CUSTOMER CARE, CREDIT CONTROL AND DEBT COLLECTION POLICY

Adopted by Council on 31 May 2023

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TABLE OF CONTENTS

1. TITLE

1.1. Swellendam Municipality Customer Care, Credit Control and Debt Collection Policy.

2. DEFINITIONS

In this Policy any word or expression to which a meaning has been assigned in the Systems Act or MFMA has that meaning, unless the context indicates otherwise-

2.1. "Account" means an account rendered specifying charges for municipal services provided by the Municipality, or any authorized and contracted service provider, and which account may include assessment rates levies.

2.2. "Accounting Officer" means the Municipal Manager appointed in terms of Section 60 of the Municipal Finance Management Act.

2.3. "Annual Budget" shall mean the budget approved by the municipal council for any particular financial year and shall include any adjustments to such budget.

2.4. "Annually" means once every financial year.

2.5. "Arrangement" means a written agreement entered into between the Municipality and the customer where specific repayment parameters are agreed to.

2.6. "Arrears" means those rates and service charges that have not been paid by the due date and for which no arrangement has been made.

2.7. "Authorized Representative" means a person or instance legally appointed by the Municipality to act or to fulfill a duty on its behalf.

2.8. "Availability charge" means where properties are not connected to the municipal infrastructure but can reasonably be connected to the service.

2.9. "Billing Date" means the date upon which the monthly statement is generated and debited to the customer's account.

2.10. “Business and Commercial Property” means:

(i) Property used for the activity of buying, selling or trading in commodities or services and includes any office or other accommodation on the same property, the use of which is incidental to such activity.

(ii) Property on which the administration of the business of private or public entities take place.

2.11. “Bylaw” shall mean legislation passed by the council of the Municipality, and which shall be binding on the Municipality and on the persons and institutions to which it applies.

2.12. “Calendar year” shall mean 12 consecutive months of a financial year(s).

2.13. "Chief Financial Officer" means the person appointed as the Chief Financial Officer of the Municipality, or his or her nominee.

2.14. "Consolidated Account" means an account which is a consolidation of any separate accounts of a person who is liable for payment to the Municipality.

2.15. "Council" means the Council of the Swellendam Municipality.

2.16. “Councillor” shall mean a member of the Council of the Municipality.

2.17. "Credit Control" means all the functions relating to the collection of monies owed by ratepayers and the users of municipal services.

2.18. "Customer" means the occupier of any premises to which the Municipality has agreed to supply or is supplying municipal services, or if no occupier can be identified or located, then the owner of the premises and includes any customer of the Municipality.

2.19. "Day/Days" means calendar days, inclusive of Saturdays, Sundays, and public holidays.

2.20. "Debt Collectors" means an external person, agent or entity appointed by the Municipality to collect monies due and payable to the Municipality, subject to the conditions contained herein.

2.21. "Defaulter" means any person who owes arrears to the Municipality.

2.22. "Delivery Date" shall mean the date on which the periodic account is delivered to the customer or 3 days after the date the account was posted, whichever is the first.

2.23. "Indigent Customer" means the qualifying beneficiaries as identified by the Free Basic Services and Indigent Support Policy of the municipality.

2.24. "Indigent Policy" means the Free Basic Services and Indigent Support Policy adopted by the Council of the municipality.

2.25. “Integrated Development Plan” shall mean a plan formulated and approved as envisaged in Section 25 of the Municipal Systems Act, 2000 (Act 32 of 2000).

2.26. "Interest" means the charge levied on arrears, calculated as the prime rate, charged by the bank which holds the Municipality’s primary bank account, plus one percent or such other percentage as may be determined by Council from time to time.

2.27. "Month" means one of twelve months of a calendar year.

2.28. "Monthly Average Consumption" means the monthly average consumption in respect of that property calculated on the basis of consumption over the preceding twelve months.

2.29. “Municipality” or “Municipal Area” shall, where appropriate, mean the geographic area, determined in terms of the Local Government: Municipal

Demarcation Act No. 27 of 1998 as the municipal area pertaining to the Municipality.

2.30. “The Municipality” means the Swellendam Municipality.

2.31. “Municipal Council” or “Council” shall mean the municipal council of Swellendam Municipality as referred to in Section 157(1) of the Constitution.

2.32. "Municipal Pay Point" means any municipal office in the area of jurisdiction of the Municipality designated by Council for such purposes, or any such other places as the Chief Financial Officer may from time to time designate.

2.33. "Municipal Manager" means the Municipal Manager of the Swellendam Municipality or his or her nominee acting in terms of power delegated to him or her by the said Municipal Manager with the concurrence of the Council.

2.34. "Municipal Services" means services provided either by the Municipality, or by an external agent on behalf of the Municipality in terms of a service delivery agreement.

2.35. "Owner" in relation to immovable property means the person as defined by section 1 of the Local Government Municipal Property Rates Act, 2004 (Act 6 of 2004) in whose name the property is registered in terms of the Deeds Registry Act, 1937 (Act 47 of 1937).

2.36. "Person" means a natural and juristic person, including any department of state, statutory bodies, or foreign embassies.

2.37. “POPIA” means the Protection of Personal Information Act, 2013 (Act 4 of 2013).

2.38. “Premises” or “Property” means any portion of land, the external surface boundaries of which are delineated on:

(i) A general plan or diagram registered in terms of the Land Survey Act, 1927 (Act of 1927) or in terms of the Deeds Registry Act,1937 (Act 47 of 1937); or

(ii) A sectional plan registered in terms of the Sectional Titles Act, 1986 (Act 95 of 1986); and

(iii) Which is situated within the area of jurisdiction of the Municipality.

2.39. "Prescribed" means prescribed by this Policy and where applicable by Council or the Municipal Manager.

2.40. "Prescribed debt" means debt that becomes extinguished by prescription in terms of the Prescription Act. 1969 (Act 68 of 1969).

2.41. "Property" means immovable property registered under a separate title in terms of the provisions of the Deeds Registries Act, 1937 (Act 47 of 1937) in the name of a person, including, in the case of a sectional title scheme, a sectional title unit registered in the name of a person and includes unregistered land if the right of ownership can be determined.

2.42. "Rebate" in relation to a rate payable on a property, shall mean a discount granted in terms of Section 15 of the Municipal Property Rates Act, 2004 (Act 6 of 2004) on the amount of the rate payable on the property.

2.43. "Reduction" in respect of a rate payable on a property, means the lowering of the amount for which the property was valued and the rating of that property at that lower amount.

2.44. "Responsible Person" means any person other than the registered owner of an immovable property who is legally responsible for the payment of municipal service charges.

2.45. "Residential property" means improved property that:

(i) Is included in the valuation roll in terms of section 48(2)(b) of the Property Act as residential in respect of which the primary use or permitted use is for residential purposes (60% or more), including any adjoining property registered in the name of the same owner and used together with such residential property as if it were one property. Any such grouping shall be regarded as one residential property for rate rebate or valuation reduction purposes, if still used dominantly for residential purposes.

(ii) Is a unit registered in terms of the Sectional Titles Act, 1986 (Act 95 of 1986), used predominantly for residential purposes, and includes any adjoining or adjacent development property registered in the name of the same owner and used together with such residential property as if it were one property. This use must indicate that the two properties cannot be dealt with as separate viable economic units and can only function as if they are one entity. Any such grouping shall be regarded as one residential property for rate rebate and valuation rebate purposes.

(iii) Is owned by a share-block company and is used predominantly for residential purposes.

(iv) Is an old age home used predominantly for residential purposes.

(v) Is a block of flats used predominantly for residential purposes.

(vi) Is a hostel used predominantly for residential purposes.

(vii) Is a residence used for residential purposes situated on a property used for or related educational purposes.

(viii) Is property which is included as residential in a valuation list in terms of section 48(2)(b) of the Act.

(ix) Retirement schemes and life right schemes used predominantly for residential purposes.

2.46. "Residential Unit" means an interconnected suite of rooms which does not include more than one kitchen, designed for the occupation, and use by a single family and which may be part of a residential property containing two or more residential units, attached, or detached, registered in the name of the same owner, and used together with such residential property as if it were one property.

2.47. "Service Charges" means the fees levied by the municipality in terms of its Tariff Policy for any municipal services rendered in respect of an immovable property and includes any penalties, interest, or surcharges levied or imposed in terms of this Policy.

2.48. "Service Delivery Agreement" means an agreement between the municipality and an institution or persons mentioned in section 76(b) of the Systems Act.

2.49. "Sundry Customer Accounts" means accounts raised for miscellaneous charges for services provided by the municipality or charges that were raised against a person because of an action by a person, and were raised in terms of the Council's policies, bylaws, and decisions.

2.50. “Systems Act” means the Local Government: Municipal System Act, 2000 (Act 32 of 2000).

2.51. "Tariff" means the scale of rates, taxes, duties, levies, or other fees which may be imposed by the municipality in respect of immovable property and/ or for municipal services provided.

2.52. "Tariff Policy" means a Tariff Policy adopted by the Council in terms of Section 74 of the Systems Act.

2.53. "User" means the owner or occupier of a property in respect of which municipal services are being rendered.

2.54. “Vacant Property” – means any land without any improvements thereon.

3. PURPOSE

3.1. The policy provides for the following:

3.1.1. Customer care.

3.1.2. Credit control.

3.1.3. Debt collection.

3.1.4. Issuing of certificates and clearances.

3.1.5. Incentives and rebates.

3.1.6. Management and internal control procedures.

3.1.7. Monitoring and reporting procedures.

4. SCOPE

4.1. This policy applies to all past, present, and future customers of the Swellendam Municipality and all contract arrangements, customers and debtors of the municipality.

5. LEGAL FRAMEWORK

5.1. Section 96(b) of the Systems Act, obliges the municipality to collect all money that is due and payable to it, subject to the provisions of relevant legislation.

5.2. Section 62(1)(f)(iii) of the MFMA determines that a municipality must have and implement appropriate Credit Control and Debt Collection mechanisms and section 64(2)(g) determines that the municipality must ensure that interest is charged on arrears on a monthly basis, except where Council has granted exemptions in accordance with its budget-related policies and within the prescribed framework.

6. PRINCIPLES

6.1. This Customer Care, Credit Control and Debt Collection Policy and its implementation will be aligned to the principles stipulated in section 6.1 to section 6.12 of the Revenue Bylaw.

6.2. The Executive Mayor must report the Customer Care, Credit Control and Debt Collection performance results, regularly and efficiently to Council.

7. OBJECTIVES

7.1. The objectives of this Policy are to:

7.1.1. Provide a framework within which the municipality can exercise its executive and legislative authority with regard to credit control and debt collection.

7.1.2. Ensure that all monies due and payable to the municipality are levied and collected in an financially sustainable manner.

7.1.3. Provide a framework for customer care.

7.1.4. Describe credit control measures and sequence of events.

7.1.5. Outline debt collection and credit control procedures and mechanisms.

7.1.6. Set realistic targets for credit control and debt collection.

8. ROLES AND RESPONSIBILITIES

8.1. Council

8.1.1. The Council must:

(i) Ensure that all money which is owed and payable to the Council is collected.

(ii) For this purpose, adopt, maintain, and implement a Customer Care, Credit Control and Debt Collection policy.

(iii) Monitor and supervise the implementation and enforcement of the Council's Customer Care, Credit Control and Debt Collection policy.

(iv) Where necessary, evaluate or adapt the policy and any applicable decrees, or the implementation of the policy to improve the efficiency of its mechanisms, processes and procedures for debt collection.

(v) Keep a record of such policy, which any person may obtain or perusal.

8.2. Administration

8.2.1. The administration must:

(i) Implement and enforce the Council's Customer Care, Credit Control and Debt Collection policy and any applicable regulations.

(ii) Initiate effective administrative mechanisms, processes, and procedures to collect any money that is owed and payable to the Council, in accordance with this Customer Care, Credit Control and Debt Collection policy and such decrees.

(iii) Report the required information on a regular basis at a meeting to Council or an appropriate committee of Council.

8.3. Customers

8.3.1. The owners and/or occupants of premises must allow access to such premises to an authorized representative of the municipality to read, inspect, install or repair any meter or services connection point, or to disconnect, stop or limit the provision of any.

9. CUSTOMER CARE

9.1. Customer Care Objective

9.1.1 The objective of this part is to focus on the customer's need in a responsible and pro-active way to enhance the payment for services and to create a positive and cooperative relationship between the persons responsible for the payment for services received and the Municipality and where applicable, the service provider.

9.2. Metering

9.2.1 The municipality will endeavour, within practical and financial limits, to provide meters to every paying customer for all measurable services.

9.2.2 All meters will be read monthly, as far as possible except pre-paid meters. If the meter is not read monthly, the consumption will be estimated in terms of Council's operational procedures.

9.2.3 Customers must:

(i) Safeguard and maintain service meters in a readable condition.

(ii) Notify the municipality when services are no longer required at a particular service delivery point.

(iii) Maintain credit and pre-payment meters.

(iv) Supply the municipality with accurate information with regard to the supply of services or applications for indigent cases.

9.2.4 Customers are entitled to request verification of meter readings at the prescribed tariff.

9.2.5 Customers are entitled to request testing of meters for accuracy within reason, at the prescribed tariff. If the test reveals the meter to register outside the norm as prescribed by the Trade Metrology Act, 1973 , the charges paid will be refunded, the meter will be replaced and the customer's account will be adjusted accordingly, subject to a maximum period of 3 months.

9.2.6 Customers will be informed of meter replacement.

9.2.7 Customers must give notice of at least 48 hours to the municipality should a final reading or discontinuation of service be required.

9.2.8 If a service is metered but it cannot be read due to financial and/or human resource constraints or circumstances beyond the control of the municipality or its authorised agent, and the customer is charged for an estimated consumption, the account following the reading of the metered consumption must articulate the difference between the actual consumption and the average consumption where practical.

9.3. Accounts and billing

9.3.1 The municipality will as far as possible render to its customers on the billing system an understandable and accurate statement, which will consolidate all service costs and subsidies granted in terms of this Policy for that property.

9.3.2 Accounts will be produced in accordance with the meter reading cycle and billed according to the accounting month at the applicable tariff for the month and not the reading dates of the meter. The due dates will be linked to the statement date.

9.3.3 The monthly consolidated account can include all charges as provided for in the Municipal Tariff Policy.

9.3.4 Accounts will be rendered monthly in cycles of approximately 30 days.

9.3.5 It is the customer's responsibility to ensure that his/her contact details and all other required details are correct. Customers may request an account by e-mail.

9.3.6 Accounts are delivered monthly. It is the customer's responsibility to enquire from the municipality should an account not be received to ensure timely payment and to obtain a duplicate account when the account is not delivered during the normal billing cycle.

9.3.7 Customers residing outside the borders of the Republic of South Africa will receive only electronic accounts, unless a local address is supplied.

9.3.8 Settlement or due dates will be as indicated on the statement and are normally as follows:

(i) Monthly accounts are payable before or on the 28th day, or the first working day thereafter should it fall on a weekend or public holiday, of the month following the month of the statement of the account.

(ii) Accounts of councillors and employees may be deducted from their salaries/allowances on a monthly basis; alternatively, they may sign a debit order for deduction of the monthly account off their bank account.

(iii) Staff arrears will be dealt with in accordance with Schedule 2(10) of the Systems Act and in terms of any procedures, method or actions referred to in this Policy. Notwithstanding any other procedure, method or action that may be taken in terms of this Policy, the municipality shall deduct any outstanding amount from such staff members' salary after this 3 (three) month period.

(iv) In accordance with Schedule 1(12A) of the Systems Act, a Councillor of the Municipality may not be in arrears to the municipality for rates and service charges for a period longer than 3 months. Notwithstanding any other procedure, method or action that may be taken in terms of this Policy, the municipality shall deduct any outstanding amount from such Councillors' remuneration after this 3 (three) month period.

9.3.9 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.

9.3.10 Where any payment made to the municipality or its authorised representative by negotiable instrument is later dis-honoured by a bank, the municipality or its authorised agent:

(i) May recover the average bank charges incurred relating to dis-honoured negotiable instruments, together with an administration fee, against the account of the customer.

(ii) Shall regard such an event as a default on payment and services may be discontinued should a valid payment by cash or electronic fund transfer not be made by the date provided by the authorised official.

(iii) May insist on cash, debit order or electronic fund transfer payments for all future accounts.

9.3.11 The municipality must issue a duplicate account or any acceptable alternative to a customer on request.

9.3.12 All contracts for service delivery with tenants will be phased out over a period of time and all new service contracts will only be with the owners of the property.

9.3.13 When tenants are in default, the service contract with the tenant will be cancelled and services transferred to the owner.

9.4. Payment facilities and methods

9.4.1 The municipality will operate and maintain suitable payment facilities, which facilities will be accessible to all customers.

9.4.2 A debtor does not have the right to indicate that the payment is for a specific portion of the account. The municipality will allocate a payment between service debts in accordance with the following priorities:

(i) Property Rates Level 1
(ii) Sundry Levies and Sewerage Level 2
(iii) Refuse Level 3
(iv) Rent Level 4
(v) Water Level 5
(vi) Electricity Level 6

9.4.3 The municipality may, with the consent of a customer, approach an employer of the customer to secure a debit or stop order arrangement.

9.4.4 The municipality will endeavour to appoint a variety of agents for the receipt and transfer of payments to the municipality. The customer will acknowledge in the customer agreement that the use of customer agents in the transmission of payments to the municipality is at the risk of the customer, including the time lapse for transfer of the payment.

9.5. Customer assistance programmes

9.5.1 Water leakages:

(i) If the leakage is on the customer's side of the meter, the customer will be responsible for payment of the full account.

(ii) A customer will qualify for a water leakage discount upon application within 10 days after the leak has been identified/repaired or in the discretion of the Chief Financial Officer.

(iii) The customer will only qualify once in a cycle of 12 months for a discount.

(iv) Suitable proof of repair and costs has been submitted containing the following information:

(a) Date of the repair.

(b) Confirmation that the leak was under the surface and or not easily detectable.

(c) Certification that the material in which the leak occurred was of acceptable standard or an affidavit from the SA police if the water leakage was repaired by the customer subject to the Chief Financial Officer approval.

(v) Discount for household usage will be calculated over the period the leak was present and will be equal to the consumption above the normal consumption of the customer at the rebate tariff applicable. All the usage calculating due to the leak will be charged on the second block of the water tariff.

(vi) It is the responsibility of the customer to control and monitor his/her consumption.

9.5.2 Rate rebates:

(i) The municipal Council may grant rate rebates annually to certain categories of ratepayers in accordance to the Municipality’s Property Rates Policy and Bylaws.

(ii) Rate rebates will be subject to certain criteria as determined by Council from time to time.

9.5.3 Arrangements for settlements:

(i) Customers whose municipal accounts become in arrears may enter into an arrangement for settlement of the arrears with the municipality. Such customers will be requested to complete a new application form.

(ii) If required, customers with arrears must agree to the conversion to a pre-payment electricity meter. If and when implemented, the cost of which, and the arrears total, will be paid off either by adding the debt to the arrears bill and repaying it over the agreed period.

(iii) In the case of the customer who is not a natural person, an organ of state, a local authority, a public company or a public corporation, the major shareholder or member will be obligated to guarantee the debt of the customer.

(iv) Council reserves the right to raise the deposit/security requirement of debtors who seek arrangements and/or other stipulations it may deem necessary.

9.6. Subsidy for poor households and indigent households

9.6.1 A basic level of services will be provided to qualifying households with a total gross income level which is below a determined amount, and according to further specified criteria, as determined by the municipality from time to time through the Free Basic Services and Indigent Support Policy.

9.7. Additional subsidy categories

9.7.1 Subject to an equitable share contribution received from National Treasury, Council may provide, free of charge to a customer, basic services as determined from time to time.

9.7.2 Rebates on property rates may be granted to categories of properties or owners in accordance to Council's Property Rates Policy.

9.8. Customer categories

9.8.1 Customers will be categorised according to specific classifications based on amongst others the type of entity, applicable tariffs, and risk levels of the provision of services.

9.8.2 Processes for credit control, debt collection and customer care may differ from category to category, as deemed appropriate from time to time by the Municipal Manager.

9.9. Incentives

9.9.1 The Chief Financial Officer is delegated to waive interest on arrear accounts on condition that full payment of the arrear's capital amount is received in one payment in accordance with council's delegation framework.

9.9.2 The above delegation may be sub delegated to the manager revenue to the amount of R1,000.

9.10. Enquiries, appeals and service complaints

9.10.1 If a customer is convinced that his/her account is inaccurate, he/she can lodge a query, together with supporting documentation and proof, with the municipality before due date for investigation of this account, and where necessary the relevant alterations.

9.10.2 In the interim the debtor must pay an average based on previous consumption where such history of the account is available. Where no such history is available, the debtor is to pay an estimate provided by the municipality before payment due date until the matter is resolved.

9.10.3 In relation to enquiries, the following applies:

(i) Any aggrieved person may address a grievance or query regarding charges for municipal services to the Chief Financial Officer in writing or may visit any customer care office provided by the Municipality.

(ii) Every customer has the right to ask and to be provided with a clear explanation as to the services being charged and a breakdown of all amounts shown on their account.

(iii) The aggrieved person shall clearly state the basis of his or her dissatisfaction and the desired resolution.

(iv) The lodging of an inquiry shall not relieve the aggrieved person of the responsibility to settle his or her account. An interim payment similar to an average account must be paid by the due date pending finalisation of the enquiry.

(v) The municipality will respond to all inquiries from customers in writing within 30 days from the lodging of the enquiry.

9.10.4 In relation to disputes, the following applies:

(i) Any alleged dispute which does not meet the definition of dispute, as defined in this policy, will be regarded by the Municipal Manager as a query and the person will be informed in writing thereof.

(ii) In order for a dispute to be registered with the municipality, the following procedures must be followed by the consumer:

(a) The dispute must be submitted in writing and signed by the disputant as correct. The document must then immediately be lodged with the relevant Municipal Managers' Office of the municipality.

(b) No dispute will be registered verbally whether in person or telephonically.

(c) The consumer must furnish full personal particulars including all account numbers held with the municipality, direct contact telephone numbers, fax numbers, postal and e-mail addresses and any other relevant particulars required by the municipality.

(d) The full nature of the dispute including the specific amount involved, account details, and the relevant periods pertaining to that specific amount under dispute, must be described in the correspondence referred to above.

(iii) The onus shall rest with the consumer to ensure that he/she receives a written acknowledgement of the receipt of the dispute, from the Municipal Managers Office of the municipality.

(iv) Any amount not in dispute shall be subject to the requirement of this policy.

(v) The Municipal Manager's decision on disputes shall be final.

(vi) Where appropriate the municipality shall immediately implement appropriate debt collection and credit control measures provided for in this policy, after the consumer in question has been provided with the outcome of the dispute.

9.10.5 Should a consumer not be satisfied with the outcome of the dispute, a consumer may lodge an appeal in terms of section 14 of the Revenue Bylaw.

10. CREDIT CONTROL

10.1. Applications

10.1.1. A customer who requires the provision of municipal services must apply for the service from the municipality. The application must be made on the prescribed form.

10.1.2. The application for the provision of municipal services must be made by the registered owner of immovable property only.

10.1.3. The municipality will not entertain an application for the provision of municipal services by a tenant of a property, or any other person who is not the owner of the property. The only exception will be:

(i) Individuals and Businesses with lease agreements to lease properties from the municipality.

(ii) Government Departments.

(iii) Body Corporates who take the responsibility for the payment of basic water, basic sewer and refuse removal services on behalf of the individual sectional title owners.

(iv) Approved Indigent Customers for the purposes of registering and allocating the applicable subsidy to qualified indigent customers who will be allowed to open an account in the name of the lessee of the property.

10.1.4. In case of existing arrangements where tenants have existing accounts, written permission of the owner may be requested from the owner by the Municipality. If the tenant is guilty of non-payment the owner, where permission has been granted, as a last resort is liable for the outstanding debt, except where the property concerned is owned by the Municipality.

10.1.5. An agent may with a proxy open an account in the name of the owner.

10.1.6. By completing the prescribed application form for the provision of municipal services and paying the prescribed deposit, the consumer of services enters into an agreement with the municipality. Such agreement does not constitute a credit facility envisaged in terms of section 8(3) of the National Credit Act (NCA) but shall be incidental credit as envisaged in terms of section 4(6)(b) of the NCA, to which the NCA will only apply to the extent as stipulated in section 5 of the NCA.

10.1.7. The agreement with the municipality makes provision for the following:

(i) An undertaking by the property owner that he or she will be liable for collection costs including administration fees, interest, disconnection and reconnection costs, and any other legal costs occasioned by his or her failure to settle accounts by the due date on an attorney/ client basis.

(ii) An acknowledgement by the property owner that accounts will become due and payable by the due date notwithstanding the fact that the property owner did not receive the account.

(iii) That the onus will be on the property owner to ensure that he or she is in possession of an account before the due date.

(iv) An undertaking by the municipality that it shall do everything in its power to deliver accounts timeously.

10.1.8. The first account for services will be rendered after the first meter reading cycle to be billed following the date of signing the service agreement.

10.1.9. The municipality may refuse to supply services to an applicant should such applicant owe monies to the municipality regarding a previous period when he/she was rendered services by the municipality until such debt has been settled in full. Should the applicant prove to the Chief Financial Officer that he/she is unable to pay, the application will be dealt with in terms of Council's Free Basic Services and Indigent Support Policy.

10.1.10. The municipality will read the meters within the period stipulated in the agreement after notification of a change in ownership or application for the supply of services and render an account within the normal cycle applicable to the property.

10.1.11. Existing consumers of services may be required to sign new agreements in the following instances:

(i) Any change of service profile.

(ii) With any instruction given or actual disconnection or restriction of services or legal action taken.

(iii) Any form of tampering with service networks or meters.

(iv) As determined by the Municipal Manager from time to time.

10.2. Screening, Securities and Deposits

10.2.1. Every customer must, on application for the provision of municipal services pay a deposit to the municipality prior to the provision of any municipal services. The amount of which shall be annually determined by Council and is contained in the tariff schedules issued annually.

10.2.2. No interest will be paid on any deposit held by Council.

10.2.3. Existing customers moving to a new address are required to pay the prescribed customer deposit, as contained in the prescribed annual list of tariffs, on application for the provision of municipal services at the new address.

10.2.4. The customer deposit paid on application for the provision of municipal services may be reviewed annually and may be increased or decreased upon written notice to customers.

10.2.5. 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, and that the account holder has provided a forwarding address.

10.3. Exceptional arrangements in the opening of new accounts

10.3.1. The following arrangements will apply in exceptional cases in relation to RDP Houses:

(i) If the occupier or beneficiary after numerous attempts by the municipality to get them to come and open an account failed, an account will be open on behalf of the beneficiary or occupier by a municipal official by completing the new application form, attach proof occupancy or happy letter or beneficiary proof, attach any documented proof of attempt to contact the owner, occupier to come and open an account if there is any.

(ii) The details of beneficiaries or occupants having been provided by a legitimate authority like the Department of Human Settlement, Councillor or any relevant legitimate government institution or stakeholder, will suffice.

(iii) A municipal official will also create an account on the system under the occupier or beneficiary name, raise the deposit, link all the relevant service charges, and bill the account on monthly basis.

10.3.2. The following arrangements will apply in exceptional cases in relation to the sale and transfer of properties:

(i) If the property has been sold and transferred to the new owner as per the deeds records and the previous owner came to complete the termination of service form and the new owner failed to come and complete the new application form to open an account under his or her name.

(ii) A municipal official will complete a new application form on behalf of the owner, attach proof of ownership from the Deeds Office, attach any documented proof of attempt to contact the owner to come and open an account if there is any.

(iii) A municipal official will create an account on the system under the name of the new owner, raise a relevant deposit, link all the relevant services charges, and bill the account on a monthly basis.

10.4. Terminations and Final Accounts

10.4.1. It is the responsibility of the consumer to notify the municipality when municipal services are no longer required due to the sale of the property or other reasons.

10.4.2. Failure to comply with the provision above renders the consumer liable for all service charges and interest thereon accumulated from the date when the premises are vacated to the date when Council becomes aware of such vacation.

10.4.3. A customer may terminate an agreement for the supply of municipal services by giving at least 21 (twenty- one) days' written notice to the municipality of such termination.

10.4.4. The municipality may terminate an agreement for the supply of municipal services by giving at least 21 (twenty-one) days' written notice to a customer where the premises have been vacated by the customer concerned and no arrangement for the continuation of the agreement has been made with the municipality provided that, in the event of the customer concerned not being the registered owner of the premise, a copy of the aforesaid notice shall also be served on such registered owner.

10.4.5. A customer shall remain liable for all arrears and applicable charges that are payable for municipal services rendered prior to the termination of an agreement.

10.4.6. Upon receipt of a customer's application for the termination of municipal services, the municipality shall:

(i) Take final readings in respect of metered municipal services.

(ii) Prepare and render a final account.

(iii) Appropriate the customer deposit for the reduction or settlement of any outstanding amount owed by the customer.

(iv) Return the customer deposit to the customer if no amount is owed to the municipality.

10.5. Metering

10.5.1. The Municipality may introduce various metering equipment and may encourage customers to convert to a system that is preferred by the Council when Council considers this to be beneficial to its functioning and operations as contemplated in section 9.2 above.

10.5.2. The following applies to the reading of meters:

(i) Meters are read in cycles of approximately 30 days.

(ii) If for any reason the meters cannot be read, the municipality will render an account based on estimated consumption. The estimate will be based on the average of the previous 3 months' consumption.

(iii) The account based on estimated consumption will be adjusted in the subsequent account based on the actual consumption.

(iv) The customer is responsible to ensure access to metering equipment for the purpose of obtaining meter readings for billing purposes.

(v) Customers can, for reasons of non-accessibility to their properties by meter readers, provide the municipality with monthly meter readings for billing purposes, provided that an audit reading can be obtained by the municipality once every six months and provided that a final reading can be obtained should the customer vacate the property.

(vi) If any basic charge or calculation error is discovered in respect of any account rendered to a customer (whether in favour of the Council or customer), the following will apply:

(a) The error shall be corrected in the subsequent account.

(b) Where the discovery is made, any such correction in terms of accounts billed monthly may apply in respect of an account from the date on which the error on the account was discovered.

(c) The correction shall be based on the tariffs applicable during the period.

(vii) When an adjustment is made to the consumption registered on a meter, such adjustment will be done according to the conditions stipulated in the Revenue Bylaw and Tariff Policy.

(iv) When a customer vacates a property and a final reading of the meter is not possible, an estimation of the consumption may be made by the municipality and the final account rendered accordingly.

10.5.3. The following applies to prepayment metering:

(i) Prepayment services are purchased at prepayment vending points for consumption after the date of purchase.

(ii) The basic levy outstanding for six months plus, on the pre-payment system on 30 June and 31 December each year, will be billed in the following months on the Municipal Financial System and the normal credit control measures will apply.

(iii) Customers may elect to have the daily/basic charge levied on their monthly municipal account instead of paying it as part of the prepaid purchases by completing the application form and submitting it to the municipality before the 15th of the month. All applications received by the 15th will be processed with the following billing cycle.

(iv) The municipality may load an auxiliary on the “pre-payment” system in order to allocate a portion (60%) of the rendered amount to the customer’s arrear account for other services.

(v) On request of the customer, copies of the previous prepayment meter vouchers will be produced. Lost vouchers will not be replaced under any circumstances.

(vi) Credits remaining in the prepayment meter will not be refunded when a premise is vacated by a customer or in case of purchasing against a wrong account.

(vii) The municipality shall not be liable for the reinstatement of credit in a prepayment meter due to tampering with, or the incorrect use or abuse of prepayment meters.

(viii) The municipality may appoint vendors for the sale of prepaid electricity but does not guarantee the continued operation of any vendor.

(ix) The municipality may apply all the debt collection functions available on the prepayment system to collect all arrear debt on the account of the customer.

10.6. Estimated consumption

10.6.1. The municipality may levy an estimate of the average consumption of services for any relevant period, in the instances detailed below. An estimated consumption shall apply until an actual meter reading is obtained:

(i) No meter reading could be obtained in respect of the period concerned.

(ii) Meter malfunctions giving an incorrect reading. If such irregularities are found to be legitimate, the municipality will then charge an average consumption amount as defined in this policy instead of the "metered" consumption.

10.7. Payment

10.7.1. All accounts rendered by the municipality are due and payable on the due date.

10.7.2. All payments, whether made by cash, stop order, electronic payments or payments made through duly authorised agents must be receipted by the municipality by the close of business on the due date.

10.7.3. Accounts rendered by the municipality can be paid at any municipal cashier office and any other pay point as determined by the Municipal Manager from time to time.

10.7.4. The payment methods and facilities supported by the municipality can be used to make payments on accounts.

10.7.5. Payments received in respect of service charges will be allocated as follows on the account of the customer as per 9.4.2 above

10.7.6. Part payment received on an account shall be allocated firstly to reduce any penalty charges that may have accrued on the account.

10.7.7. An official receipt issued by the municipality or its duly authorised agent will be the only proof of payments made.

10.8. Interest on arrears

10.8.1. Account balances which remain unpaid 30-days after the due date of the month when the account becomes payable shall attract interest irrespective of the reason for non-payment.

10.8.2. Interest on arrear debt shall, be calculated for each month, or part thereof, for which such payment remains unpaid.

10.8.3. Interest will be charged from the due date of the month following the month in which the account becomes payable.

10.8.4. In case of outstanding debt owed by residential households, no further interest shall be charged on any outstanding amounts in respect of which an agreement had been concluded for the payment by way of instalment thereof, provided the instalments are paid in full by the due dates thereof.

10.8.5. The interest rate is charged at a prime rate charged as determined by the Reserve Bank.

10.9. Limitation, disconnection, or discontinuation of services

10.9.1. An account rendered to a customer by the Municipality shall be paid by the due date.

10.9.2. If the customer fails to pay any account after the expiry of the due date then, (within a period of fourteen (14) days):

(i) The municipality may limit, disconnect, or discontinue the supply of electricity to the immovable property in question, provided that a dispute as contemplated in Section 102(2) of the Systems Act, had not been declared.

(ii) The Chief Financial Officer or any duly authorised person may instruct attorneys to recover the outstanding amounts owed.

10.9.3. The Municipality may also restrict or terminate the supply of municipal services to any premises whenever a user of services:

(i) Fails to comply with a condition of supply determined by the municipality.

(ii) Fails to repair onsite damage after being advised to do so and having been given reasonable notice to comply.

(iii) Obstructs the efficient supply of any municipal services to another customer.

(iv) Supplies such municipal service to a customer who is not entitled thereto or permits such services to continue.

(v) Causes a situation which in the opinion of the municipality is dangerous or a contravention of relevant legislation.

(vi) Is placed under provisional sequestration, liquidation or judicial management, or commits an act of insolvency in terms of the Insolvency Act.

(vii) If an administration order is granted in terms of section 74 of the Magistrate Court Act in respect of such user.

(viii) Is placed under debt review, or debt counselling, or debt re-arrangement in terms of the National Credit Act.

10.9.4. The limitation, disconnection, or discontinuation of the supply of services shall be affected in the manner that is customarily used or by taking such reasonable and lawful steps as may be necessary.

10.9.5. Any disbursements or charges incurred or raised in respect of the limitation, disconnection, or discontinuation of the supply of water shall be paid by the customer.

10.9.6. If a customer unlawfully reconnects or attempts to reconnect a supply of electricity or water that has been limited, disconnected, or discontinued, then:

(i) The municipality may disconnect or discontinue the supply entirely by removing the service connection from the premises.

(ii) Any disbursements, penalties, or reconnection charges, together with any outstanding amounts owed in respect of rates or municipal services, must be paid in full before a reconnection can be made.

10.9.7. In the case of a customer where the supply of services has been limited, disconnected or discontinued at least twice during the preceding period of twelve (12) months, the municipality may review the amount of the customer deposit required from such customer.

10.9.8. The municipality must provide an owner of a property in its jurisdiction with copies of any agreement entered into with the occupier of the property for the payment of an outstanding account if the owner requests such agreement in writing from the municipality.

10.9.9. The municipality may, in accordance with the provision of section 102 of the Systems Act:

(i) Consolidate any separate accounts of a consumer liable for payments in terms of the Bylaws of the municipality.

(ii) Credit a payment by such a person against any account of that consumer.

10.10. Reconnection

10.10.1. The municipality shall reconnect and/or restore full levels of supply of any of the restricted or discontinued services only after the full amount outstanding is paid or an arrangement has been made including the costs of such disconnection and reconnection or acceptable arrangements having been made for payment of such outstanding amounts in terms of this Policy, or any other condition(s) of this Policy have been complied with.

10.10.2. Only an authorised official shall authorise the reconnection of services or reinstatement of service delivery after satisfactory payment and/or arrangement for payment has been made according to this Policy.

10.11. Refunds

10.11.1. Requests for refunds and payment- transfers must be made to the municipality in writing.

10.11.2. A request for refund form should be completed and lodged at a Customer Care Counter of the municipality, together with the following documentation:

(i) Certified copy of the account holder's Identity Document.

(ii) Proof of consumer banking details letter from bank.

(iii) Copy of proof of payments.

(iv) A copy of a consumer statement to be attached by the relevant municipal official to the refund documents for easy reference.

10.11.3. Only credit amounts appearing on an account will be refunded, subject to the municipality's right to set-off credit balances against any other debt due by the consumer. The municipality's right to offset any debt against any credit paid by a consumer, as provided for in this policy, is subject to the provisions of the Insolvency Act.

10.11.4. Refunds will only be made payable to the registered consumer.

10.11.5. Any incorrect payment made on an account by a third party will be refunded to such third party, only after the third party has submitted proof of the incorrect payment and subject to any law or policy of the municipality.

10.11.6. Where an incorrect account has been paid by a claimant who is also an account holder with the municipality, the claimant is to provide proof of the correct account details and such a payment is to be re–allocated to the correct consumer account.

10.11.7. The municipality reserves the right to periodically determine a bottom threshold for when it is entitled to decline to issue a refund where the cost and administrative burden of issuing the refund is out of balance with the amount to be refunded. The present bottom threshold at the point of the approval of this policy is R30.

10.11.8. The municipality will use the prescribed method when paying a refund to an account holder.

10.11.9. Any arrears on any account of the account holder requesting or entitled to a refund may be set off against any credit balance due to that account holder on any of his accounts before the refund is affected.

10.11.10. There is an obligation on all account holders to ensure that their contact details on the municipality's system are always correct and updated.

10.11.11. The municipality shall be entitled to write back or appropriate any unclaimed money arising from a credit balance of an account holder account, if such amount is not claimed by the account holder within a period of three years from the date when it became due to him/her.

10.11.12. Deceased Estates and Insolvent Estates:

(i) In case of an Estate late the nominated person/appointed executor. In a case where the registered consumer is unable to claim a refund due to reasons beyond his/her control, a Power of Attorney may be solicited in order to process such a refund.

(ii) Refunds will only be made payable to the deceased estate's bank account upon the request of the duly appointed executor or executrix and supply proof of such bank accounts of bank confirmation letters.

(iii) In instances where an estate is wound up in terms of section 18 (3) of the Administration of Estates Act, 1965 (Act 66 of 1965), then the completed Request for Refund form must be supported by the written directives of the Master of the High Court.

10.11.13. Insolvent Estates including any entity In Liquidation: Refunds will only be made payable to:

(i) An insolvent estate's bank account or an entity in liquidation's bank account upon the request of the duly appointed trustee or liquidator.

(ii) To an unrehabilitated insolvent at the request of, or with the support of, the unrehabilitated insolvent's trustee (notwithstanding anything to the contrary contained herein, to a duly authorised nominee at the written request of the trustee or liquidator.

11. DEBT CONTROL

11.1. Letter of demand

11.1.1. A letter of demand will be sent to every owner or consumer who is in arrears with his account with the municipality.

11.2. Hand-over to debt collectors/agents

11.2.1. Debts which have been outstanding for more than 60 days from due date may be handed over to debt collectors appointed by the municipality for the purposes of collecting such debt.

11.2.2. The relevant debt collectors must ensure that the stipulations contained in the National Credit Act with respect to incidental credit are duly complied with.

11.2.3. If the debt collectors are unsuccessful in collecting the debt within 90 days of same being handed over, the debt may be handed over to attorneys for legal action.

11.2.4. Only the Chief Financial Officer or duly appointed official may hand over debts to attorneys for collection, and the Chief Financial Officer shall hand such debts over to attorneys for collection if they have not been collected by debt collectors within the aforementioned period of ninety (90) days, unless the Chief Financial Officer is of the opinion that it shall not be cost effective to do so.

11.2.5. If the Chief Financial Officer is of the opinion that it is appropriate to do so (such as in cases of urgency), he or she may hand over debts for collection to attorneys at any time prior to the expiration of any of the periods referred to above and without first handing them to debt collectors.

11.2.6. The process of collecting debt by debt collectors includes:

(i) The phoning of customers.

(ii) Sending an ‘sms’ to customers.

(iii) Sending out demand letters.

(iv) Making arrangements with customers to pay off debt in terms of the Council's Customer Care, Customer Care, Credit Control and Debt Collection Policy.

(v) Making follow-up contact with customers on unpaid arrangements.

11.3. Hand-over to attorneys

11.3.1. Debt that could not be collected by the debt collectors and debt that requires urgent legal attention may be handed over to attorneys for legal collection.

11.3.2. The following types of debt will not be handed over to attorneys:

(i) Debt of approved indigent customers that has not yet been written off by the council.

(ii) Debt that is being paid off as per an arrangement with the customer.

(iii) Debt that has not been subject to internal credit control actions for at least two months.

11.3.3. The process of legal collection includes:

(i) Final demands for payment to customers.

(ii) Emolument attachment orders on customer's salaries.

(iii) Summons issued for debt to be paid.

(iv) Default judgment be obtained against the customer.

(v) The attachment of moveable properties and sale in execution of moveable property.

(vi) The attachment of immoveable property and the sale of immoveable property.

11.4. Other debt collection methods

11.4.1. The debt collection methods mentioned in this Policy are not an exhaustive list of methods that can be applied to collect debts and any other methods that can be initiated will be implemented with the approval of Council.

11.5. Costs related to debt collection

11.5.1. Any costs, which include collection costs, charges, disbursements, and legal costs relating to any of the debt collection methods applied to collect the debt will be debited to the account of the defaulting customer.

11.5.2. Nothing contained in this Policy prevents the municipality from taking any other steps for the recovery of debt in terms of any relevant legislation, or any other procedure in any court of competent jurisdiction.

11.6. Outstanding debt of Councillors and staff

11.6.1. All existing staff and Councillors who have not entered into an agreement to pay arrears must do so within thirty days of the approval of this Policy by Council.

11.6.2. All staff joining the municipality must within thirty days sign an agreement to pay arrears.

11.6.3. The repayment period for both Councillors and staff is not to exceed twelve 24 months.

11.6.4. All agreements with Councillors must not exceed the expiry date of the term of office.

11.7. Debt payment arrangements by Customers

11.7.1. One of the key objectives of debt collection is to encourage customers to start paying their monthly accounts in full. In addition, it is also necessary to ensure that arrear debt is addressed. The current average balances on customer accounts necessitate that innovative ideas be implemented to encourage customers to pay off their arrears. At the same time, it is also of utmost importance that regular payers are not discouraged through the implementation of any possible incentives.

11.7.2. The main aim of an agreement will be to promote full payment of the current account and to address the arrears on a consistent basis.

11.7.3. A customer may enter into a written agreement with the municipality to repay any outstanding and due amount to the municipality under the following conditions:

(i) The outstanding balance, costs and any interest thereon shall be paid in regular and consecutive monthly instalments.

(ii) The current monthly amount must be paid in full.

(iii) The written agreement has to be signed on behalf of the municipality by a duly authorised officer.

(iv) The agreement will be compliant with the requirements of the National Credit Act where applicable.

11.7.4. To determine monthly instalments a comprehensive statement of assets and liabilities of the customer must be compiled by a treasury official. To ensure the continuous payment of such arrangement the amount determined must be affordable to the customer, considering that payment of the monthly current account is a prerequisite for concluding an arrangement.

11.7.5. The municipality may from time to time introduce incentive schemes to improve the debt collection rate.

11.7.6. A customer who cannot pay their arrear debt may enter into an arrangement to pay the account over an extended period of time.

11.7.7. During the time of the debt collection process, but before the debt is handed over to the attorneys a customer may enter into an arrangement to payoff arrear debt, which will be made an order of court by agreement in terms of the Rules of the Court.

11.7.8. The municipality will entertain only one arrangement with a customer to pay off arrear debt. Failure to abide by the arrangement will result in that:

(i) The arrangement shall be terminated with immediate effect.

(ii) The outstanding balance shall immediately become due and payable.

11.7.9. The customer by signing the arrangement agreement to pay off arrear debt acknowledges the following:

(i) The debt is owed to the municipality.

(ii) That on default of the arrangement agreement, interest on arrears will be charged on the amount due, service supply will be disconnected to the property of the customer, or the customer will be blocked from the purchase of services on the prepayment system, and legal proceedings will be instituted to collect the debt.

(iii) That the customer will be liable for all costs, which includes legal costs on an attorney client basis incurred to collect the debt.

11.8. Extension of time for payment

11.8.1. Arrangements are permissible for debtors who experience difficulties in paying their accounts. Any other request for extension which will be handled on merit of the individual cases.

11.8.2. Procedures for extension of payment:

(i) The Chief Financial Officer or his delegate is authorized to enter into agreements with the debtors with arrears accounts or grant such debtors extensions for payment.

(ii) The terms applicable for the settlement of arrear debt as well as any upfront payments will be determined by the Chief Financial Officer.

(iii) The arrangement must be in writing and may be in the form of an Acknowledgment of debt.

(iv) One copy of the arrangement must be handed to the Customer.

11.9. Administration orders

11.9.1. On notification that an order for administration in terms of section 74 of the Magistrates Court Act order has been granted, Council will manage the debt that is part of the administration order separately to the current account.

11.9.2. On notification that an order for review of debt, in terms of section 86(7)(c) of the National Credit Act, has been granted, Council will manage the debt that is part of the review order separately to the current account.

11.9.3. The customer will be responsible for the payment of the current monthly account and if the customer defaults on the payment of the account, debt collection action will be implemented.

11.10 Debt write-off

11.9.4. Debt write-off will occur as per the municipal Debt Write-off and Impairment Policy.

12. CERTIFICATES AND CLEARANCES

12.1. Services clearance certificates when properties are transferred

12.1.1. The municipality will issue a certificate required for the transfer of immovable property in terms of Section 118 of the Systems Act, which is lodged with the municipality in the prescribed manner.

12.1.2. A certificate will be issued subject to the requirement that all amounts that became due in connection with that property for municipal service fees, surcharges on fees, property rates, and other municipal taxes, levies, and duties during the two years preceding the date of application for the certificate have been fully paid.

12.1.3. Debt older than two years on the property irrespective of whether the owner of the property accumulated the debt will also have to be paid by the owner before the transfer of the property can be affected. In the case of a sequestrated estate, all debt outstanding two years prior to the date of sequestration must be paid before a certificate will be issued.

12.1.4. If the owner refuses to pay the debt which is older than two years (excluding a sequestrated estate) then the Municipality will apply to a competent Court for an order in the following terms:

(i) In the case where there is already a judgment for the payment of the amount, an order that the judgment debt be paid out of the proceeds of the sale before the mortgage debt is settled.

(ii) In the case where there is no judgment debt, for an order staying transfer of the property pending the finalization of a civil action to be instituted against the person who is in law liable for the payment of the outstanding debt.

12.1.5. The above action must be taken before the property is transferred as the statutory lien created by Section 118(3) of the Systems Act only endures until the property has been transferred and in terms of Section 118(1) of the Act the new owner of the property cannot be held liable for the debt that became due before a transfer of a residential property took place.

12.1.6. Rates Clearance Certificates

(i) Will only be issued if all amounts that became due in connection with that property for municipal service fees, surcharges on fees, property rates, and other municipal taxes, levies, and duties during the two years preceding the date of application for the certificate have been fully paid.

(ii) Will be valid for up to 120 days from the date of issue.

(iii) Will not be extended.

(iv) If it expires a new application for clearance must be made.

(v) The Municipal Manager may require the purchaser to apply for all services at the property as part of the application for clearance.

(vi) Prior to any refund of advanced payment collections, the latter will be used to offset any debt accumulated against the property of any tenant debt and any seller's debts. Any refund, in respect of any credit remaining after registration of transfer, has been registered in the Deeds Office, shall be refunded to the seller, subject to any other conditions under any other clause contained in this Policy.

(vii) All debt is deemed to be collectible by the municipality despite a Clearance Certificate issued in terms of section 118 (1)(b) of the Systems Act, and remains a charge against the property which the municipality will collect by attaching the property.

12.2. Tender certificates

12.2.1. A person or an institution reacting to a tender published by the municipality or wishing to enter into a contract to either provide services or goods to the municipality must produce a certificate, on the prescribed form, which states that regular payment of rates and services accounts are maintained and that the account is currently up to date.

12.2.2. A person who fails to provide such a certificate shall be disqualified from the tendering process.

12.2.3. To this end, copies of the following documents will be required:

(i) Copies of all municipal accounts of the bidder/ service provider concerned.

(ii) Copy of the arrangement agreed in terms of this Policy and the municipality will retain the discretion of whether to exempt the person from compliance.

12.2.4. Where payments are due to a service provider / contractor in respect of goods or services provided to the municipality, the municipality may offset such payment against any arrear amount owing to the municipality as provided for in the contract between the service provider/ contractor and the municipality.

13. INCENTIVES AND REBATES

13.1. To encourage prompt payment and/or to reward regular payers the municipality may consider incentives for the prompt payment of accounts or payment by debit or stop orders, subject to budgetary considerations and prescribed consultation.

13.2. If introduced such an incentive scheme will be reflected in the operating budget as an additional expenditure.

13.3. Eligibility criteria for incentives are the following:

13.3.1 All account holders except to any state department or State-Owned Entity (SOE).

13.3.2 Account holder must not have been in arrears more than 120 days as date of application.

13.3.3 Duly completed application for participation in the scheme must be received and approved by the municipality.

13.4. An account holder may apply to the municipality, in the prescribed form, for any rebate or reversal of interest on an account.

13.5. Rebates and/or interest on outstanding debt can be reversed when:

13.5.1. An account holder would like some relief from interest in order to facilitate the final settlement of all outstanding debt on his account.

13.5.2. Before embarking on litigation to recover outstanding debt.

13.5.3. The mechanism is used as a tool to persuade the account holder to settle his outstanding debt in full.

13.5.4. In the course of litigation, the reversal of interest is used as a negotiating point for the settlement of the matter in court.

13.5.5. In instances where errors with billing have occurred and outstanding arrears should not have accrued interest in the first place.

14. MISCELLANEOUS MATTERS

14.1. Proof of address

14.1.1. Proof of address documents will only be provided to the legal account holder of a property situated within the municipal area.

14.1.2. No proof of address will be provided to:

(i) Spouses of account holder.

(ii) Children of account holder.

(iii) Parents of account holder.

(iv) Any other person/institution.

14.1.3. Proof of address to any person other than the rightful owner should be obtained from the SAPS by affidavit.

14.1.4. A black and white signed and stamped statement will be provided by the municipality as proof of address.

14.2. Prima facie evidence

14.2.1. A certificate endorsed by the municipality, reflecting the amount due and payable to the municipality, shall upon mere production thereof be accepted by any court of law as prima facie evidence of the indebtedness reflected therein.

14.3. Notices

14.3.1. A notice or document issued by the municipality in terms of this Policy shall be deemed to be duly issued if signed by a duly authorised representative of the municipality.

14.3.2. If a notice is to be served on a person in terms of this Policy, then such service shall be affected by:

(i) Delivering the notice to him or her personally, or his or her duly authorized agent.

(ii) Delivering the notice at his or her residence or place of employment, to a person apparently not less than 16 (sixteen) years of age, and apparently residing or employed there.

(iii) If he or she has nominated an address for legal purposes, delivering the notice to such an address.

(iv) Registered or certified post addressed to his or her last known address.

(v) In the case of a body corporate, delivering it to the registered office or the business premises of such a body corporate.

(vi) If service cannot be affected in terms of the aforegoing subsections, by affixing it to the principal door of entry tithe premises or displaying it in a conspicuous place on the property to which it relates.

14.4. Fraud, offences and penalties

14.4.1. The municipality reserves the right to monitor the service network for signs of tampering or irregularities.

14.4.2. No person may in any manner or for any reason whatsoever tamper or interfere with any meter or metering equipment or service connection or service protective device or supply mains or any other equipment of the municipality.

14.4.3. Where prima facie evidence exists of a consumer or any person having contravened this Policy, the municipality has the right to disconnect the supply immediately and without prior notice to the account holder, and the account holder is liable for all fees and charges levied by the municipality for such disconnection.

14.4.4. The Revenue Bylaw, section 15, shall apply to any persons guilty of the following offences:

(i) Fails to give the access required by a duly authorized representative of the municipality in terms of this Policy.

(ii) Obstructs or hinders a duly authorised representative of the municipality in the exercise of his or her powers or performance of functions or duties in terms of this Policy

(iii) Unlawfully uses or interferes with municipal equipment or the consumption of services supplied to any customer.

(iv) Tampers with or breaks any seal on a meter or on any equipment belonging to the municipality or causes a meter not to register properly the service used.

(v) Fails, or refuses, to give a duly authorised representative of the municipality such information as he or she may reasonably require for the purpose of exercising or performing his or her powers or functions in terms of this Policy, or gives such representative false or misleading information, knowing it to be false or misleading.

(vi) Contravenes, or fails to comply with, a provision of this Policy.

14.4.5. Additional to the penalties invoked as per section 15 of the Revenue Bylaw, where an account holder or any person has tampered with the equipment, the municipality has the right to:

(i) Recover from the account holder the full cost of his estimated consumption.

(ii) Where a meter has been tampered with, the cost of repairing or replacing an existing meter with another one will be charged to the account of the respective consumer.

(iii) In addition, levy the consumer's account with all municipal charges related to the property, and thereafter suspend the services. The full outstanding fine on the account shall immediately be payable before services will be restored.

(iv) Where there has been unauthorised consumption of services, remove the connection, the cost of which shall be levied against the account of the consumer, and a criminal case will be opened with the South African Police Services.

(v) In instances where services have been disconnected due to meter tampering and/or unauthorised consumption of services, the consumer concerned shall be required to follow the necessary processes in terms of applying for municipal services and ensuring that the applicable deposit and connection fees are paid to the municipality.

14.5. Entry and inspection

14.5.1. For any purpose related to the implementation or enforcement of this Policy, and at all reasonable times, or in an emergency, a duly authorised representative of the municipality may enter premises, request information and carry out such inspection or examination, as he or she may deem necessary:

(i) With regard to the installation or repair of any meter or service connection or reticulation.

(ii) So as to limit, discontinue, disconnect, or reconnect the provision of any service.

14.5.2. If the municipality considers it necessary that work be performed to enable the authorised representative to perform a function referred to above properly and effectively, then it may:

(i) By written notice require the owner or occupier of the premises, at his or her own expense, to do specific work within a specified period.

(ii) If, in its reasonable opinion, the situation is a matter of urgency, then the municipality may do such work, or cause it to be done, at the expense of the owner or occupier, and without written notice.

14.5.3. If the work is carried out for the sole purpose of establishing whether a contravention of this Policy has been committed, and no such contravention has taken place, then the municipality shall bear the expense connected therewith, together with the expense of restoring the premises to its former condition.

15. MANAGEMENT AND INTERNAL CONTROL

15.1 The Municipal Manager, assisted by the Chief Financial Officer, must take all reasonable steps to ensure:

15.1.1 That the municipality's customer care, credit control and debt collection is managed effectively and economically in terms of the prescribed Policy framework.

15.1.2 That the municipality has and maintains a management, accounting and information system that accounts for all customer care, credit control and debt collection activities.

15.1.3 That the municipality has and maintains a system of internal control over its customer care, credit control and debt collection.

15.1.4 That criminal proceeding are instituted against any official of the municipality who has allegedly committed an act of financial misconduct or an offence in terms of the MFMA or this Policy.

15.1.5 To prevent losses arising from fraud, misrepresentations, error, conflict of interest, or imprudent action, a system of internal controls governs the administration and management of customer care, credit control, and debt collection.

15.2 Controls deemed most important include:

(i) Control of collusion, separation of duties.

(ii) Clear delegation of duties.

(iii) Written confirmation of telephonic transactions.
(iv) Documentation of transactions and arrangements.
(v) Code of ethics and standards.
(vi) Strict adherence to the policy.
(vii) Procedures manuals.
(viii) Electronic Funds Transfer limits and a detailed procedure manual for the system.
(ix) Regular reporting to management.

16. MONITORING AND REPORTING

16.1 The Policy must at all-time be transparent and accountable in respect of customer care, credit control, and debt collection.

16.2 The Municipal Manager must submit, as prescribed, to the Council a report describing the management of this Policy.

16.3 The report must include significant and relevant matters, and be presented in a balanced and understandable manner.

16.4 The report should be:
(i) Transparent.
(ii) Reflect accountability.
(iii) Objective.
(iv) Comprehensive.

17. REVIEW

17.1 The Customer Care, Credit Control, and Debt Collection policy shall be reviewed annually in accordance with Section 21(1) (b) (ii) of MFMA.

18. DOCUMENT DEFINITION

Effective Date	**1st July 2023**
Related Legislation	1. Administration of Estates Act, 1965 (Act 66 of 1965). 2. Deeds Registries Act, 1937 (Act 47 of 1937). 3. Insolvency Act 1936 (Act 24 of 1936). 4. Local Government: Municipal Property Rates Act, 2004 (Act 6 of 2004). 5. Local Government: Municipal Systems Act, 2000 (Act 32 of 2000). 6. Local Government: Municipal Demarcation Act, 1998 (Act 27 of 1998). 7. Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003). 8. Magistrate court Act, 1944 (Act 32 of 1944). 9. Municipal Property Rates Act, 2004. 10. National Credit Act, 2005 (Act No. 34 of 2005). 11. Protection of Personal Information Act, 2013 (Act 4 of 2013). 12. Prescription Act, 1969 (Act 68 of 1969). 13. Sectional Titles Act, 1986 (Act 95 of 1986) 14. Water Services Act 1997 (Act 108 of 1997).
Related Policies, Procedures, Guidelines, Standards, By-laws, Frameworks	1. Revenue Bylaw 2. Properties Bylaw 3. Tariff Policy 4. Free Basic Services and Indigent Policy 5. Debt Write-off and Impairment Policy 6. GRAP 2: Cash flow statements 7. GRAP 9: Revenue from exchange transactions 8. GRAP 23: Revenue for non-exchange transactions 9. GRAP 104: Financial instruments 10. GRAP 108: Statutory receivables 11. GRAP 109: Accounting by Principles and Agents

Replaces/ Repeals	Repeal the Municipal Customer Care, Customer Care, Credit Control and Debt Collection Policy of 2022
Department responsible	Budget and Treasury Office (BTO)
Unit responsible	Revenue Unit
Applies to	Swellendam Municipality consumers
Key Words	Customer Care, Credit Control and Debt Collection Policy
Status	Approved
Approval Date	May 2023
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