



MUNISIPALITEIT CEDERBERG MUNICIPALITY

BEVESTIGING: BELEID

KREDIET BEHEER EN SKULDINVORDERINGS BELEID

Bovermelde beleid is goedgekeur op:

Datum: 6 April 2010

Raadsbesluit no: RB 149 / 06 – 04 - 2010

Handtekening van Munisipale Bestuurder:
G Matthyse



Handtekening van Speaker:
J Engelbrecht



APPROVAL OF POLICY

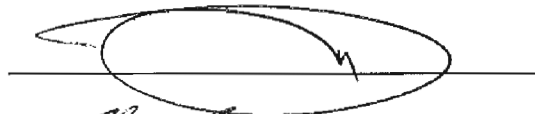
CREDIT CONTROL AND DEBT COLLECTION POLICY

The above mentioned policy has been approved on:

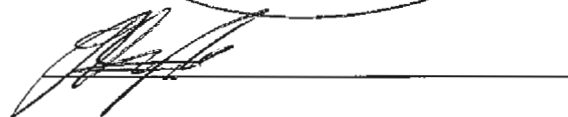
Date: 6 April 2010

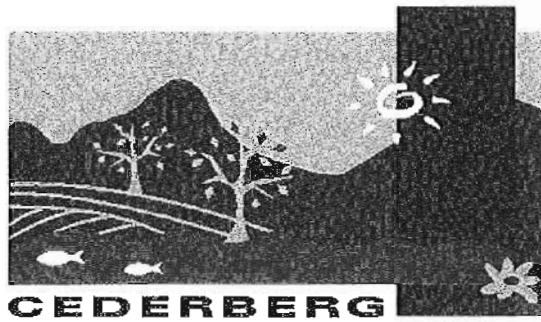
Council decision no: CM 149 / 06 – 04 - 2010

Signature of Municipal Manager:
G Matthyse



Signature of Speaker:
J Engelbrecht





Credit Control & Debt Collection Policy

CEDERBERG MUNICIPALITY

2009

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PREAMBLE

WHEREAS section 152 (1) (b) of the Constitution of the Republic of South Africa Act 108 of 1996 ('the Constitution') provides that one of the objects of local government is to ensure that the provision of services to communities occurs in a sustainable manner;

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

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

1. The promotion of efficient, economic and effective use of resources;
2. The provision of services impartially, fairly, equitably and without bias; and
3. The fact that people's needs must be responded to.

AND WHEREAS section 4 (1) (c) of the Local Government: Municipal Systems Act 33 of 2000 ('the Systems Act') provides that the Council of a municipality has the right to finance the affairs of the municipality by charging fees for services, imposing surcharges on fees, rates on property and, to the extent authorised by national legislation, other taxes, levies and duties;

AND WHEREAS section 5 (1) (g), read with subsection (2) (b), of the Systems Act provides that members of the local community have the right to have access to municipal services which the municipality provides provided that, where applicable and subject to the policy for indigent debtors, pay promptly for services fees, surcharges on fees, other taxes, levies and duties imposed by the municipality;

AND WHEREAS section 6 (2) (c), (e) and (f) of the Systems Act provides that the administration of a municipality must take measures to prevent corruption; give members of a local community full and accurate information about the level and standard of municipal services that they are entitled to receive; and inform the local community about how the municipality is managed, of the costs involved and the persons in charge;

AND WHEREAS Chapter 9, sections 95, 96, 97, 98, 99 and 100, of the Systems Act provides for Customer Care Management, Debt Collection responsibility of the Municipality, contents of the policy, by-laws that give effect to the policy, Supervisory authority and Implementing authority.

IT IS HEREBY PRESENTED FOR ADOPTION: a Draft Credit Control and Debt Management Policy of Cederberg Municipal Council.

DEFINITIONS

For the purpose of this policy, the wording or any expression has the same meaning as contained in the Act, except where clearly indicated otherwise and means the following:

"Act"	The Local Government Act: Systems Bill, 2000 (Act No 32 of 2000) as amended from time to time;
"Arrangement"	A written agreement entered into between the Council and the debtor where specific repayment parameters are agreed to.
"Arrears"	Means those rates and service charges that have not been paid by the due date and for which no arrangement has been made.
"Authorized Representative"	Person or instance legally appointed by the Council to act or to fulfil a duty on its behalf;
"CFO"	Person appointed as the Chief Financial Officer of the Municipality, or his or her nominee.
"Council"	The municipal council, as referred to in Section 157 of the Constitution of the Republic of South Africa Act 108 of 1996, of Cederberg Municipal Council established by Part 4 of Provincial Notice 482, dated 22 September 2000;
"Credit Control"	All the functions relating to the collection of monies owed by ratepayers and the users of municipal services.
"Customer"	Any occupier of any premises to which Council has agreed to supply or is actually supplying services, or if there is no occupier, then the owner of the premises and includes any debtor of the municipality;
"Defaulter"	Any Person who owing the Council arrear monies in respect of rates and/or service charges;
"Engineer"	The person in charge of the civil and/or electrical component of Council;
"Equipment"	A building or other structure, pipe, pump, wire, cable, meter, engine or any accessories.
"Implementing Authority"	Means the Municipal Manager or his or her nominee, acting in terms of section 100 of the Systems Act;
"Interest"	A charge levied with the same legal priority as service fees and calculated at a rate determined by council from time to time on all arrear monies;

- "Municipal account" An account rendered specifying charges for services provided by the municipality, or any authorised and contracted service provider, and/or assessment rates levies;
- "Municipality" Means the Cederberg Municipality;
- "Municipal Manager" The person appointed as Municipal Manager in terms of Section 82 of the Local Government: Structures Act, 1998, (Act 117 of 1998) and include any person acting in that position or to whom authority was delegated;
- "Municipal services" Those services provided by the municipality, such as, inter alia the supply of water and electricity, refuse removal, sewerage treatment, and for which services charges are levied;
- "Occupier" Any person who occupies any property or part thereof, without regard to the title under which he/she occupies the property;
- "Owner"
- (i) The person in whom from time to time is vested the legal title to premises;
 - (ii) In a case where the person in whom the legal title is vested is insolvent or dead, or is under any form of legal disability whatsoever, the person in whom the administration of and control of such premises is vested as curator, trustee, executor, administrator, judicial manager, liquidator or other legal representative;
 - (iii) In a case where the Council is unable to determine the identity of such person, a person who is entitled to the benefit of such premises with a building thereon;
 - (iv) In the case of premises for which a lease of 30 years or more has been entered into, the lessee thereof;
 - (v) In relation to
 - (1) A piece of land delineated on a sectional plan registered in terms of the Sectional Titles Act 1986, (Act 95 of 1986), and without restricting the above the developer or the body corporate in respect of the common property; or
 - (2) A section as defined in such Act, the person in whose name such a section is registered under a sectional title deed and includes the lawfully appointed agent of such a person;
 - (vi) Any legal person including but not limited to-
 - (1) A 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) and a voluntary association;

- (2) Any department of State;
- (3) Any Council of Board established in terms of any legislation applicable to the Republic of South Africa;
- (4) Any Embassy or other foreign entity;

“Premises” Includes any piece of land, the external surface boundaries of which are delineated on –

- (1) A general plan or diagram registered in terms of the Land Survey Act, 1927 (9 of 1927), or in terms of the Deed Registry Act, 1937 (47 of 1937); or
- (3) A sectional plan registered in terms of the Sectional Titles Act, 1986 (95 of 1986), which is situated within the area of jurisdiction of the Council;

“Supervisory Authority” Means the Executive Mayor of the Municipality or his or her nominee, acting in terms of Section 99 of the Systems Act.

1. PRINCIPLES

- 1.1 The administrative integrity of the municipality must be maintained at all costs. The democratically elected councillors are responsible for policymaking, while it is the responsibility of the Municipal Manager to ensure the execution of these policies.
- 1.2 It is compulsory that ALL consumers must complete an official service agreement form, formally requesting the municipality to connect them to service supply lines. Existing customers will as well be required to complete the referred service agreement forms from time to time, as determined by the Municipal Manager. The non-completion of the service agreement form will result to disconnection and/or no connection and/or no access to municipal consumption services like water and/or electricity. This will be applicable to both the new and/or existing consumers.
- 1.3 A copy of the service agreement form; conditions of services and extracts of the relevant Council's credit control and debt collection policy and by-laws must be handed to every customer on request at such fees as may be prescribed by Council.
- 1.4 Billing is to be accurate, timeous and understandable.
- 1.5 The customer is entitled to reasonable access to pay points and to a variety of reliable payment methods.
- 1.6 The customer is entitled to an efficient, effective and reasonable response to appeals, and should suffer no disadvantage during the processing of a reasonable appeal.

- 1.7 Enforcement of payment must be prompt, consistent and effective.
- 1.8 Unauthorised consumption, connection and reconnection, the tampering with or theft of meters, service supply equipment and the reticulation network and any fraudulent activity in connection with the provision of municipal services will lead to disconnections, penalties, loss of rights and criminal prosecutions.
- 1.9 Incentives and disincentives may be used in collection procedures.
- 1.10 The collection process must be cost-effective.
- 1.11 Results will be regularly and efficiently reported by the Municipal Manager and the Executive Mayor.
- 1.12 Application forms will be used to, inter alia, categorise customers according to credit risk and to determine relevant levels of services and deposits required.
- 1.13 Targets for performance in both customer service and debt collection will be set and pursued and remedies implemented for non-performance.

2. DUTIES AND FUNCTIONS

2.1. Duties and Functions of Cederberg Municipal Council

- 2.1.1. To approve a budget consistent with the needs of communities, ratepayers and residents.
- 2.1.2. To impose rates and taxes and to determine service charges, fees and penalties to finance the budget.
- 2.1.3. To facilitate sufficient funds to give access to basic services for the poor.
- 2.1.4. To provide for a bad debt provision, in line with the payment record of the community, ratepayers and residents, as reflected in the financial statements of the municipality.
- 2.1.5. To set an improvement target for debt collection, in line with acceptable accounting ratios and the ability of the Implementing Authority.
- 2.1.6. To approve a reporting framework for credit control and debt collection.
- 2.1.7. To consider and approve by-laws to give effect to the Council's policy.
- 2.1.8. To monitor the performance of the Executive Mayor (Supervising Authority) regarding credit control and debt collection.
- 2.1.9. To revise the budget should Council's targets for credit control and debt collection not be met.
- 2.1.10. To take disciplinary and/or legal action against councillors, officials and agents who do not execute council policies and by-laws, or act improperly in terms of such policies.

2.1.11. To approve a list of attorneys that will act for Council in all legal matters relating to debt collection.

2.1.12. To delegate the required authorities to monitor and execute the credit control and debt collection policy to the Executive Mayor and Municipal Manager and Service Provider respectively.

2.1.13. To provide sufficient capacity in the Municipality's Financial Department for credit control and debt collection. Alternatively; to appoint a Service Provider or debt collection agent.

2.1.14. To assist the Municipal Manager in the execution of his duties, if and when required.

2.1.15. To provide funds for the training of staff.

2.2 DUTIES AND FUNCTIONS OF EXECUTIVE MAYOR

2.2.1 To ensure that Council's budget, cash flow and targets for debt collection are met and executed in terms of the policy and relevant by-laws.

2.2.2 To monitor the performance of the Municipal Manager in implementing the policy and by-laws.

2.2.3 To review and evaluate the policy and by-laws in order to improve the efficiency of Council's credit control and debt collection procedures, mechanisms and processes.

2.2.4 To report to Council.

2.3 DUTIES AND FUNCTIONS OF THE MUNICIPAL MANAGER

2.3.1 To implement good customer care management systems.

2.3.2 To implement Council's credit control and debt collection policy.

2.3.3 To install and maintain an appropriate and accurate accounting system.

2.3.4 To bill consumers monthly.

2.3.5 To demand payment for services rendered on due dates.

2.3.6 To raise penalties and fines for defaults.

2.3.7 To appropriate payments received.

2.3.8 To collect outstanding debt regularly.

2.3.9 To provide different payment methods.

2.3.10 To determine credit control and debt collection measures.

2.3.11 To determine all relevant work procedures for, inter alia, public relations, payment arrangements, disconnections of services, 60/40 auxiliary, write-off of debts, sundry debtors and legal processes.

2.3.12 To instruct attorneys to proceed with legal processes (i.e. judgements, etc.).

2.3.13 To set performance targets for staff in Credit Control and Debt Collection Department.

2.3.14 To appoint staff to execute Council's policy and by-laws in accordance with Council's Human Resources and Credit Control policies.

2.3.15 To delegate certain functions to heads of departments.

2.3.16 To determine control procedures.

2.3.17 To monitor contracts with service providers in connection with credit control and debt collection.

2.3.18 To report to the Executive Mayor.

2.4 DUTIES AND FUNCTIONS OF COMMUNITIES, RATEPAYERS AND CONSUMERS

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

2.4.2 To pay service fees, rates on property and other taxes, levies and duties imposed by the municipality.

2.4.3 To observe the mechanisms and processes of the municipality in exercising their rights.

2.4.4 To allow municipal officials access to their property to execute municipal functions at a time that is agreeable by the consumer and municipal officials.

2.4.5 To comply with the by-laws and other legislation of the municipality.

2.4.6 To refrain from tampering with municipal services and property.

2.5 DUTIES AND FUNCTIONS OF WARD COUNCILLORS

2.5.1 To hold regular ward meetings.

2.5.2 To adhere to and convey Council policies to consumers and ratepayers.

2.5.3 To adhere to the Code of Conduct for Councillors.

2.5.4 Ward Committees will act in terms of roles and functions as approved by Council.

3 AREA OF APPLICATION

This policy applies throughout the area of Cederberg Municipality.

4. APPLICATION FOR SERVICES

4.1 Consumers who require a service must enter into a written service agreement with the municipality.

4.2 The process must occur ten (10) days prior to taking occupation of the premises, so that the Municipality can ensure that a meter reading is taken on the appropriate day and that the services are available when occupation is taken. Failure to adhere to the timeframe may result in customers not having the services available when occupation is taken.

4.3 The Municipality will render the first account after the first meter reading cycle to be billed following the date of signing the service agreement.

4.4 Consumers who illegally consume services without this agreement will be subject to punitive action.

5. CUSTOMER SERVICE AGREEMENTS

5.1 Customer service agreements are those agreements that will be from time to time be entered into between the customer and the Municipality for the supply of municipal services.

5.2 The contents of the agreement include this policy as well as:

An undertaking by customers:

- (i) That they are liable for the costs of collection, including any administration fees, penalties for late payment, legal costs, interest, disconnection fees and reconnection fees;
- (ii) That any alleged non-receipt of an account does not stop the collection process;

An undertaking by Council:

- (i) That it will deliver accounts to customers.
- (ii) That it will inform customers that they are required to request statements in the event that they do not receive an account.

6. DEPOSITS AND GUARANTEES

6.1 The deposits are payable when new customers sign-on and when existing customers move to a new supply address. Guarantees are only permitted for businesses and only under circumstances as determined by Council from time to time.

6.2 Customers must pay a deposit equal to an amount as determined by Council from time to time.

6.3 The Municipality may increase or decrease deposits and guarantees to suit the particular circumstances.

7. ACCOUNTS AND BILLING

7.1 Customers will receive one consolidated bill for all services to a property, which is situated within the boundaries of the Municipality.

7.2 Accounts are produced in accordance with the meter reading cycles.

7.3 An account will be rendered each month in cycles of approximately 30 days.

7.4 The Municipality will undertake to have the accounts delivered to all consumers. However non-receipt of an account does not prevent interest charges and debt collection procedures. In the event of non-receipt of an account, the onus rests on the account holder to obtain a free copy of the account, before the due date.

7.5 Accounts must be paid on the due date as indicated on the account. Interest on arrears will accrue after due date if the account remains unpaid irrespective of the reason for non-payment.

7.6 Payments for accounts must be received on or before the due date at a Municipal pay-point by the close of business. In the case of any electronic payments or payments via agents, the money must be received in the municipal bank account on or before the due date and not later than the close of business.

7.7 Consumers will be notified of their unpaid accounts prior to the commencement of the debt collection process.

7.8 Non-payment of the account will result in debt collection action in terms of this section 15 of this policy.

7.9 All cheque payments made to the Council and later dishonoured by the bank, will be levied with costs and administration fees against an account of the defaulting debtor in terms of the Council's tariff provisions. The exercise may lead to services of the debtor being disconnected till the full outstanding amount on arrears being received. And where applicable; the details thereof may be forwarded to the Credit Bureau Information Centre

8. METERING OF CONSUMABLE SERVICES

8.1 The municipality may introduce various metering equipment and customers may be encouraged to convert to a system preferred by the municipality.

8.2 Customers who default (fail to pay by a due date) may be required by the municipality to convert to another metering system.

8.3 Prepayment metering is the preferred installation for all new domestic and where applicable, business accounts.

8.4 Meters (credit) will be read monthly. Should circumstances prevent reading the Municipality is entitled to estimate a reading that is within reason comparable to past consumption.

8.5 A Customer is responsible to ensure access to metering equipment at a time that is agreeable by the consumer and the municipal officials and will accept any cost to ensure access (such as relocating the meter) if satisfactory access is not possible.

8.6 Routine or special maintenance of metering equipment will be communicated to the customer. The meter replacement advice will indicate the removal reading.

8.7 The municipality will be liable for all leakages occurring on the main supply; viz, from the main supply till to the water meters. On the other hand; the consumers will be liable for leakages from the water meter to the consumer supply.

9. VALUATION OF PROPERTIES

9.1 All properties within the boundaries of Cederberg Municipality are to be valued in terms of the legislation, applicable to the valuation of properties for the purpose of levying property rates.

10. CUSTOMER ASSISTANCE PROGRAMMES

These will be the programmes that the Municipality will be designing to assist customers meet their obligations, such as:

- (i) Rates rebates;
- (ii) Arrangements for settlement;
- (iii) Payment of rates by instalments;
- (iv) Indigent assistance scheme.
- (v) Free basic services

10.1 RATES REBATE

Rebates on rates may be granted by Council in terms of Council's rating policy.

10.2 ARRANGEMENTS FOR SETTLEMENT

- a. Arrangements are permissible for debtors who experience difficulties in paying their accounts.
- b. The terms applicable for the settlement of arrear debt will be as approved by Council from time to time.

10.3 PAYMENT OF RATES BY INSTALMENTS

- a. Owners may pay the property rates annually or in equal monthly instalments over a period of 12 months.
- b. Interest shall accrue on all monthly paid rates accounts if they are not paid by the due date as indicated on the account.

- c. Regular monthly instalment payments must be maintained.

10.4 INDIGENT ASSISTANCE SCHEME

An account holder may apply to the Municipality, in the prescribed manner, to be declared indigent provided that the following conditions are applied:

- a. That the gross household income must not exceed twice the amount of the monthly pension grant.
- b. That the Indigent application form must be completed and all necessary documentation required per application are submitted and attached.
- c. That the Municipality may inspect the property occupied by the applicant and in respect of which municipal services are rendered to assess the merits of the application.
- d. That any aggrieved person who was not successful in the application to be regarded as indigent may lodge an appeal to the Director: Financial Services within a period of ten (10) days from the date on which the aforesaid decision has been communicated to him/her.
- e. Charges due to water leaks on the account will be calculated in terms of the Tariff Policy of the municipality. In the event of leakages occurring within the registered indigent households; the leak will be repaired by the municipality and the costs for repairs will be debited on the consumers account.

10.5 FREE BASIC SERVICES

Council will provide free basic services to domestic debtors, on a monthly basis in quantities as determined from time to time.

11. COMMUNICATION

- a. The municipality will ensure that the Credit Control and Debt Collection Policy is communicated to the community. Any amendments may be communicated in a newsletter from time to time.
- b. Councillors must; from time to time, address Ward Committees and community on the contents of the policy and any amendments thereto.

12. PAYMENT FACILITIES AND METHODS

- a. Municipal payment and enquiry facilities will be maintained subject to acceptable levels of activity when compared to the operational costs. The Municipal Manager or his/her designate has the discretion to open and close offices as required.

- b. The consumer acknowledges that any agent used for transmitting payments to the Municipality is at the risk and cost of the consumer. In addition the consumer must take into account the transfer time of the particular agent.
- c. A range of payment methods are available and may be extended as required subject to financial implications. The Municipality shall actively monitor the effectiveness of pay facilities, methods and convenience for consumers.
- d. The Chief Financial Officer shall allocate payments according to predetermined priorities.

13. ENQUIRIES AND APPEALS

- a. Any resident or consumer who may feel aggrieved concerning his/her account may address a grievance / appeal to the Municipal Manager or Chief Financial Officer or visit any Customer Care Office provided by the municipality.
- b. A customer who has lodged an enquiry is not relieved of the responsibility to maintain regular payment of the account. An interim payment similar to the average account must be paid by the due date pending finalisation of the enquiry. Failure to make a payment will result in debt collection action been instituted against the customer.
- c. Depending on the nature of the enquiry and the resources available, the enquiry must receive a response within 7 days.
- d. The enquiry must be writing. Standard enquiry forms are available at the Customer Care counter of every municipal town. The consumer will receive reference number to all enquiry submitted for control purposes.
- e. If a customer has received a response and is still not convinced that the account is not correct, the customer may approach the Chief Financial Officer for appeal.

14. TENDERS FOR BUSINESS

The Procurement Policy and Tender Conditions of the Municipalities will include the following:

- a. When inviting tenders for the provision of services or delivery of goods; the potential contractors may submit tenders subject to a condition that consideration and evaluation thereof will necessitate that the tenderer obtain from the municipality a certificate stating that all relevant municipal accounts owing by the tenderer and/or its directors, owners or partners have been paid or that suitable arrangements (which include the right to set off in the event of non-compliance) have been made for payment of any arrears.

- b. No tender will be allocated to a person/contractor until a suitable arrangement for the repayment of arrears, has been made. No further debt may accrue during contract period.
- c. The municipality through its Creditors Accounts Section will deduct any monies owing to the municipality from contractors' payments.

15. DEBT COLLECTION

The Chief financial Officer is authorised to institute these mechanisms without exception and with the intention of proceeding until the debt is collected.

The following mechanisms are to be used to collect debt:

- a. Disconnection / restriction of metered services on all overdue rates and service charges.
- b. Barring from buying prepayment services by debtors who are in arrears with rates and service charges.
- c. Allocating a portion of any payment for prepayment services to arrear debt, i.e the 60/40 and/or 40/60 auxiliaries.
- d. Insisting on prepayment supplies be installed at the cost of the debtor.
- e. Emolument attachment orders on debtors' salaries.
- f. Withholding of rates clearance certificates under certain conditions. (Refer to Section 118 of the Municipal Systems Act, No 32 of 2000.)
- g. Legal process, including the judgements issued by courts on debtors; etc.
- h. Withholding payments of grants-in-aid, viz Indigent subsidy.
- i. Withholding payments on contracts.
- j. Any other method authorised by Council from time to time.

16. INCENTIVES SCHEME

The municipality may; to encourage prompt payment and/or to reward regular payers; consider from time to time incentives for prompt payment of accounts or payment by debit orders. The following incentives maybe allowed:-

- a. The payment scenario of R1 / R1 or 50% discount allowed on the full settlement of outstanding of arrears.
- b. Interest accumulated within the maximum period of 12 months, maybe written off; if proven that the debtor has maintained consistency in the monthly payments on arrears.
- c. Any other incentive methods that may be approved by Council.

17. DEBT COLLECTION TABLE

The following debt collection table maybe used as a guideline towards revenue collection on both the indigent and non-indigent households; business (SMME's and large); schools; churches and government departments.

In the event where the consumer owes the amount ranging from amount showing in Column A and the total gross monthly household income is equals to Column B; the amount reflecting in Column C will be utilised as the monthly repayment terms or agreement.

a. Households

<u>Column A</u>	<u>Column B</u>	<u>Column C</u>
Income	Outstanding Debt on Account	Repayment Terms R0,00
0.01 – 3 000	A 0.01 – 1 500 B 1 501 – 2 500 C 2 501 – Max Amount on Account	80 100 130
3 001 – 5 000	A 0.01 – 1 500 B 1 501 – 2 500 C 2 501 – 4 500 D 4 501 – Max Amount on Account	130 150 200 250
5 001 – 7 000	A 0.01 – 1 500 B 1 501 – 3 000 C 3 000 – 5 000 D 5 000 – Max Amount on Account	200 250 300 350
7 001 – 10 000	A 0.01 – 1 500 B 1 501 – 2 500 C 2 501 – 5 000 D 5 000 - Max Amount on Account	300 350 500 550
10 001 – 14 000	A 0.01 – 2 000 B 2 001 – 3 500 C 3 501 – 4 500 D 4 501 - Max Amount on Account	400 500 600 700
14 001 - Above	A 0.01 – 5 000 B 5 001 – 8 000 C 8 001 – 10 000 D 10 001 - Max Amount on Account	800 900 1 000 1 200

Note:

1. ONLY the Indigent consumers will be allowed fixed repayment rate regardless of the outstanding amount on account.
2. All agreements will be processed on 25% deposit fee payable on the total outstanding debt on account.

b. Small Businesses; Pre-Schools and Churches

<u>Column A</u>	<u>Column B</u>	<u>Column C</u>
Income/Turnover	Outstanding Debt on Account	Repayment Terms R0.00
0.01	5 000	1 100
5 001	10 000	2 000
10 001	15 000	2 500
15 001	20 000	3 000
20 001	30 000	4 000
30 001	Max Amount on Account	5 000

Note:

1. All agreements will be processed on 25% deposit fee payable on the total outstanding debt on account.

c. Large Businesses and Government Departments

<u>Column A</u>	<u>Column B</u>	<u>Column C</u>
Turnover	Outstanding Debt on Account	Repayment Terms R0.00
0.01	20 000	3 000
20 001	50 000	5 000
50 001	80 000	8 000
80 001	150 000	15 000
150 001	250 000	25 000
250 001	Max Amount on Account	30 000

Note:

1. All agreements will be processed on 25% deposit fee payable on the total outstanding debt on account.

18. THEFT AND FRAUD

- a. The Municipality does not condone theft and fraud of municipal services and will monitor the service networks for signs of tampering or irregularities.
- b. The Council may approve specific penalties and distinguish between cases of vandalism and theft.
- c. Subsequent to acts of tampering and theft; the municipality may refuse to supply certain services for determined periods and/or reconnection of services will only be effected once the relevant penalty tariff charges are paid or arrangement have been made for the settlement of the outstanding arrears on account.

19. REPORTING AND PERFORMANCE MANAGEMENT

- a. The Chief Financial Officer shall report monthly to the Municipal Manager in a suitable format to enable the Municipal Manager to report to the Executive Mayor as supervisory authority in terms of Section 99 of Municipal Systems Act, read with Section 100 (c). This report shall contain particulars on:
 - (i) Cash collection statistics, showing high-level debt recovery information (numbers of customers; enquires; arrangements; default arrangements; growth or reduction of arrear debt).

Where possible, the statistics should ideally be divided into wards, business (commerce and industry), domestic, state, institutional and other such divisions.
- b. If in the opinion of the Chief Financial Officer, Council will not achieve cash receipt income equivalent of the income projected in the annual budget as approved by Council, the Chief Financial Officer will report this with motivation to the Municipal Manager who will, if he agrees with the Chief Financial Officer, immediately move for a revision of the budget according to realistically realisable income levels.
- c. The Executive Mayor as Supervisory Authority shall, at intervals of 3 months; report to Council as contemplated in Section 99 (c) of the Systems Act.

20. INCOME COLLECTION TARGET

The long-term target is a debtor turnover ratio of 45 days, that is, debtors are expected to pay for services on average in a month and a half.

21. APPLICATION OF THE POLICY

The Council reserves the right to differentiate between different categories of consumers, debtors, services or service standards when applying the Policy. The Council will on application of the credit control policy avoid discrimination as forbidden by the Constitution unless it is established that the discrimination is fair as allowed by the Constitution.

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CEDERBERG MUNICIPALITY