services must be provided, a letter from the owner of the property must be attached to application, indicating that the applicant is the legal occupant of the property. If there is a written lease agreement, a copy of such an agreement must be attached to the application.

11.13 If a consumer fails to enter into a service-delivery agreement with Council, electricity and/or water shall be restricted or cut off until an agreement has been entered into and the required deposit paid. In such cases the consumer shall be liable for estimated amounts.

12. DEPOSITS AND GUARANTEES

12.1 Before the Municipality shall deliver any services to the property every consumer must pay the prescribed deposit on application for the delivery of services. Deposits shall be payable when new consumers sign the service-delivery agreement or when existing consumers move to a new supply address. To ensure that services are available when a consumer occupies a property, deposits must be paid at least five (5) days before occupation of the premises. Council shall not be liable for any loss or damage suffered by the consumer if the consumer fails to comply with this clause.

12.2 Subject to clauses 12.3, 12.4 and 12.5 below, the deposit shall be calculated on the basis of two and half months' (2½) metered consumption plus any other charges for other municipal services or a minimum amount as determined by the Chief Financial Officer from time to time.

12.3 On payment of the deposit referred to in clause 12.2 the Chief Financial Officer may differentiate between different areas to acknowledge the difference in standards of service and use in different areas.

12.4 Three months after the original deposit date the Chief Financial Officer may re-determine deposits for new domestic, commercial and industrial consumers and as a result of this re-determination require an additional deposit from the consumer.

12.5 The Chief Financial Officer may review deposits annually. If the deposit has to be increased as a result of the review, the consumer must immediately pay the deposit. If a consumer's services are restricted or cut off as a result of defaulting or tampering with equipment, his deposit may be increased and shall be payable immediately.

12.6 The consumer shall be informed immediately if his deposit changes as a result of the review referred to in clause 12.5.

12.7 If a consumer's services are cut off twice during any twelve-month period as a result of defaulting, his deposit shall be adjusted in the following month as prescribed in clause 12.5.

12.8 Bank guarantees as deposits shall be accepted from businesses, commercial and industrial consumers only.

13. ACCESS TO PREMISES TO READ AND REPAIR METERS

13.1 In terms of section 101 of the Municipal Systems Act, 2000 (Act 32 of 2000) the occupant, owner or tenant of a property must give access to the property to municipal officials or the Municipality's authorised service-provider in order to read, install or repair meters, or to disconnect or restrict services. The official must be duly authorised and may request access only during reasonable hours.

13.2 If the Municipality is unable to read a meter on any property, the consumption shall be estimated and the account holder debited with the estimated amount.

13.3 If the Municipality's attempts to obtain access to premises to read meters remain unsuccessful, the Chief Financial Officer or person authorised by him may disconnect services to the property.

13.4 Voluntary meter-readings by the consumer

13.2.1 Readings by the consumer shall be permitted, provided that the Municipality shall take a final reading when the consumer moves.

13.2.2 The Municipality shall take meter-readings at least once a year. If a special reading has to be taken, the consumer shall be liable for the cost thereof.

13.2.3 The Chief Financial Officer may cancel the arrangements for voluntary meter-readings if the consumer fails or neglects to provide a reading for two successive months.

14. ACCOUNTS, INVOICING AND PAYMENTS

14.1 Every month the Municipality shall render one consolidated account to consumers for services rendered or available and for rates levied on the property. If the rates are not consolidated for any reason whatsoever, a separate rates account shall be issued. The accounts rendered shall be in accordance with meter-reading cycles or as prescribed by legislation. Meter-readings shall be taken at regular intervals.

14.2 The following particulars shall appear on the account:

- Consumer's name;
- Consumer's account number;
- Consumer's postal address;
- Particulars of the erf where the services are rendered;
- The current as well as the previous meter-readings in respect of metered services;
- The use of estimated consumption for each metered service for the specific period;

- The tariffs applicable to the services;
- The monthly amount owing in respect of rates;
- The property valuation;
- The amount owing in respect of other service charges;
- The amount payable in terms of an instalment agreement that the consumer has entered into with the Municipality, if applicable;
- The total amount owing and payable;
- The amount overdue, if any;
- The final date on which payment should take place (due date);
- The names of the municipal offices and authorised agents where payments can be made;
- A notice that failure to pay on or before the due date may result in the disconnection and/or restriction of services.

14.3 Council shall undertake to mail consolidated accounts to the address specified by the consumer. Not receiving an account does not absolve the consumer from his responsibility to pay the amount owing by the due date. It will also not prevent fines and interest from being imposed, nor the institution of debt collection processes. In the case of an account not being received, the onus shall be on the consumer to obtain a copy of the latest account before the due date, according to the tariff as determined.

14.4 The consumer must notify the Municipality of any change in his address in writing, including an e-mail address and contact details. Notwithstanding the fact that a consumer may not have received an account as a result of not notifying the Municipality of his change of address, he shall remain responsible for payment of the account before the due date. A change of address comes into effect from the date on which the notification is received by the Municipality and an acknowledgement of receipt is issued.

14.5 Accounts must be paid in full on or before the due date as indicated on the account. Failure to comply with this clause shall result in debt collection steps being taken against the consumer. Interest on overdue accounts shall be levied after the due date at a rate as determined by Council from time to time or as prescribed by legislation.

14.6 Mass consumers may be notified at Council's discretion if their accounts are not paid by the due date before debt collection processes are instituted.

14.7 Accounts must be paid at municipal paypoints before closing time for the receipt of money on the due date. Electronic transfers must be received in Council's bank account before closing time for the receipt of money on the due date. Money paid in by agents must be paid as indicated above.

14.8 The following payment methods and paypoints may be used:

(a) Debit orders;
(b) Cash and cheque payments at the municipal offices, SA Post Office, ABSA and EasyPay outlets such as Pick 'n Pay, Checkers, etc;
(c) Electronic transfers directly into the Municipality's bank account;
(d) By mail.

14.9 The consumer must note that any agent used to receive money on behalf of the Municipality is a risk and is used at the consumer's cost. The consumer must also keep in mind the period of time that an agent takes to pay the money to the Municipality.

14.10 The Chief Financial Officer shall allocate all payments and partial payments as prescribed in clause 20.

15. SERVICE MEASUREMENT

15.1 The Municipality may use various types of metering equipment to measure the consumption of services and consumers may be encouraged to convert to preferred metering equipment.

15.2 Defaulters may be requested to convert to another metering system.

15.3 Conventional meters shall be read at regular monthly intervals. If meters cannot be read for any reason whatsoever, consumption may be estimated as prescribed in clause 13.

15.4 It is the consumer's responsibility to ensure access to metering equipment and the consumer shall be liable for costs if satisfactory access is not possible.

15.5 Routine or special maintenance of metering equipment shall be communicated to the consumer beforehand in order to arrange a suitable date and time for maintenance work.

16. PROPERTY VALUATION

All properties shall be valued in terms of the Municipal Rates Act, 2004 (Act 6 of 2004) with the purpose of levying rates on the property.

17. RATES

17.1 Rates shall be levied as prescribed in Council's Rates Policy and shall be indicated on the monthly consolidated account.

17.2 All rates that are not paid by the due date shall in addition to the legal procedures also be subject to the debt collection processes.

18. INTEREST AND OTHER PENALTIES ON OVERDUE PAYMENTS

18.1 Interest and surcharges shall be levied for a full month on overdue accounts, irrespective of when payment was made.

18.2 In addition to the interest and surcharge levied in terms of clause 18.1, the Chief Financial Officer shall be entitled to impose the following fees to recover costs incurred in the debt collection processes:

(a) Fees for the disconnection or restriction of services;
(b) Fees for the reconnection or reinstatement of services;
(c) Costs of notifications and other correspondence to defaulters;
(d) Fines for illegal reconnections;
(e) Fees for dishonoured cheques;
(f) Legal costs.

18.3 Fees not determined by legislation shall be determined by Council annually when the annual budget is considered.

19. AGREEMENT AND ARRANGEMENTS FOR PAYMENT OF OVERDUE ACCOUNTS

19.1 The Chief Financial Officer is authorised to enter into agreements with consumers with overdue accounts to defer payment of the accounts.

19.2 If business accounts become overdue, 50% of the overdue amount must be paid immediately and the balance must be paid together with the current account before the due date in the following month. All future monthly accounts must be paid promptly on or before the due dates. Interest shall be levied on overdue accounts as prescribed in clause 18.

19.3 Domestic consumers with an account that is overdue for **more than three months** shall as on **30 June 2007** qualify for an incentive instalment arrangement, on the following conditions:

19.3.1 On signing the agreement conventional meters shall be replaced with prepaid meters.

19.3.2 The amount overdue shall be transferred to a balance type and the amount shall be "parked".

19.3.3 The instalment shall be levied monthly on the consolidated account.

19.3.4 For each rand paid by the consumer a rand on the arrears shall be written-off.

19.3.5 Monthly accounts must be paid promptly together with the instalment. Failure to promptly pay the monthly account shall result in the instalment arrangement being terminated and services disconnected. No further arrangements shall be made with the consumer.

19.3.6 Businesses do not qualify for such an arrangement.

19.3.7 Consumers qualify for an incentive agreement once only.

19.4 The instalment amount in respect of the incentive account shall be calculated according to the consumer's salary on the following scale:

Income	Instalment per month
1 x state pension	R0,00 (Indigent household)
2 x state pension	R20,00 (Indigent household)
R1 740 – R3 000	R200,00 minimum
R3 000 plus	R350,00 minimum

19.5 If a domestic consumer's account is overdue for **less than three months**, he may enter into a written agreement with the Municipality in the prescribed format to pay off the overdue amount.

19.6 All arrangements for paying in instalments must be in writing.

19.7 Current accounts must be paid promptly every month on or before the due date, which principle shall not be negotiable, except in exceptional cases.

19.8 No interest shall believed on overdue accounts from the date of signing the instalment agreement, provided that instalments are paid promptly as agreed. Should the consumer violate his agreement, interest shall be levied as prescribed in clause 18.

19.9 A consumer may be expected to sign a debit order for the payment of the money overdue.

19.10 The overdue amount plus interest on an account shall be immediately owing and payable if a consumer violates his agreement.

19.11 A consumer who violates an instalment agreement shall not be permitted to again enter into an instalment agreement with the Municipality and his services shall be disconnected. If, however, he immediately brings his payments up to date in accordance with the agreement, his services shall be reinstated.

19.12 The agreement of a consumer who does not comply with his agreement shall be suspended and his services shall be disconnected or restricted. Such a consumer's deposit shall be used against his debt.

19.13 Consumers who wish to enter into an instalment agreement must provide proof of identity before the agreement is confirmed.

19.14 When a close corporation, trust or company enter into an instalment agreement, the signatory must provide written proof that he is indeed authorised to sign the agreement on behalf of the close corporation, trust or company.

19.15 An instalment agreement shall contain all arrangements for paying off the overdue money. A copy of the agreement must be handed to the consumer. The original shall be held by the Chief Financial Officer for record purposes.

19.16 If the consumer is permanently employed, a voluntary remuneration order may be required against his salary.

19.17 If a debt has developed as a result of the implementation of an incorrect levy and/or tariff by Council, the consumer may enter into an instalment agreement to pay off the debt over a maximum period equal to the period during which the incorrect tariffs and/or levies were imposed, or over a period of 12 months, whichever is the shortest.

20. ALLOCATION OF PAYMENTS OR PARTIAL PAYMENTS

20.1 Receipt of the full amount owing shall be allocated to the credit of an account in its entirety. If a consumer makes a partial payment only on his account, the Chief Financial Officer shall allocate the payment in the undermentioned order:

(a) Interest;
(b) Sundry debtors;
(c) House rent and instalments;
(d) Refuse removal;
(e) Sewerage;
(f) Water;
(g) Electricity;
(h) Rates.

20.2 No consumer shall have the right to allocate any payment against any part of an unpaid account.

21. DISHONOURED CHEQUES AND OTHER UNACCEPTABLE CHEQUES OR DEBIT ORDERS

21.1 Refusal by the bank to honour a cheque or debit order shall be regarded as non-payment and the consumer concerned shall be subject to credit control measures.

21.2 The Municipality shall as soon as possible disconnect or restrict electricity and/or water supply to premises if a cheque or debit order presented by the consumer concerned in payment of his account is returned by the bank as a result of the consumer not having sufficient funds in his bank account, or for any reason whatsoever.

21.3 A consumer who has presented a cheque or debit order as referred to in clause 21.2, shall be liable for all administrative and bank costs as determined by Council.

21.4 A consumer may be contacted by telephone if his cheque or debit order is returned by the bank, and requested to pay the amount owing in cash within 24 hours.

21.5 If attempts to contact the consumer fail, his services shall be disconnected or restricted immediately.

21.6 If the consumer has insufficient funds in his bank account to honour a cheque, the Municipality may lay a charge of fraud with the SA Police Services.

21.7 Dishonoured cheques are kept on file and recorded in a register and shall be handed to the consumer only when his account is paid in full.

21.8 If a consumer presents one dishonoured cheque in any twelve-month period, he shall no longer be allowed to pay by cheque, unless it is a bank-guaranteed cheque.

22. ACCOUNT ENQUIRIES, DISPUTES AND APPEALS

22.1 Enquiry clerks at municipal offices may be contacted in connection with account enquiries and the clerks shall also be available to deal with consumers' account enquiries and to assist consumers with the opening and closing of accounts.

22.2 Any resident or consumer may appeal to the Municipal Manager by means of written representations with a proper statement of reasons:

(a) against any amount appearing on his account; and/or

(b) for an extension of any time period within which any outstanding balance must be paid.

22.3 Appeals must be submitted to the Municipal Manager in writing with a proper statement of reasons.

22.4 The Municipal Manager must attempt to investigate the appeal or objection, make a finding thereon, and give feedback to the consumer within ten (10) days.

22.5 If a consumer alleges that any meter, measuring device or service connection is faulty or inaccurate, the Municipal Manager may arrange for the examination and testing of such a meter, measuring device or service connection. If it should appear that the meter, measuring device or service connection is not faulty, or not more than 3% inaccurate, the consumer shall be liable for the costs of the examination and testing of the said meter, measuring device or service connection.

22.6 Any objection or dispute in respect of an amount owing and payable on a consolidated account must be submitted to the Municipal Manager within ten (10) days of the date of the consolidated account. If the objection is not submitted within ten (10) days, the Municipal Manager cannot be bound by the provisions of clause 22.4.

22.7 A consumer who has objected shall not be exempted from his responsibility to make regular payments. If a consumer has appealed against an item or items on his monthly account, no collection actions shall be taken against him on condition that he has paid by the due date an amount equal to the average of the previous three months' balance in respect of the service/services being objected to.

23. UNRESOLVED ENQUIRIES AND OBJECTIONS

If the Municipal Manager cannot resolve the objections or appeals, the said objections or appeals shall with all relevant information be referred to Council for resolution.

24. DISCONNECTION OR RESTRICTION OF SERVICES

24.1 The Municipality shall disconnect or restrict services to consumers whose consolidated accounts are not paid by the due date.

24.2 The Municipality shall not be obliged to send a final reminder or final letter of demand to a consumer whose account is not paid by the due date before the disconnection or restriction of services.

24.3 The warning note on the consolidated account that services may be disconnected or restricted shall be regarded as proper and sufficient notice to consumers that services shall be disconnected or restricted if the account is not paid by the due date.

24.4 If full payment of a consolidated account, including overdue money, is not received by closing time on the due date, the electricity supply and thereafter the water supply may be disconnected or restricted, unless a formal instalment agreement in terms of clause 19 is approved by the Chief Financial Officer.

24.5 Notwithstanding the fact that a consumer has made an acceptable arrangement in terms of clause 19, the Municipality shall not be obliged to effect the reconnection of services on the day on which payment is received or the arrangement was made, but will attempt to reinstate services within three (3) working days, unless it is impossible to do so due to circumstances beyond the Municipality's control.

24.6 When a consumer's account is overdue and/or his service-delivery agreement has been suspended and no instalment agreement has been entered into, Council may at the consumer's cost proceed to recover the overdue money in terms of the procedures prescribed for debt collection in clause 27 of this Policy.

24.7 When a consumer's account is overdue and no instalment agreement has been entered into, and despite whether services to the premises were disconnected or restricted, and whether the service-delivery agreement was terminated, the Municipality may implement the procedures for debt collection as prescribed in clause 27 of this Policy, if the Chief Financial Officer deems it to be in the best interests of Council.

24.8 If a person's life could be at risk if services to a property were disconnected, the Chief Financial Officer may restrict rather than disconnect the services.

25. RECONNECTION OR REINSTATEMENT OF SERVICES THAT HAVE BEEN DISCONNECTED OR RESTRICTED

Services that are disconnected or restricted shall be reinstated or reconnected only when:

(a) The overdue account, including interest levied on the overdue money, is paid in full, or an acceptable instalment agreement for the payment of the overdue money has been approved by the Chief Financial Officer;

(b) A revised or existing service-delivery agreement is reinstated or entered into as envisaged in clause 11 of this Policy;

(c) A cash deposit as determined in clause 12 is paid.

26. PERIOD FOR RECONNECTION OR REINSTATEMENT OF SERVICES

The Municipality shall attempt to reinstate or reconnect services that have been cut off or restricted within three (3) working days after the date on which the conditions stipulated in clause 25 of this Policy have been complied with, unless the Municipality is prevented from doing so by circumstances beyond its control.

27. PROCEDURES FOR DEBT COLLECTION AND WRITING-OFF OF UNCOLLECTABLE DEBT (LEGAL ACTION)

27.1 Immediately after the due date notices shall be sent to consumers with overdue accounts to demand payment of such accounts within seven (7) days, failing which services shall be discontinued. The notice must also indicate that the consumer may within seven (7) days enter into an instalment agreement to pay off the arrears.

27.2 If no payment or partial payment is received and no instalment agreement is entered into within seven (7) days, services shall be disconnected or restricted in accordance with the provisions of clause 24.

27.3 If no payment is received or an instalment agreement is not entered into within fourteen (14) days of the due date, a summons shall be issued and served on the consumer.

27.4 If no payment is received or an instalment agreement is not entered into within twenty one (21) days after the due date, judgement shall be obtained against the debtor and the debtor's moveable assets shall be attached.

27.5 If the debtor has no moveable assets or if the moveable assets are insufficient to cover the debt, an attorney shall be instructed to attach the debtor's fixed assets if he is the owner of the property, which shall be sold in execution.

27.6 The debtor shall be liable for all costs that are incurred in the legal processes to recover the money overdue.

27.7 The legal processes shall be suspended only if the overdue amount plus costs are paid in full.

27.8 The Chief Financial Officer may:

27.8.1 Insist that a debtor who uses a conventional meter should change to a prepaid meter and the debtor shall be liable for the costs of such a change;

27.8.2 Request a remuneration attachment order against a debtor who is permanently employed;

27.8.3 Hold back payment to the suppliers of services and goods to the Municipality, if their accounts are overdue.

27.8.4 Hold back 30% of any prepaid purchase allocated to accounts overdue.

27.9 The Chief Financial Officer shall in terms of section 118 of the Municipal Systems Act, 2000, (Act 32 of 2000) hold back tax clearance certificates if any money and rates in respect of the property are overdue.

27.10 When all the legal remedies and procedures described above have been exhausted, or when it becomes uneconomical to recover the money overdue, it shall be regarded as uncollectable and written-off.

27.11 The Chief Financial Officer must submit a report on uncollectable debt to Council.

27.12 The Mayoral Committee may in terms of its delegated powers approve the writing-off of uncollectable debt, after which a report shall be submitted to the full Council.

27.13 The Chief Financial Officer must as soon as possible after 30 June of every year or as often as requested, submit a list of money written-off to Council.

27.14 Any debtor whose overdue debt is written-off may be listed with the Credit Bureau and in future shall not be permitted to enter into service-delivery agreements with Council.

28. TAMPERING WITH MEASURING DEVICES OR SERVICE CONNECTIONS AND/OR SERVICES THEFT

28.1 The Municipality shall not tolerate theft of or fraud in respect of municipal services and shall regularly inspect the service networks for tampering or irregularities.

28.2 Water and electricity measuring equipment shall remain the property of the Municipality and any person involved in cases of tampering, damage or theft thereof shall be criminally prosecuted.

28.3 Should any tampering with or theft of water or electricity services be identified the electricity and water supply may be terminated by the removal of the electricity supply cable and water pipeline to the premises. In addition to the removal of the supply lines, the consumer's service-delivery agreement shall be suspended.

28.4 If the restrictive flow of water is tampered with or a restrictive device or apparatus is removed, the water supply to the property may be disconnected by the removal of the supply pipeline. In addition to the removal of the pipeline, the consumer's service-delivery agreement may be suspended.

28.5 As soon as the Municipality becomes aware that services that have been disconnected or restricted have been reconnected or repaired irregularly, the necessary steps shall be taken to correct the situation and criminal charges may be laid with the SA Police Services.

28.6 Before services shall be reconnected or reinstated, all outstanding amounts, including all metered consumption since the date of the illegal reconnection or the estimated consumption if reliable meter readings are impossible, must be paid in full together with the prescribed deposit, and a new service-delivery agreement entered into. The receipt of payment shall not exempt the debtor from any legal or criminal proceedings being taken against him.

29. VACANT PREMISES

29.1 Premises shall be regarded as vacant premises when a consumer has terminated his services account for the premises concerned and no new consumer has applied for services on the premises.

29.2 If water and electricity consumption is recorded on vacant premises, the Municipality shall attempt to establish who has used the services. If this is unsuccessful, an account for the consumption shall be sent to the registered owner of the property.

30. TAX CLEARANCE CERTIFICATES

30.1 A tax clearance certificate shall be issued only if all outstanding money in respect of the property concerned is paid in full.

30.2 The Municipality shall require an advance payment equal to four (4) months' average consumption of all services on the premises before a clearance certificate shall be issued.

30.3 The Municipality shall attempt to issue a clearance certificate within five (5) working days of receiving the application.

31. MUNICIPAL PERSONNEL AND COUNCILLORS

The account of a municipal employee or a Councillor may not be overdue for a period of more than three (3) months. After such a period Council shall deduct any overdue money from the salary or allowance of the municipal employee or Councillor in terms of the provisions of the appropriate codes of conduct as set out in the Municipal Systems Act, 2000 (Act 32 of 2000).

32. REPORTING AND PERFORMANCE MEASUREMENT

32.1 The Chief Financial Officer shall report to the Municipal Manager on a monthly basis in an appropriate format to enable the Municipal Manager to report to the Mayoral Committee as supervisory authority as defined in section 99 of the Municipal Systems Act, 2000 (Act 32 of 2000), read with section 100(c).

32.2 If the Chief Financial Officer is of the opinion that the expected income as included in the approved budget will not be realised, the Chief Financial Officer must submit a report together with a full motivation to the Municipal Manager. The Municipal Manager shall immediately request a budget review.

32.3 The Mayoral Committee shall report to Council on a quarterly basis as prescribed in section 99 of the Municipal Systems Act, 2000 (Act 32 of 2000).

33. PUBLICATION OF THE POLICY

33.1 The Municipality shall publish this Policy in the local media for general notification purposes. The Policy shall also be published on Council's website and shall be available at all municipal paypoints.

33.2 Ward Councillors shall address ward committees on the contents of this Policy from time to time.

Municipale Offices
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J. Booysen
Municipal Manager