

DITSOBOTLA LOCAL MUNICIPALITY



COLLECTION POLICY

Financial Year: 2024/2025

Effective date: 1 July 2024

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1. DEFINITIONS

Accounts means the accounts submitted by the municipality to debtors for services rendered, claims submitted, contractual obligations to the municipality and for assessment rates or any other tax levied by the municipality. If such accounts are not paid by the due date indicated on the statements, 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.

Authorized Representative means an employee, agent and/or service provider appointed and authorized by the municipality to act on its behalf.

Bulk Consumers means those consumers of metered services who require high tension electricity and/or more than 500 Kilolitres of water per 30 day cycle.

Chief Financial Officer is the person appointed by Council to administer its financial affairs.

Clients or Customers means:

- consumers and/or debtors with whom a legal relationship is established by either formal agreement for delivery of services by the municipality, or against whom the municipality has a rightful claim: and/or
- Owners of properties within the municipality's jurisdictional area.

Consumers means those residents or other legal entities who make use of electricity, water, sewerage services or refuse removal/city cleansing services.

Council is the Municipal Council of the Ditsobotla Local Municipality.

Credit Control is the limiting of further sales of services by discontinuing service delivery to the premises of consumers/debtors whose accounts are in arrears and facilitating the negotiation for payment in exchange for reconnection of the individually discontinued services.

Debt Collection is the execution of legal procedures against debtors to collect arrears on accounts due to credit control being regularly done but non-payment continuing or due to credit control not being possible for any reason and continued non-payment.

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Debtors include any or all of the following:

- Consumers, as defined above, to whom accounts have been submitted.
- The owners of properties within the municipality's jurisdiction, who are liable for all charges relating to service delivery, unless agreed otherwise, and property tax on their properties, as indicated on the monthly municipal accounts.
- Sundry debtors and rental debtors.

Due date means the date indicated on an account statement by when payment of the amount on the statement is required.

Indigent means a debtor who is poverty stricken and whose whole household has been evaluated in terms of the indigent management process of the municipality and who is registered as being indigent.

Municipal Manager is the person appointed as Municipal Manager in terms of section 82 of the Local Government: Structures Act, 1998. (Act 117 of 1998) and includes any person acting in that position or to whom authority was delegated.

Owner means:

- The person in whose name ownership of the fixed property/land is legally vested;
- In the case where the person in whose name the property is vested, is insolvent or deceased, or is disqualified in terms of any legal action, then the person who is responsible for administration or control of the property as curator, trustee, executor, administrator, legal manager, liquidator, or any other legal representative;
- In cases where the municipality is unable to establish the identity of such person, then the person who is entitled to derive benefit from the property or any buildings thereon or his legally appointed representative;
- In cases of lease agreements entered into in excess of 30 years, then the lessee;
- Regarding:
 - (i) A portion of land allotted on a sectional title plan and which is registered in terms of the Sectional Title Act, 1986 (Act 95 of 1986), without limiting the developer or managing body to the communal property; or
 - (ii) A portion as defined in the Sectional Title Act;
- The person in whose name that portion is registered in terms of a sectional title, including the legally appointed representative of such person.

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- Any legal entity including but not limited to:
 - (i) A company registered in terms of the Companies Act, 1973 (Act 61 of 1973) a trust inter vivos, trust mortis causa, a closed corporation registered in terms of the Close Corporation Act, 1984 (Act 69 of 1984), and any voluntary organisation;
 - (ii) Any provincial or national government department;
 - (iii) Any council or management body established in terms of any legal framework applicable to the Republic of South Africa; and
 - (iv) Any embassy or other foreign entity.

Residential household means a debtor residing on a property for which the tariffs for all the levies for services and rates are domestic tariffs.



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2. OBJECTIVE OF THIS POLICY

It is the aim of the Ditsobotla Local Municipality to implement and manage a system whereby and if possible all its consumers are equipped with prepaid water and electricity meters.

This Policy is made in terms of Sections 95, 96 and 97 of the Municipal Systems Act, 2000 (Act 32 of 2000) and the Ditsobotla Local Municipality Credit Control and Debt Collection By-laws.

“Customer care and Management – sec95

In relation to the levying of rates and other taxes by a municipality and the charging of fees for municipal services, a municipality must, within its financial and administrative capacity-

- (a) Establish a sound customer management system that aims to create a positive and reciprocal relationship between persons liable for these payments and the municipality, and where applicable, a service provider;
- (b) Establish mechanisms for users of services and ratepayers to give feedback to the municipality or other service provider regarding the quality of the services and the performance of the service provider;
- (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 utilized;
- (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 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 Municipal Council;

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- (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 setting accounts or for making prepayments for services.

Debt collection responsibility of municipalities – sec96

A municipality-

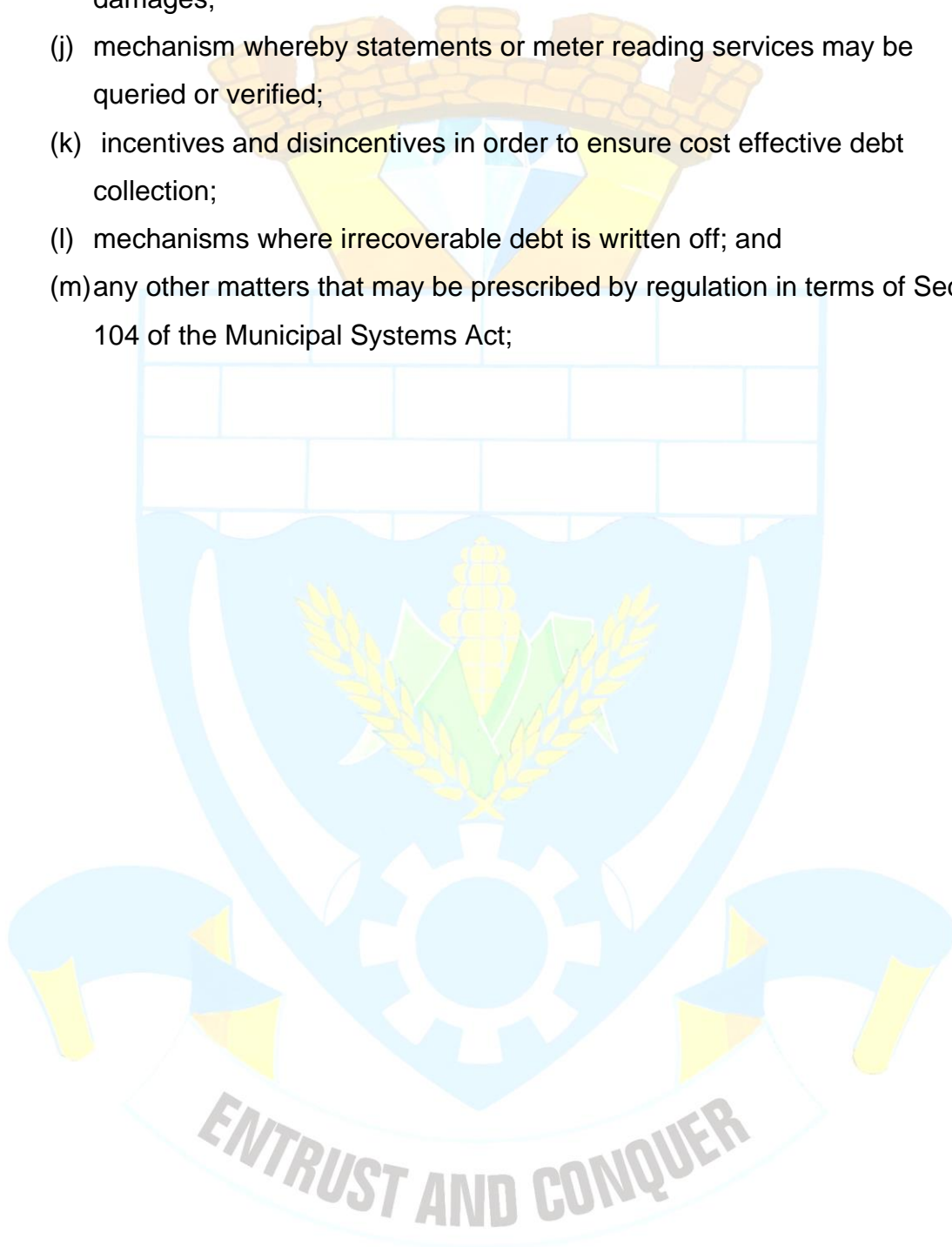
- (a) Must collect all money that is due and payable to it, subject to this Act and any other applicable legislation; and
- (b) For the purpose, must adopt, maintain and implement a credit control and debt collection policy, which is consistent with its rates and tariff policies and complies with the provisions of this Act.

The purpose of this policy is to provide for:

- (a) credit control and debt collection procedures and mechanisms;
- (b) provision for indigent debtors that is consistent with its rates and tariff policies and any national policy on indigents;
- (c) realistic targets consistent with –
 - i. Generally Accepted Municipal Accounting Practice and Collection Ratios; and
 - ii. The estimates of income set in the budget less an acceptable provision for bad debts;
- (d) levying interest on arrears, where appropriate;
- (e) collection charges on the payment of any arrears;
- (f) an extension of time for payment of accounts which is financially acceptable, that will not other circumstances lead to a deficit in the cash flow and the budget of the Municipality;
- (g) dealing with disputes declared in terms of the provisions of section 102(2) of the Municipal Systems Act;

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- (h) termination of services or the restriction of the provision of services when a consumers account is in arrears;
- (i) matters relating to unauthorized consumption of services, theft and damages;
- (j) mechanism whereby statements or meter reading services may be queried or verified;
- (k) incentives and disincentives in order to ensure cost effective debt collection;
- (l) mechanisms where irrecoverable debt is written off; and
- (m) any other matters that may be prescribed by regulation in terms of Section 104 of the Municipal Systems Act;



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3. COMMENCEMENT AND VALIDITY

As envisaged against the afore-mentioned, the policy has been revised to comply with the legislation, as well as the responsibilities and duties of the Ditsbotla Local Municipality. It shall come into full force and effect upon the acceptance hereof by the Council of the Municipality by resolution.

4. CREDIT CONTROL

Credit Control is generally understood in the municipal sector to be those functions that are related to the receipt of payment from debtors, being ratepayers and consumers of various Municipal services. In terms of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000), Credit Control Procedures commences as soon as an account becomes unpaid after a specified due date.

In terms of modern practices, credit control is defined as a measure of a last resort, within the ambit of consumer management approach which focuses on the client's needs in a responsive and responsible manner, the objective being to encourage payment to prevent the need for enforcement.

Consumer Management begins when contact is first made with a new consumer or ratepayer and includes *inter alia* the following aspects:

- (1) The signing of a valid consumers' agreement, the payment of a services' deposit and the verification of the consumer's creditworthiness.
- (2) An accurate metering reading is acquired at fixed intervals so as to prevent any delay between the connection of the service and the issuing of the first statement of payment.
- (3) The issuing of accurate and regular statements in accordance with service tariffs that are approved by the Municipality.
- (4) Engaging in regular communication with the aim of furnishing correct information to all consumers.
- (5) Providing support in terms of the Indigent Policy to persons who are declared as indigent.

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- (6) Maintaining affordable service levels and standards within the approved regulations.
- (7) Various methods of payment by debtors as well as sufficiently convenient payment points are available and communicated to debtors.
- (8) Providing an effective and efficient enquiry system with cash payment facilities.
- (9) Implementing credit control measures that are consistent with the aim to enforce a culture of payment for services.
- (10) The customer is entitled to efficient, effective and reasonable responses to enquiries and the resolution of disputes.
- (11) Incentives and disincentives may be used as part of the debt collection procedures.
- (12) Furnish monthly reports on the performance of revenue collection to the Municipality.

5. GENERAL PRINCIPLES OF CREDIT CONTROL AND DEBT COLLECTION

The principles of credit control must be such that the Municipality can always be in a position to apply this practice under any circumstances.

Comprehensive approach

Policies and legislation should recognize the need for facilities and mechanisms which deal with promoting payment, are to be supported by the reactive actions to enforce payment.

It is for example, equally important to be in a position to disconnect services for non-payment as to provide timely and appropriate accounts.

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Civic rights and obligations

The consumer who does not pay for services and a Municipality which does not strive to make its services more accessible, is also deemed to not be focused on serving the needs of the community.

Support mechanisms are required to address the issue of low income households whilst severe penalties and firm actions are necessary to address defaulters who fail to pay for services for reasons such as theft, damage to property, political persuasion and negligence.

Firm and prompt action against under-performance

Performance is closely aligned to Customer Management and is defined as the rendering of an appropriate account by the municipality for services rendered and payment by the consumer on/or before the specified due date stipulated on the consumer statement.

Failure on either the part of the municipality to create an environment for payment or the customer to meet his or her social responsibility should lead to appropriate discipline.

In the case of non-payment disconnection of services must be carried out promptly.

Cost-effective credit control

All administrative processes related to consumer management and credit control should be cost-effective, efficient and economical.

The implementation of Credit Control Measures must be balanced against a reasonable possibility that outstanding debts will be recovered without any undue cost to the Municipality.

The present practice of executing all available legal steps in order to prove that a debt is not collectable should be reviewed.

Appropriate application of credit control and reasonable discretion

Credit Control actions that only provide for maximum penalties for non-payment should be avoided.

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Entrench right and responsibilities (capacity building)

Appropriate communication with all consumers is of vital importance in a Consumer Management Programme.

Consumers should for example be given the “rules” as part of the signing of a consumer agreement and be informed that it is possible in deserving cases to make certain arrangements for payment.

Written notification of the Municipality’s intention to disconnect services is more in accordance with modern practice than to disconnect services without any prior notification.

Responsibility, performance and reporting

In terms of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000), and the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003), the Municipal Manager is entrusted with the responsibility to implement credit control measures.

The Municipal Manager must report to the Municipality on all relevant aspects, predetermined measures, norms and standards in other words the target for debtors turnover rates, irrecoverable debts, legal actions that are instituted, etc.

Separation of policy-making and execution

In terms of Sections 99 and 100 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000), and the relevant Sections of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003), the implementation, execution and enforcement of the policy must be independent from policy makers so as to ensure absolute accountability.

A clear demarcation must be maintained between political and administrative responsibilities. It is normal practice that the political sphere is responsible to determine policy and set priorities on the one hand and officials are responsible to manage and be held accountable.

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The role of a financial plan

The bedrock of a successful Consumer Management and Credit Control Policy lies on the foundation of Generally Accepted Municipal Accounting Practice and other financial policies that are specifically relative to municipalities.

The underlying financial policy must include inter alia the following issues:

Tariffs

Tariffs should recover the associated costs in rendering services to customer. Tariffs must be uniformly and fairly applied to recover costs.

Reserving levels, solvency and liquidity

Appropriate reserving levels for working capital or doubtful debts should form part of the financial plan.

Each component of net current assets should be supported by performance targets such as debtor's turnover rate and creditor's payment period.

The Treasury and Budget Office must submit quarterly reports to the municipality on the value of bad debts that have been written off.

Funding of capital projects and external loans

Maximum levels of capital expenditure, interest and redemption and external loans must also be addressed in a local finance plan.

Customer focus

A number of broad principles and guidelines have been set and with this background herewith follows the specifics in this regard.

Services agreement

All new consumers are required to conclude a service agreement with the Municipality before services can be provided. The services will be provided to consumers who have applied by way of the official application form for such services to be provided to the said premises indicated on the application form and whose application was approved by the Municipality.

The approval of the application by the Municipality will constitute a service agreement between the Municipality and the consumer, and constitute the opening of the account for the consumer. Once a consumer's application is approved, the consumer becomes a customer. These consumers must however meet certain requirements as stipulated below.

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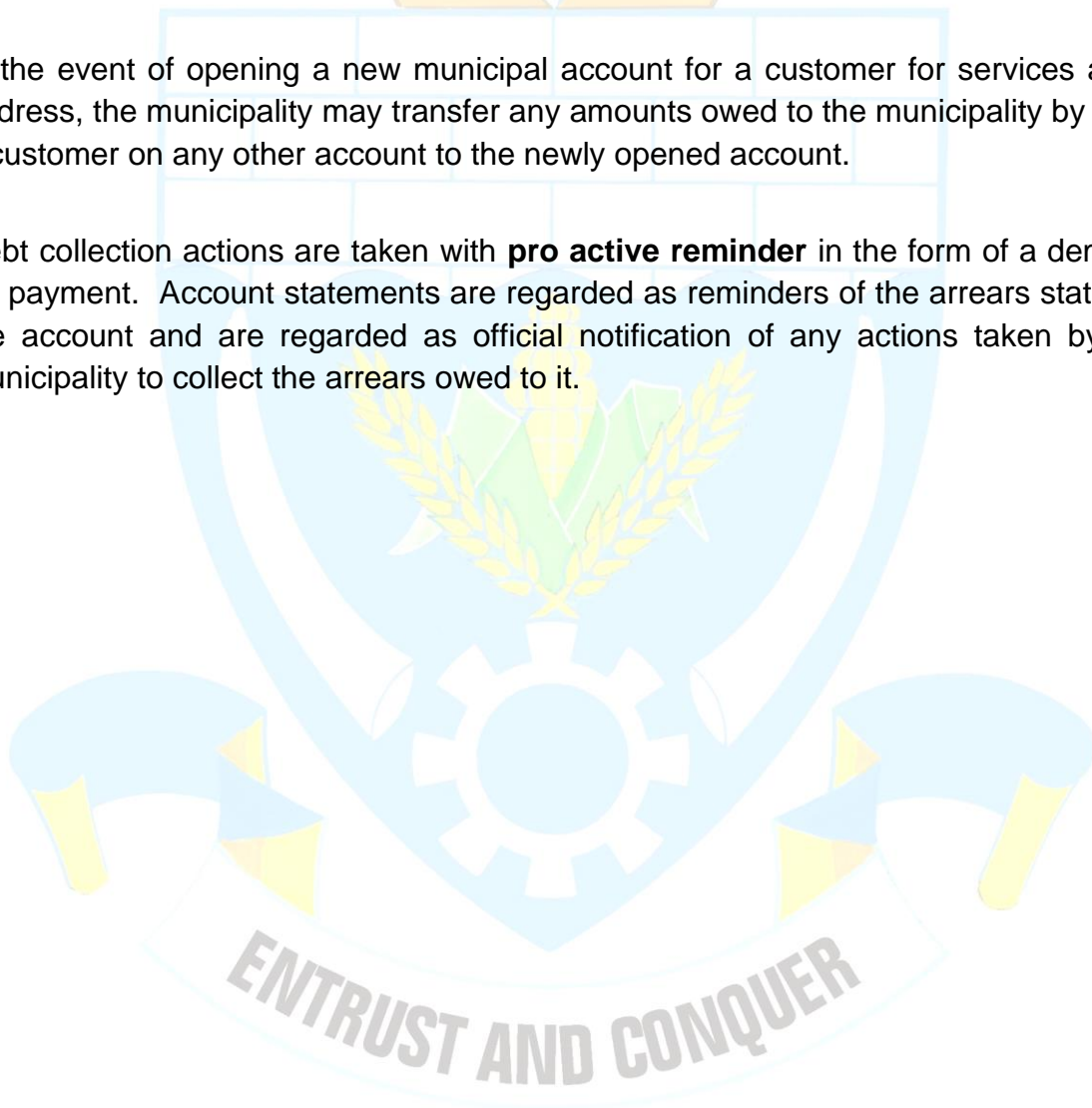
Accounts to tenants of property owners by exception only

Bulk consumers, who rent properties and by exception are to be billed separately by the municipality for metered municipal services, must enter into a service agreement to have access to these services. The municipality will only approve such agreement upon a written consent of the registered owner of the property.

No service agreement is valid without the written consent and personal identification of the registered owner of the property or his/her/its appointed agent and such agreement shall only be entered into if the account of the owner of such a property has no arrears history and is regularly paid up to date.

In the event of opening a new municipal account for a customer for services at an address, the municipality may transfer any amounts owed to the municipality by such a customer on any other account to the newly opened account.

Debt collection actions are taken with **pro active reminder** in the form of a demand for payment. Account statements are regarded as reminders of the arrears status of the account and are regarded as official notification of any actions taken by the municipality to collect the arrears owed to it.



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6. ACCOUNTS ADMINISTRATION

6.1. Deposits

At the time of registration as a customer a deposit will be required based on the criteria set out in this policy read with the Tariff Schedule, before municipal services will be provided by the Municipality.

The amount of the deposit payable by a customer shall be determined by the Municipality and will be set out in the Tariff Policy and Tariff Schedule of the Municipality.

Each applicant for a supply of services shall, before such service is provided, pay a deposit to the municipality, a sum of money on the basis of the cost of the maximum consumption of electricity and water which the applicant is likely to use during any two consecutive months. This is undertaken, provided that such sum shall not be less than is prescribed in the tariff.

The deposit shall be used as security for payment of any amount that may become due by the applicant to the municipality for, or in respect of, the supply of water and electricity

Consumers who are not in a position to pay the required deposit at once will be allowed to pay off the deposit over a maximum period of three (3) months.

Should it come to the attention of the Municipality that any consumer of water and electricity has failed to enter into the prescribed consumer's agreement with the Municipality. Such consumer be warned in writing to, within five (5) working days from date of such notice, enter into a consumer's agreement with the Municipality, failing which the electricity and or water supply shall be terminated without any further notice.

On termination of the supply of services the amount of the deposit less any payment due to the Municipality will be refunded to an account holder, provided that payments due are less than the deposit paid.

Deposits that are paid will **only** be refunded at the closure of the account. This will only be done when all amounts that are due to the municipality at such a date is settled in full

No interest will be paid on any deposit held by the municipality

The deposits shall be reviewed and increased annually with the review of the tariffs

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Any sum of deposit by or on behalf of a consumer shall, on being claimed, be refunded within ninety(90) days after the termination of the consumer's agreement after deducting any amount due by the consumer to the Municipality.

6.2. Other requirements

Consumers

- (i) To produce a valid form of identification;
- (ii) To agree that an ITC check will be done on his/her credit record and, depending on the result thereof, an additional/higher deposit may be required to be paid, depending on the associated risk.

Section 118 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000), stipulates as follows:

“Restraint on transfer of property”

Section 118

- (1) A Registrar of Deeds or other registration officer of immovable property may not register the transfer of property except on production in that registration officer of a prescribed certificate –
 - (a) Issued by the Municipality in which that property is situated; and
 - (b) which certifies that all amounts due in connection with the said property for municipal service fees, surcharges on fees, property rates and other municipal taxes, levies and duties during the two (2) years preceding the date of application for the certificate have been fully paid.
- (2) In the case of the transfer of immovable property by a trustee of an insolvent estate, the provisions of this section are subject to Section 89 of the Insolvency Act, 1936 (Act 24 of 1936).
- (3) An amount due for municipal service fees, surcharges on fees, property rate and other municipal taxes, levies and duties is a charge upon the property in connection with which the amount is owing and enjoys preference over any mortgage bond registered against the property.”

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As a result, the following actions will become necessary:

- (1) The owner or authorized agent must give written consent prior to services being rendered to a tenant.
- (2) The owner upon request will be notified of any arrears in respect of the tenants account and who will be responsible for payment to the Municipality. The consumers account will be in respect of electricity, water, sewerage, refuse, etc.

6.3 Consolidated Accounts

All municipal arrears are in terms of section 118 of Act 32 of 2000 (Municipal Systems Act, Act 32 of 2000) a preferential liability against the property, hence property owners are primarily responsible for all charges in connection with their properties and a single consolidated municipal account will be submitted for each property. The municipality recognises the owners of properties within its jurisdiction as key partners in the sense that services are delivered to their properties beneficial to the residential or commercial value of the property to the primary benefit of the property owner. For the reason, metered services consumed at a property will be billed to the owner of the property to which the service connection is registered.

In cases of those properties with multiple consumers, each such consumer being separately metered by the municipality for electricity and/or water consumption, separate accounts will be processed to the property owner for each metering point on the property.

Owners will for each property received understandable and accurate invoices from the municipality, which will consolidate all levies relating to that property.

Accounts will be submitted monthly to the address last recorded with the Municipality and due dates will be indicated on each statement.

6.4 Administration procedure when accounts are in arrears (how to render such accounts)

In case of an owner's property tax account being in arrears and all levies not consolidated on such an account (i.e. tenants have a separate services account) the tenant account will be closed and a security deposit plus all future levies for services will be debited on the owner's account, as intended in item 6.3 above. This will ensure that the municipality can utilise its full connection procedure to collect all arrears relating to the property.

Customers who are not owners of the property where they consumed services and who still owe an amount on their closed accounts are inactive debtors. After the submission of a second unpaid account statement to their latest known postal addresses, they will be handed over for legal collection action. Limited collection actions (i.e. Final Letter of Demand) are applied for inactive accounts smaller than R1,000 due to the cost benefit ratio of such cases. In all cases where the legal collection action against these inactive debtors are proven to be unsuccessful, such arrear amounts will be transferred to the account of the owner of the property to comply with section 118 of Act 32 of 2000 (Municipal Systems Act, Act 32 of 2000).

Refusal by banks to honour payments by debit order (returned payments) is regarded as non-payment by the relevant debtor.

- In the event of a customer's bank not honouring payment made by debit order, the Municipality:
 - (a) Will cancel the corresponding receipt transaction on the customer's municipal account and will recover the related bank charges and administration expenditure by debiting the account of the customer with a dishonoured payment fee as determined by Council from time to time.
 - (b) Shall regard such an event as default on payment;
 - (c) May place the matter on the national adverse credit listing;
 - (d) May institute legal action which may include criminal charges against the offender.

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

Whilst other types of consumers who are in default and whose water supply is to be restricted will be completely deprived of the service, the water supply to properties with defaulting residential accounts will not be completely discontinued, but rather be restricted to decrease consumption.

Indigency is recognised as a social phenomenon in the residential category, which is dealt with in a separate policy.

All notifications served to the domicile of debtors state the reason/s for actions taken and supply information as to how they can take corrective action to normalise the situation.

If it is necessary to disconnect any service in terms of this Policy, any free units of that service which may normally be available in terms of the municipality's tariffs for service delivery, will not be available for as long as that service is to remain disconnected.



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6.3 Settlement offers by debtors for full and final payment of arrear amounts.

Where an account is not settled in full, any lesser amount tendered and accepted shall not be deemed to be in full and final settlement of such an account.

Any part payment of an outstanding amount in full and final settlement will only be valid once the written acceptance of the Chief Financial Officer has been obtained.

Part payments in full and final settlement can be considered and granted by the Chief Financial Officer subject to the following conditions:

- The arrear interest levied on the account, or a portion thereof, can be granted as a credit(discount) against such an account, if it is in the best financial interest of the municipality. Such a credit will be funded from the municipality's provision for bad debt.
- Out of Court partial payment offers in settlement of debt for which legal action for collection is pending can be accepted by the Chief Financial Officer if the merits of the case are of such a nature that the municipality's Legal Counsel regards it as being risky and in the best interest of the municipality to accept the negotiated offer. The shortfall after receipt of the negotiated amount will be credited on the relevant debtor account and such credit will be funded from the municipality's provision for bad debt

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7. PAYMENT TERMS

Normal terms

All consumers are required to effect payment of their rates and services accounts on or before the 15th of each month.

The Municipality may in terms of section 75A of the Systems Act charge interest on arrears at the interest rate determined by the Council annually together with other service tariffs.

Current levies not paid by the indicated due date are in arrears and all debtors with arrears are subject to credit control and debt collection actions. The right of access to services, and consumption thereof, can only be exercised by debtors who are not in arrears on their municipal accounts or who have arranged to pay their arrears in terms of this Policy.

Interest on arrear municipal debt in excess of 30 days is levied monthly at the South African Reserve Bank prime overdraft rate. Interest levied but not paid is included in the arrear amount of such debtor. Due to value added tax not being a municipal debt, no interest is charged on arrear value added tax. The municipality pays value added tax to the South African Revenue Services only after it has been collected successfully from debtors. Interest on arrangements for the payment of arrears in monthly instalments will be calculated on the monthly reduced balance of the arrears.

Payments received by the municipality from its debtors, whether specified or not, will in terms of section 102 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) be allocated on the relevant debtor accounts at the discretion of the municipality against any amount owed by such a debtor to the municipality.

Prepaid electricity will be sold to consumers whose services and rates accounts are paid up to date or who comply with the approved arrangements.

There must be no exceptions for officials and Councilors in the manner in which they will be treated for the payment of municipal services from that of the general consumers of municipal services in Ditsobotla. The provision of the Credit Control Policy will be applied equally to all consumers. The option to initiate a monthly debit order from his/her salary will be the responsibility of the said official and Councilor.

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Councilors and Officials accounts

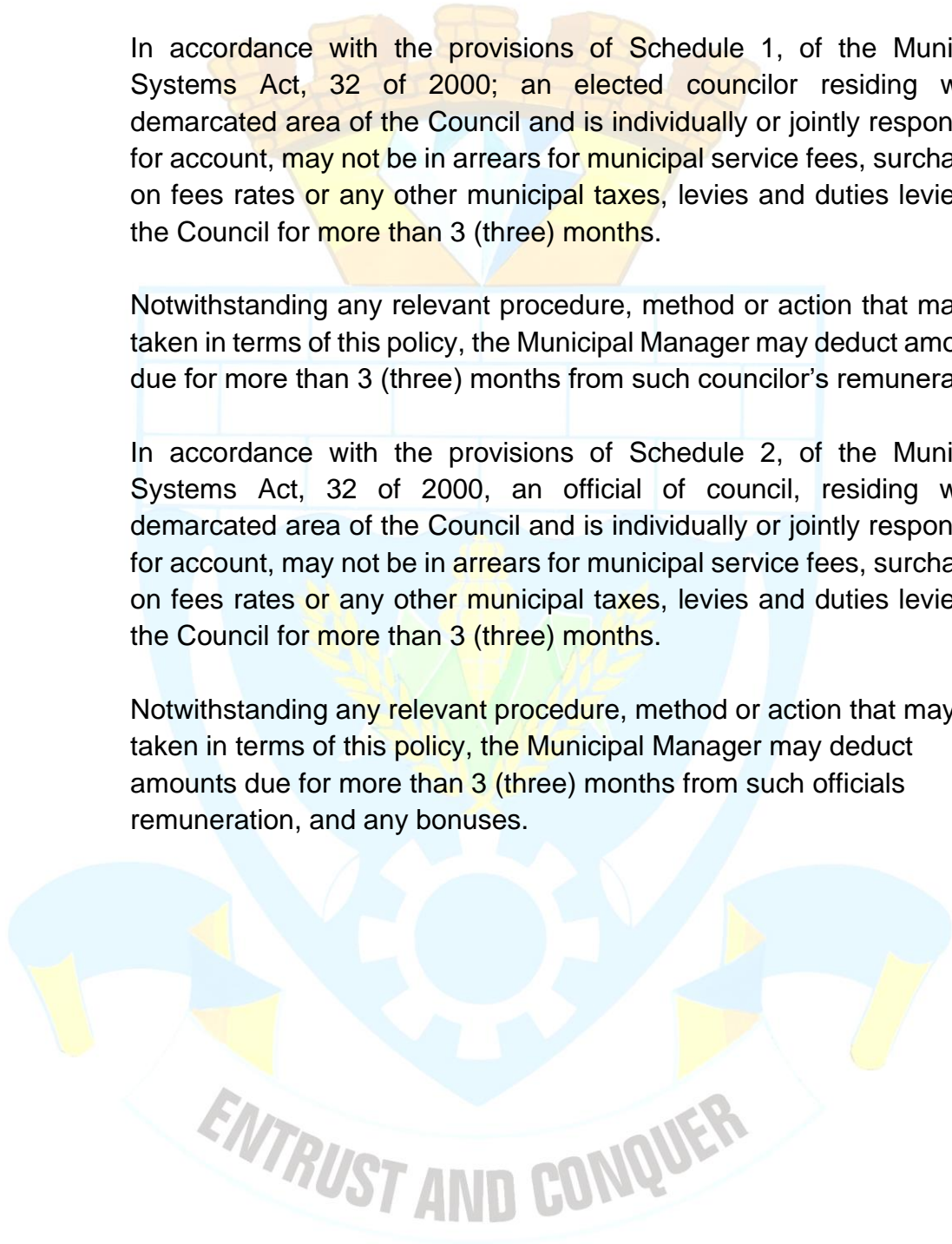
Officials and Councilors have to comply with the stipulations of the Code of Conduct as specified in the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000), regarding payment of municipal accounts.

In accordance with the provisions of Schedule 1, of the Municipal Systems Act, 32 of 2000; an elected councilor residing within demarcated area of the Council and is individually or jointly responsible for account, may not be in arrears for municipal service fees, surcharges on fees rates or any other municipal taxes, levies and duties levied by the Council for more than 3 (three) months.

Notwithstanding any relevant procedure, method or action that may be taken in terms of this policy, the Municipal Manager may deduct amounts due for more than 3 (three) months from such councilor's remuneration.

In accordance with the provisions of Schedule 2, of the Municipal Systems Act, 32 of 2000, an official of council, residing within demarcated area of the Council and is individually or jointly responsible for account, may not be in arrears for municipal service fees, surcharges on fees rates or any other municipal taxes, levies and duties levied by the Council for more than 3 (three) months.

Notwithstanding any relevant procedure, method or action that may be taken in terms of this policy, the Municipal Manager may deduct amounts due for more than 3 (three) months from such officials remuneration, and any bonuses.



8. CREDIT CONTROL MEASURES

The following measures are applicable to those properties with arrear accounts for municipal charges, tariffs and/or levies, to which properties either water or electricity or both of these services are supplied by or via the municipality:

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 property. This reminder clearly states that a period of 14 days is allowed for payment or arrangement for payment, in the absence of which, will be construed as acknowledgement of debt and service delivery to the property will be restricted. The account of the debtor is debited with the cost of such a reminder at the approved tariff of the municipality.

Where prepayment type meters for the vending of services are installed, either a block will be placed on further vending of those services to consumers whose municipal accounts are in arrears or the prepaid services will be restricted or discontinued. The reason for blocking will be given to the individual consumer at the municipal vending station or pay point or alternatively, the abovementioned reminder notice will be left at the property.

Electricity disconnection (level 1) and water restriction

In the absence of reaction on the 14 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.

In the absence of reaction to the disconnection of electricity within 14 days, in cases where the debtor has a consolidated account including water consumption levies, a disconnection (restriction for residential consumers) 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.

In the absence of reaction on the 14 day reminder, in cases where the debtor has an account for water consumption levies but not for electricity, a disconnection (restriction for residential consumers) of water is carried out at the consumption address after a period of 14 days, 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.

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Electricity disconnection (level 2) and water restriction

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 connected, 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.

In cases where the debtor has a consolidated account that includes water consumption levies, the water supply is also disconnected (restricted for residential consumers) together with the level 1 electricity cut-off inspection 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

Illegal reconnection tampering¹ of electricity

If consecutive follow-up actions due to no reaction by the consumer/debtor reveal that illegal consumption of the service occurred or a disconnection has been tampered with, the service connection is removed and the account of the debtor is debited with the cost of the removal as well as the cost of reconnecting the service later on at the approved tariff of the municipality.

Any person who is illegally connected to municipal services, tampers with the meters, the reticulation network or any other equipment of the Municipality for the provision of municipal services, and/or any person who commits any unauthorised activity, theft of, or damage to any infrastructure or equipment of the Municipality will be prosecuted.

The provision of municipal services to any premises, and/or consumer, will be terminated immediately upon the Municipality becoming aware of any unauthorised activity in respect thereof as contemplated in this policy

The owner of property will be held liable and fined for any unauthorised activity committed by an occupier of such property.

¹ Section 97(h) of the Local Government : Municipal Systems Act, 2000 (Act 32 of 2000) provides that a customer care, credit control and debt collection policy must provide for matters relating to unauthorised consumption of services theft and damages.

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In the event of any unauthorised activity, the Municipality shall have the right to recover an amount based on estimated consumption as provided for in this policy.

Illegal reconnection/tampering of water

The water disconnection/restriction is monitored and followed up in cases of absence of reaction by the consumer/debtor to ensure that the disconnection/restriction is not tampered with. Interference with disconnections at water services points of **non residential household** consumers will lead to the removal of such a service connection.

Any first time discovery of tampering with a restriction device or service connection at the address of a **residential household** consumer leads to restriction of the water supply to a flow rate of 12 000 litres for a 30 day period. Any tampering after such a restriction will lead to the prosecution of the debtor.

The owner of property will be held liable and fined for any unauthorised activity committed by an occupier of such property.

In the event of any unauthorised activity, the Municipality shall have the right to recover an amount based on estimated consumption as provided for in this policy.

9. DEBT COLLECTION

LEGAL STEPS are taken to collect arrears in the following cases:

- any inactive or sundry or housing accounts;
- all accounts handed over after the indigents process and completed initial credit control cycle had no impact on the arrears, with the understanding that credit control and revenue protection follow up will continue to ensure service delivery discontinuation until such time that payment arrangements are made;
- all arrear accounts handed over due to credit control not being possible on the property as a result of services not being rendered to the property.

A pre-investigation into the account and debtor detail is carried out to ensure that the data of the account is correct before account is flagged and handed over for debt collection.

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In case of officials and councillors of the municipality, arrears on their municipal accounts may be collected from their salaries or allowances.

Legal expenses for the issuing and delivery of summonses are to be recovered by debt collectors directly from the debtor. If debtors react on the summonses received within 5 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 complies with the agreed monthly payment.

Summonses not reacted upon within the 5 working days window period are referred to the local Magistrates Courts by the debt collectors, who have jurisdiction in these Courts. After legal steps were taken in terms of chapter 4 of the National Credit Act, 2005 (Act 34 of 2005) default judgements and warrants of execution are obtained and the relevant debtor is automatically also blacklisted at the major credit bureaus. A notice of the default judgement is posted to the debtor by registered mail.

All the legal expenses associated with these processes are to be recovered by debt collectors directly from the debtor.

Default judgements not reacted upon within a further 10 working days give rise to activation of the warrants of execution, which can either order execution by selling the 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 or an emoluments attachment order to recover the debt. A garnishee order will be signed simultaneously with an agreement to pay arrears in monthly instalments. Failure to comply with the agreement will lead to an immediate Court approval to be obtained to continue with the garnishee order.

All the legal expenses associated with these processes are to be recovered by debt collectors directly from the debtor.

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The process for debt collection of any portion or category of the debtor book may be outsourced to collection agents by the Chief Financial Officer. The following core principles will apply to such outsourcing agreements:

- The municipality will select the debtors which are to be handed over to the debt collectors.
- The “no success – no fee” principle will be applied to commission of debt collectors, but any legal cost arising from actions to collect arrears will be recoverable by the debt collector directly from the debtor.
- The fee on success will be procured between the municipality and prospective debt collectors.
- Any debtor selected and handed over to a debt collector may be retracted from debt collectors if no progress is made to recover the debt within a period agreed upon by both parties and at no additional cost to the Council.
- Complete case records will be kept of all cases handed over and these records will be accessible by the Municipality. Upon termination of service delivery to the municipality for whatever reason, these records will become the property of the municipality.
- Only cash or a bank guaranteed cheque for settlement of the full outstanding balance reflected on the debtor’s latest account shall be deemed acceptable payment before a customer’s particulars may be removed from any adverse credit listing. In the case of default judgements obtained against arrear debtors, such debtors shall at their own cost appoint an attorney to set aside the judgement, after acceptable payment has been received.

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10. IRRECOVERABLE DEBT AND WRITE OFFS

The main purpose of writing off bad debts is to ensure:

- (a) consistency in writing off bad debts;
- (b) proper authorisation at appropriate levels for write offs;
- (c) efficient and effective debt collection.

Whilst the Municipal Manager must ensure that arrear debt owed by the municipality's debtors is collected, sufficient provision must also be made to manage and write off bad debt.

Debt collection procedures may be terminated under the following circumstances:

- An amount being too low to justify further recovery cost.
- Debt that has, through the legal process, been proven as being prescribed.
- All reasonable notifications and legal actions to recover the outstanding amount are fruitless.
- The amount outstanding is the residue after payment of a dividend in the rand from an insolvent estate.
- It is impossible to prove the debt due to insufficient information on the account.
- The outstanding amount cannot be recovered due to an administrative error by the municipality.
- Arrears on active accounts that have been returned from the debt collectors and proven to be uncollectable will be regarded as irrecoverable and credited against those debtors' accounts

The schedules setting out the debt and the reasons for abandonment or write off must accompany a report by the Chief Financial Officer to the Municipal Manager to motivate and request approval by Council.

The Mayoral Committee will consider writing off bad debts and make recommendations to Council for approval to write off the bad debts.

11. ESTATES ACCOUNTS COLLECTION

Estates with Legal Status:

The accounts of debtors who are declared as insolvent, under administration or deceased are flagged on the debtor system and handed over for debt collection to be dealt with according to normal legal practices by the debt collectors.

The Chief Financial Officer must submit unsuccessful claims to the Municipal Manager for approval to be written off.

Estates without formalised Legal Status:

In numerous cases the head of a household has died without leaving a will indicating to whom ownership of the family residence is to be transferred upon the event of his/her death OR the owner of the property has abandoned his/her family to fend for themselves. As these exceptions are not provided for in the normal legal practice, the following process will be followed in such cases:

- The remaining family must report the situation to the municipality's collection office, who will require the relevant documentation to be obtained by the family i.e. a death certificate and an order of the local Magistrate allocating right of ownership to someone of the surviving family in the case of a deceased estate OR an order of the local Magistrate allocating right of ownership to someone in the abandoned family.
- In all of these cases, extension for the payment of the arrears as at the date of notification will be given by the debt collectors of the Finance department, disconnected electricity will be reconnected and the remaining family will be expected to pay all amounts levied on monthly current accounts in excess of the amount of the extension until such time as the matter has been finalised. This will prevent any further service restrictions or collection actions at the residence whilst the family are in the process of legalising ownership of the property.
- As soon as ownership has been officially allocated by the Magistrate, the documentation must be presented to the municipality's collection office, who will then change the name of the account to that of the new owner. They will also encourage the new owner to make an arrangement for the payment of the arrears to prevent credit control and collection action from being taken by the municipality. Alternatively, if the family qualifies to be registered for assistance in terms of the municipality's policy on indigency,

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they can apply for it and after registration their arrears can be dealt with in terms of that policy.

The Chief Financial Officer must submit unsuccessful claims to the Municipal Manager for approval to be written off.

12. CLEARANCE CERTIFICATES

Before ownership of any fixed property (land) can be officially transferred from one owner to another, all outstanding amounts associated with the relevant property are payable. The Chief Financial Officer can only certify that there are no municipal arrears after these amounts have been paid into the municipal accounts of the relevant properties. No transfer of ownership will be processed at the deeds office without such a certificate.

If the seller insists on paying outstanding debt only for the last 2 years for the purposes of obtaining a clearance certificate in terms of section 118 (1) of the Municipal Systems Act the following shall apply:

After receipt of the payment the clearance certificate will be issued to the seller.

The historical debt will be immediately handed over for legal collection (legal action against seller, i.e. person who accumulated the debt).

13. APPROVAL OF BUILDING PLANS

Before any building plans pertaining to the alteration, improvement or erection of buildings or structures on a property can be considered for approval or any permission to proceed with such construction can be given, all arrears associated with the relevant property are to be paid.

14. SUPPLIERS OF GOODS AND SERVICES TO THE MUNICIPALITY

All suppliers of goods and services to the municipality are required to provide proof that all their accounts are paid in full upon application for registration as vendors and every six months thereafter.

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15. CLIENT CARE

Account query

Account query refers to the instance when a customer queries any specific amount or any content contained in any account as rendered by the municipality;

Queries can be raised verbally or in writing

The customer must furnish full personal and/or business particulars, the relevant account number, direct contact number, addresses and any other relevant particulars required by municipality.

Customers may be represented by a duly appointed nominee or agent, and such nominee or agent shall produce sufficient proof of such appointment signed by both the account holder/property owner and the appointed agent or nominee.

Clients may lodge the query on the accuracy of accounts at the Customer Care facilities of the municipality. Whilst such an appeal is not solved, no credit control measures are taken for that amount. Other levies on the account, which do not form part of such an appeal, are however still payable and is not included in the extension for payment.

In the interim the customer must pay the average of the last three months account where history of the account is available. Where no such history is available the consumer is to pay an estimate provided by the Municipality before payment due date until the matter is resolved. The relevant department will give a written acknowledgement of receipt of the appeal, investigate the matter and inform the consumer in writing of the outcome of the investigation within fourteen (14) days. Any adjustments to the customer's account will be done within a reasonable time.

Failure to make interim payment or payments will lead to credit control actions against the customer.

The decision and explanation of the authorised official of the municipality, regarding an account query is final. Continued non-payment after the consumer is provided with the outcome of the account query will result in the

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immediate implementation of credit control and debt collection actions provided for in this policy.

Should a customer not be satisfied with the outcome of the query, a customer may lodge an appeal in terms of section 62, as read with section 95 (f), of the Municipal Systems Act.

Dispute as to amount owing

A customer may lodge an appeal in terms of section 62, as read with section 95 (f), of the Local Government: Municipal Systems Act 32 of 2000.

Customers are required to furnish in writing full personal particulars including acceptable means of identification, contact details and account number in respect of which any amount owing is being disputed.

The dispute must be recorded in a dispute register.

Only disputes lodged by registered account holder will be considered.

Customers may be represented by a duly appointed nominee or agent, and such nominee or agent shall upon request produce sufficient proof of such appointment.

Should any written dispute arise as to the amount owing on the account in respect of all services by a customer, the customer shall, pending the resolution and outcome of that dispute, continue to make regular minimum payments based on the average charges for the preceding three (3) months prior to the dispute arising, plus interest, until the resolution of that dispute.

Should any written dispute arise as to the amount owing on part of the account or service by a customer, the customer shall, pending the resolution and outcome of that dispute, continue to make regular payments on services that are not in dispute plus the average charges for the preceding twelve months prior to the dispute arising in respect of remaining part of account or disputed service until the resolution of that dispute.

The dispute must be resolved within a period of three (3) months of lodging of dispute.

All disputes must be concluded by the Municipal Manager or delegated official

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The delegated official's decision shall be final and will result in the immediate implementation of any debt collection and credit control measures provided for in this Policy, after the debtor is provided with the outcome of the appeal.

The same debt will not again be defined as a dispute in terms of this paragraph and will not be reconsidered as the subject of a dispute.

Should the debtor not be satisfied with the outcome of the dispute, a debtor may lodge an appeal in terms of section 62 of the Systems Act and the appeal will be dealt with by the municipality in terms of said legislation

Arrear Accounts

The following arrangements for arrears payment can be made at the Finance Department's Debt Collection and Credit Control Sections to either prevent debt collection measures or to normalise service delivery (reconnect) after credit control actions were instituted:

Full settlement of the amount for which action was taken, or

Partial settlement of preferably 60% of the arrear amount, but no less than the sum total of the last month's current levies and entering into an arrangement contract with the Chief Financial Officer or authorised official for payment of the balance in equal monthly instalments over a period not exceeding 6 months.

The monthly payment period can in cases of special merit be extended beyond 6 months to not more than 12 months at the discretion of the Chief Financial Officer. The extension period must reflect a balance between the municipality's best financial interest and the client's quest for affordability.

Residential household debtors who have not honoured the 12 months arrangements due to not being able to pay the monthly instalment as well as the service consumption account, can apply to repay their arrears over a period not exceeding 24 months to make a more affordable arrangement. This arrangement will be regarded as a final agreement and must be adhered to, i.e. must be paid monthly together with the current account. The arrangement will immediately be cancelled if the debtor defaults.

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The discretion of the Chief Financial Officer is exercised within the following parameters:

- If no partial settlement is possible immediately, it can be extended to the end of that month or included in the monthly repayment contract.
- Extension for normal full payment of a current account which has no arrear balance can be made until the end of a month or the next salary payment date of an employed client.
- Monthly repayment contracts can be made interest free under the following circumstances:
 - For a residential household debtor on a property with a total municipal valuation of R150 000 or lower.
 - If a debtor/consumer never received an account due to an incorrect postal address as a result of an administrative error by the Municipality.
 - If a financial correction to a residential household account is made for any reason and the debtor requests an arrangement for payment of the debit.

Breaching of repayment contracts is regarded as a violation of this policy and will lead to renewed disconnection of services as well as legal procedure for the collection of the arrears.

In instances of such contract breach, services can only be reconnected and legal procedures be put in abeyance after the reinstatement of the contract by payment of all repayment instalments in arrears and the unpaid current accounts.

In cases where the reinstatement of a breached contract is not possible, new repayment contracts can be considered due to unforeseen financial and personal circumstances of the debtor. In such cases, the Finance Department's Credit Control Section will advise the debtor/consumer to save on the current levies by either curbing consumption or by requesting certain services to be discontinued or restricted for an agreed period of time. By so doing, the repayment of the arrears together with the current account is made more affordable.

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16. RECONNECTION OF SERVICES

Where services are disconnected as a result of the application of this policy, these services can only be reconnected under the following circumstances:

Water supply disconnected for non-payment by non-residential debtors can only be normalised after either receipt of the amount in arrears or conclusion of a settlement arrangement for payment of the arrears in terms of this Policy.

Water supply which has been restricted due to non-payment by residential debtors will be normalised after either full payment of the arrears, or upon receipt of an appeal for normalisation due to the arrangement made to pay the arrears. The Chief Financial Officer will receive and evaluate each such an appeal against the arrangement default history of the customer before instructing the normalisation of the restricted service.

Water supply to non-residential debtors, which has been disconnected due to tampering can only be normalised if the debtor has arranged to pay the arrear account in terms of this Policy, has in writing undertaken not to tamper or allow further tampering on the water installation and has paid the required fee for restoring the service connection.

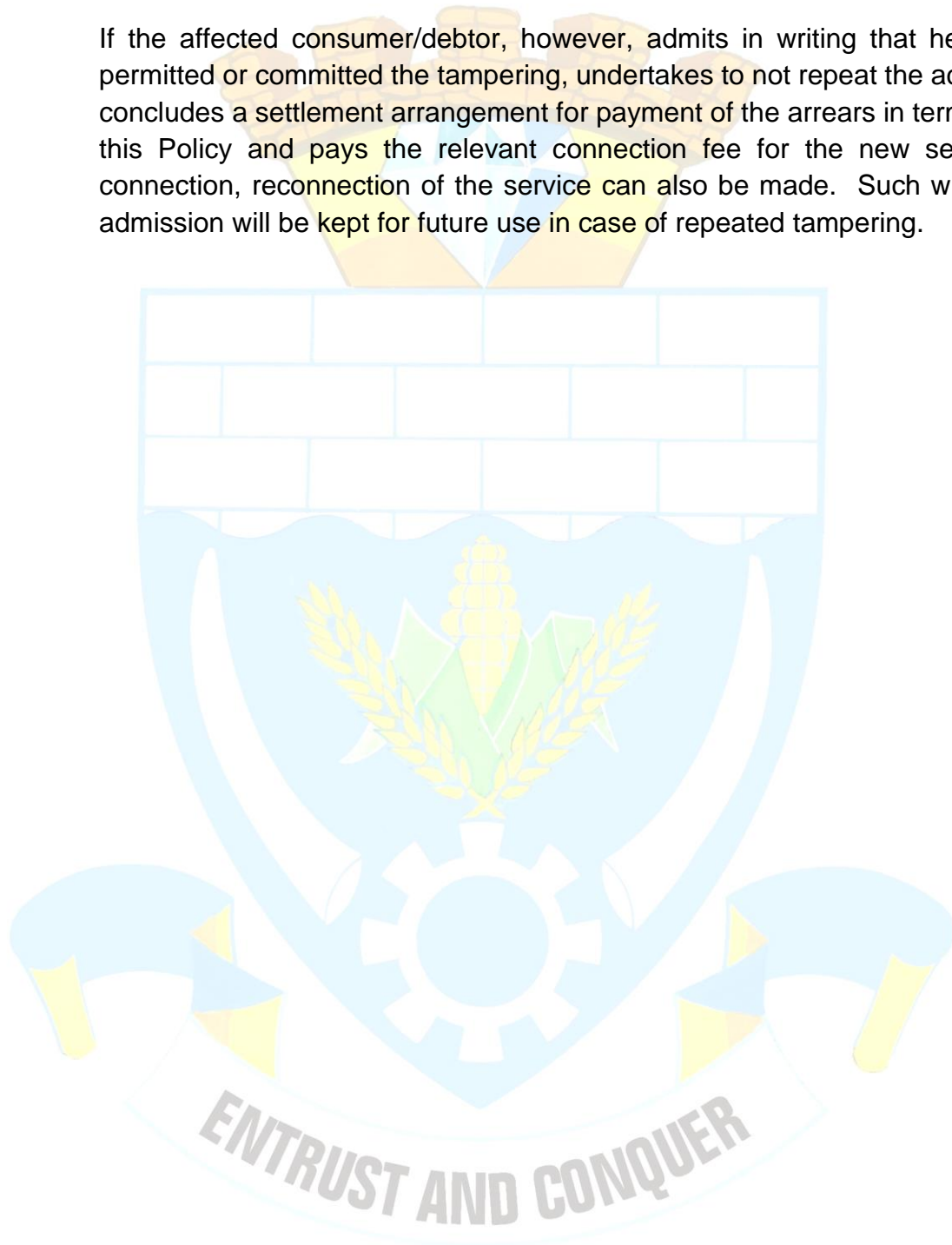
Electricity supply discontinued due to non-payment can only be reconnected after receipt of the amount in arrears or the conclusion of a settlement arrangement for payment of the arrears in terms of this Policy. A vending restriction (prepayment sales restriction) will be negotiated with consumers/debtors who make arrangements in order for them to afford limited vending of electricity as well as payment of the monthly arrangement and current account on their municipal accounts.

Should the municipality discover any tampering on a prepayment installation, no unblocking/reconnection will be done unless payment of the account of that consumer/debtor has taken place or has been arranged and the service installation is certified by the electricity division as to having been normalized.

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Any services which are discontinued as a result of tampering with the municipality's distribution networks and/or -mechanisms will only be reconnected in the event of such a debtor obtaining a Court interdict to compel the municipality to do so.

If the affected consumer/debtor, however, admits in writing that he/she permitted or committed the tampering, undertakes to not repeat the action, concludes a settlement arrangement for payment of the arrears in terms of this Policy and pays the relevant connection fee for the new service connection, reconnection of the service can also be made. Such written admission will be kept for future use in case of repeated tampering.

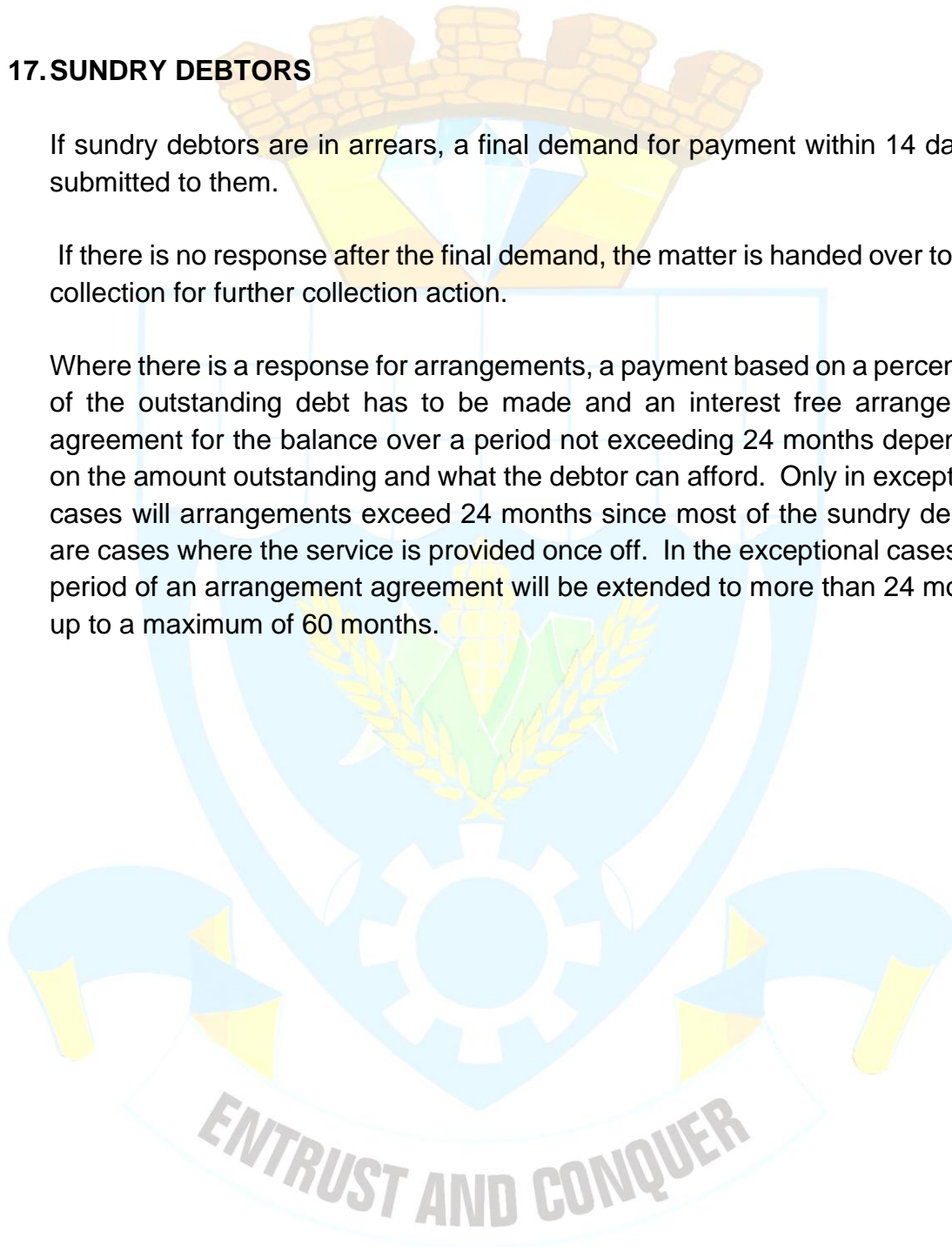


17. SUNDRY DEBTORS

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 debt collection 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 agreement for the balance over a period not exceeding 24 months depending on the amount outstanding and what the debtor can afford. Only in exceptional cases will arrangements exceed 24 months since most of the 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.



18. RENTAL ACCOUNTS

If no payment has been received before the end of the month, a reminder for payment is printed on the following month statement, indicating that **IF PAYMENT IS NOT RECEIVED WITHIN 14 DAYS**, the municipality will proceed with the collection action.

Arrangements for payment of arrears by debtors of lease/sales agreements may not exceed a period of 24 months. On average, tenants do not stay in municipal owned flats/houses for longer than four years, therefore arrangements over an extended period increases the risk of not recovering the debt.)

For all accounts that are more than 90 days (3 months) in arrears a payment demand notice is served, advising debtors to either pay or to make the necessary arrangements for payment within 14 days at the relevant Finance offices.

If the payment demand has not been responded upon, a final demand is issued. At this stage the outstanding amount is greater than 4 times the monthly levy.

If the debtor does not respond within 14 days, the account is handed over for collection and/or cancellation of the agreement by the municipality. Debt collectors can negotiate affordable arrangement agreements for payment with such debtors. Non compliance to such arrangements will lead to the eventual eviction of such a tenant.

Upon making arrangements with debtors, they are informed that the monthly arrangement amount must be paid in addition to the monthly levy.

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19. RELATED MATTERS

19.1 DUTIES AND FUNCTIONS of all credit control and debt collection role players

19.1.1 Duties and Functions of Council

- a. To ensure that policy is made to efficiently deal with the phenomenon of indigency.
- b. To consider and approve by-laws to give effect to the Council's policy.
- c. To approve a revised budget should the Chief Financial Officer's target for debt collection not be met.
- d. To take appropriate action against councillors who intervene in the execution of council policies and by-laws.
- e. To hold regular ward meetings, at least twice a year, to inform the local community of at least the costs of service provision, the necessity for payment of municipal accounts and the manner in which the money received by the municipality is utilized.
- f. To adhere to and convey council policies to residents and ratepayers.
- g. To adhere to council's code of conduct for councillors.

19.1.2. Duties and Functions of the Mayor

- a. To oversee and monitor the implementation and enforcement of this policy.²
- b. To monitor the results of the implementation of the policy and by-laws.

² (a) Oversee and monitor –

(i) The implementation and enforcement of the Municipality's collection policy and any by-laws enacted in terms of section 98;

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- c. To improve the efficiency of Council's credit control and debt collection by having policy, procedures, mechanisms and processes reviewed when necessary.
- d. To report to Council.

19.1.3 Duties and Functions of the Municipal Manager

- (a) To implement good customer care management.
- (b) To see to the proper inter departmental implementation of this policy.
- (c) To report to the Finance Portfolio Committee, who in return will report to the Mayor.

19.1.4 Duties and functions of the Chief Financial Officer

- (a) To provide sufficient funds to give access to basic services for the poor³
- (b) To maintain a bad debt provision, in line with the payment record of debtors, as reflected in the financial statements of the Municipality.⁴
- (c) To set an improvement target for debt collection, in line with acceptable accounting ratios.⁵
- (d) To implement a reporting framework for credit control and debt collection.
- (e) To monitor the progress of debt collection and make corresponding recommendations to the Council regarding the revision of the approved budget.
- (f) To take appropriate action against officials and agents who disregard or misinterpret council policies and by-laws.
- (g) To delegate authority in terms of this policy to enable staff and agents to properly execute stipulations of the policy.
- (h) To provide for sufficient capacity for effective and efficient credit control and debt collection.

19.1.5 Duties and Functions of communities, ratepayers and residents:

³ Although the equitable share is set aside for this purpose, an additional sustainable provision must be made, according to the Municipality's financial ability.

⁴ The bad debt provision should bear reference to the level of arrear debt as well as historical write off information.

⁵ A realistic target would be to gradually improve the ratio of net debtors to annual operating income to the nationally set target of 14%. Section 99 of the Local Government : Municipal Systems Act, 2000 (Act 32 of 2000) provides that the executive mayor must :-

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- (a) To enable the municipality to provide those public facilities and municipal services which residents use and enjoy, by paying the service fees, property tax and other tariffs, levies and duties imposed by the Municipality.
- (b) To observe and respect the mechanisms and processes of the municipality in carrying out its mandate.
- (c) To allow municipal officials reasonable access to their property to execute municipal functions.
- (d) To allow municipal officials reasonable access to their property to execute municipal functions.
- (e) To allow municipal officials reasonable access to their property to execute municipal functions.

19.2. COMMUNICATION

OBJECTIVE : To focus on the client's need, to enhance payment for services and to create a positive and co-operative relationship between the persons responsible for the payment for services received, and the municipality, being the service providing agent/service provider.

Council's Collection Policy will be available in English, and will be made available by general publication and on specific request at customer care facilities.

The municipality will distribute informative communication on a regular basis, which will prominently include customer care and debt issues.

Customer care and debt issues will be included as an agenda item for discussion at ward meeting of Councillors.

19.3. SERVICES SEEPAGE

If seepage or leakage of metered services has taken place on the customer's side of the meter, the customer will still be responsible for the payment of the levies for the metered quantity of such services to the property.

If suitable proof of repair costs and the nature of leakage are provided by residential customers, the municipality will apply the lowest tariff on the sliding scale for water consumption to the whole of the excess consumption before the repair, if it is convinced that the customer has not been negligent in immediately discovering and repairing the leakage. This amount will be

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written back against water income and will be regarded as a distribution loss by the municipality.

19.4. METERING

The municipality will endeavour, within practical and legislative limits, to provide at least one water and/or electricity connection per occupied stand provided that the required application procedure has been completed by the owner of the property and the connection fees have been paid to the municipality.

Water and electricity meters are installed to all consumers and consumption readings are taken monthly.

If meters are occasionally not read due to financial and human resource constraints or circumstances out of the control of the municipality, the accounts of such customers will be levied on the basis of an average consumption of three (3) months and the meter reading on record will escalate with that average consumption. As soon as a future true reading is obtained and recorded, the account following the account for that reading will reflect the difference between the reading based on the average consumption and the true reading to reflect the residue of the actual consumption over the total period. In the event of the true reading being lower than the reading on record, the account will be credited accordingly.

Customers are entitled to request verification of meter readings and accuracy within reason, but may be held liable for the cost thereof.

Customers will be informed of meter replacements in writing.

A prepayment meter can only be installed at a property with the written consent and personal identification of the property owner or his/her/its duly authorised representative, who will be regarded as the prepayment consumer.

The municipality will also opt to install a prepaid electricity meter. The installation of a prepaid meter will only be approved if the current service account is paid in full. The prepaid meter will not be replaced by a conventional meter unless the registered owner of the property applies for the installation and pays the relevant costs for such a meter.

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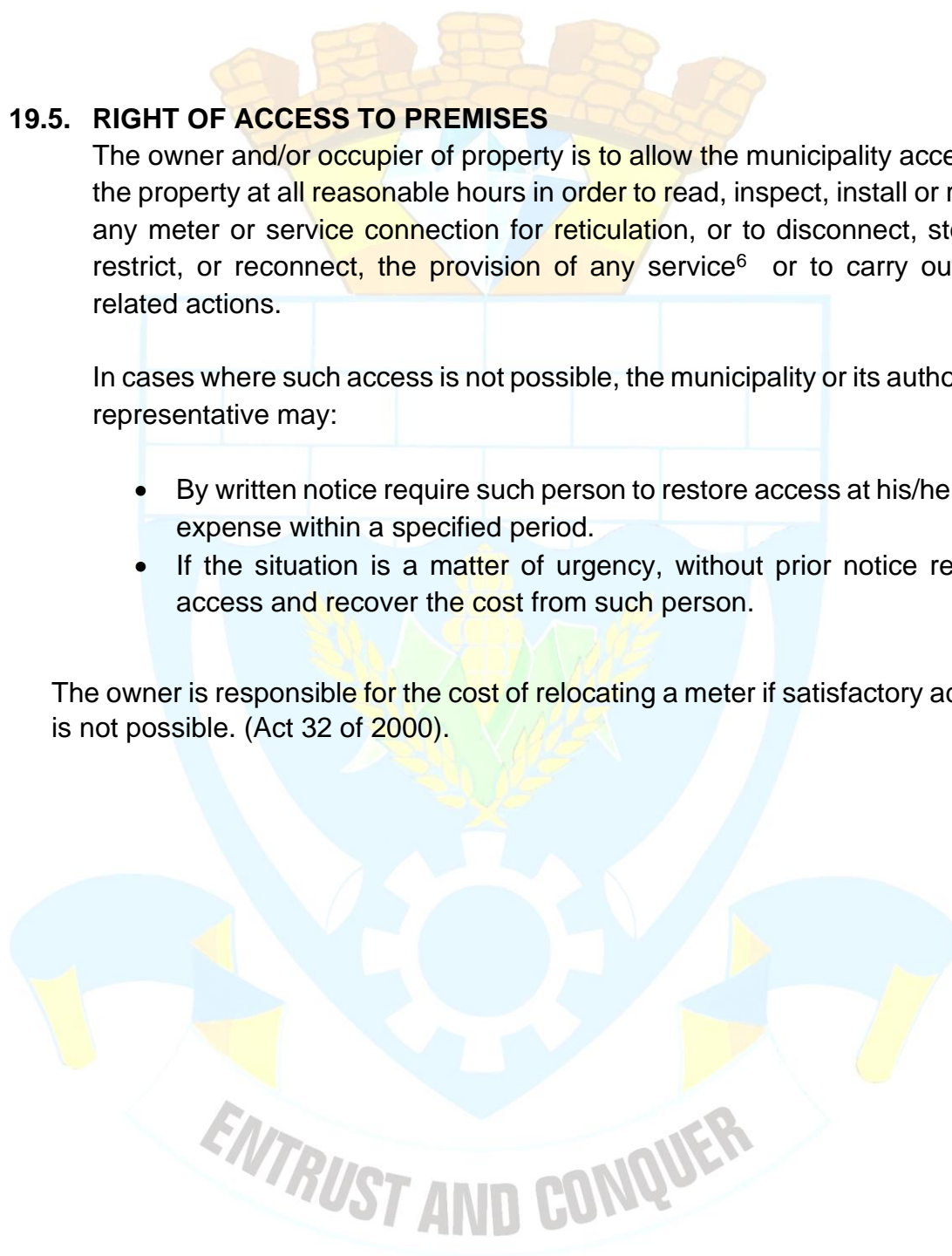
19.5. RIGHT OF ACCESS TO PREMISES

The owner and/or occupier of property is to allow the municipality access to the property at all reasonable hours in order to read, inspect, install or repair any meter or service connection for reticulation, or to disconnect, stop or restrict, or reconnect, the provision of any service⁶ or to carry out any related actions.

In cases where such access is not possible, the municipality or its authorised representative may:

- By written notice require such person to restore access at his/her own expense within a specified period.
- If the situation is a matter of urgency, without prior notice restore access and recover the cost from such person.

The owner is responsible for the cost of relocating a meter if satisfactory access is not possible. (Act 32 of 2000).



⁶ Section 99 of the Local Government : Municipal Systems Act, 2000 (Act 32 of 2000) provides that the occupier of premises in a Municipality must give an authorised representative of the Municipality access at all reasonable hours to the premises in order to read, inspect, install or repair any meter or service connection for reticulation or to disconnect, stop or restrict the provision of any service.

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