

GREATER GIYANI MUNICIPALITY



CREDIT CONTROL AND DEBT COLLECTION POLICY 2018/2019

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1 BACKGROUND

- 1.1. Services should be supplied to all the residents of Giyani and surrounding areas once the necessary administrative procedures are completed at the Municipality's offices and the necessary consumer deposit has been paid.
- 1.2. The municipal services provided to residents and communities in the municipal area should be:
 - Within the Municipality's financial and administrative capacity;
 - Regularly reviewed with a view to upgrading, extension and improvement,
 - Provided in a manner that
 - is fair and equitable to all its residents and communities,
 - ensures the highest quality service at the lowest cost and the most economical use and allocation of available resources, and
 - Is financially and environmentally sustainable.
- 1.3. Meters should be read on a monthly basis subject to access being possible to the property and consumers should be charged at the prevailing tariffs. Accounts should be rendered on a monthly basis and should indicate details of consumption registered on meters as well as the final date of the payments.
- 1.4. Credit control is the last step in ensuring payment for services rendered. The enforcement of payment for services could be ineffective if it is not based on acceptable principles.
- 1.5. The inability for a Municipality to collect money disqualifies the Municipality to trade as a going concern and should impede service delivery. It is therefore of utmost importance to collect money owing to the Municipality.
- 1.6. The Municipal Council should ensure that all money that is due and payable to the Municipality is collected, subject to the Municipal Systems Act and the MFMA. For this purpose the Municipal Council should adopt, maintain and implement a credit control and debt collection policy and by-laws that are consistent with its rates and tariff policies and comply with the provisions of the Municipal Systems and Structures Acts.
- 1.7. The Municipal Council should adopt by-laws to give effect to its credit control and debt collection procedure manual and policy, its implementation and enforcement. By-laws may differentiate between different categories of taxpayers, customers, debtor's taxes, services, service standards and other matters.

2 PURPOSE

- 2.1. This policy has been compiled as required in terms of Section 97 of the Local Government: Municipal Systems Act 32 of 2000 (hereinafter referred to as the Act) and is designed to provide for credit control and debt collection procedures and mechanisms.
- 2.2. It is to ensure that credit control forms part of the Municipality's financial system and to disclose the intention of Council to standardize procedures for each individual case.

3 RESPONSIBILITY FOR CREDIT CONTROL

3.1 Supervisory authority

The Municipality's Executive Committee should:

- **Oversee and monitor:**
 - The implementation and enforcement of the Municipality's credit control and debt collection policy and any by-laws enacted, and
 - The performance of the Municipal Manager in implementing the policy and any by-laws.
- When deemed necessary, evaluate, review and adapt the policy and any by-laws, or the implementation of the policy and any such by-laws, in order to improve efficiency of its credit control and debt collection mechanisms, processes and procedures.
- Report on a monthly basis to the Council.

3.2 Implementing authority

The Municipal Manager should:

- Implement and enforce the Municipality's credit control and debt collection policy and any by-laws enacted in terms of the Municipal Systems Act;
- In accordance with the credit control and debt collection policy and any such by-laws establish effective administrative mechanisms, processes and procedures to collect money that is due and payable to the Municipality;
- Report the prescribed particulars monthly to a meeting of the supervisory authority.

3.3 Unsatisfactory levels of indebtedness

If the level of indebtedness in a particular ward or part of the Municipality exceeds the level of the acceptable norm as determined in the Municipality's credit control policy, the supervisory authority should, without delay, advise the Councillor for that ward or part.

The Councillor concerned:

- Should, without delay, convene a meeting of the ward committee, if there is one, or convene a public meeting for discussion, and
- May make any appropriate recommendations to the supervisory authority.

4 Adjustment of consumer account balances

4.1 Balances on consumer accounts can only be reduced or written off in exceptional circumstances including:

- In the normal course of accounts administration to correct indebtedness which arose as a result of genuine accounting and arithmetic errors, in which case the Chief Finance Officer or Municipal Manager should give approval.
- Where Council has taken a resolution to approve of a concession to reduce or write off, as the case may be, account balances on specified accounts or category of accounts such as accounts for indigent households, in order to address exceptional circumstances peculiar to the accounts or category of accounts or to give effect to any Act of Parliament or Presidential Directive extending benefits to the account-holders or category of account-holders.

4.2 Notwithstanding the above, accounts can only be adjusted when sufficient provision to offset the adjustment has been raised in the accounting records in accordance with GAMAP and other applicable Regulations.

4.3 Council may approve peace-meal adjustment of account balances where the financial position of the municipality is such that sufficient provision could only be raised over a period extending beyond one financial year: Provided the period does not overlap two Council terms of office. Accounts approved for peace-meal write-off may not accrue further charges until they are written off in full.

4.4 Council shall have the discretion to define individuals or categories of individuals which should be eligible for account balance adjustment, which might cover individuals or categories of individuals not necessarily defined as indigents in terms of income, households affected by social problems like HIV/ AIDS and any other individuals or categories of individuals as the merits may justify. Affected debtors will be expected to disclose the economic and social status of their households by means of a 'sworn-in' statement and provide proof of household income.

4.5 All debtors being considered for account balance adjustments will be expected to sign an acknowledgement of debt (with or without reservations).

4.6 Costs associated with investigating claims of erroneous accounts will be charged to the debtor's accounts if the claims are found to be untrue.

4.7 Any decision by Council to adjust consumer account balances should never militate against the over-arching objective of creating a culture of payment for services and should also not undermine the efforts of loyal consumers who keep their accounts up to date.

4.8 Subject to the provisions stipulated in this part of the policy, and taking into account all relevant facts and circumstances, Council may consider and take a resolution on any case of accounts or category of accounts purported to warrant adjustment (i.e. reduction or write-off).

5 Providing for doubtful accounts and bad debts

- 5.1 Accounts will be provided for in the accounting records and ultimately written off where there are solid facts to show that outstanding amounts will not be recovered, partly or in full.
- 5.2 Accounts which have been handed over to the lawyers for collection should be provided for at a percentage approved by Council or fixed in the accounting policies.
- 5.3 A special provision for bad debts may be raised to give effect to the implementation of a Council resolution and should be approved in the same Council meeting where a resolution to adjust consumer account balances (peace-meal or once-off) is taken.
- 5.4 A Provision in excess of accumulated surplus and reserves should take the form of a cash-backed reserve resulting from an external injection of funds to ensure the Municipality maintains sound liquidity and does not have a negative balance sheet which might be a deterrent to existing and potential stakeholders and strategic partners.
- 5.5 The provision in the accounting records should be revised annually to take into account new or changed circumstances. Once the provision is approved by Council, proper administrative and budgetary procedures will be followed to apply the provision to adjust the accounts accordingly in order to ensure that debtors reflect at reasonable figures in the accounting records of the municipality.

6 The role of Council and Councillors in credit control

- 6.1. The following should be borne in mind:
- 6.1.1. Council and individual Councillors are policy makers and should enforce credit control measures. The Council and Councillors as individuals should therefore refrain from interfering with the approved credit control policy and administrative procedures. Councillors should, however, be supportive of the customer management actions in that they exercise no undue pressure on the officials with delegated authority regarding credit control procedures.
- 6.1.2. Councillors are responsible to communicate with their respective constituencies in order to encourage the community to pay for services provided by the Municipality. The Municipal Manager should report to the MEC for Local Government, in terms of Section 10(G)(4) of the Local Government Transitional Act, after due investigation, any instance of Councillors accused of undue influence.
- 6.1.3. This policy should be read in conjunction with the Municipality's credit control by-laws and manual as well as chapter 9 of the Local Government Systems Act, Act 32 of 2000.
- 6.1.4. The Municipality's credit control and debt collection procedure manual is attached as Annexure A.

GREATER GIYANI MUNICIPALITY

CREDIT CONTROL AND DEBT COLLECTION PROCEDURE MANUAL

7 ADMINISTRATIVE AND GENERAL MATTERS

- 7.1 An application for services document should be completed. Refer to the trade debtor system description for detail.
- 7.2 A trade debtor account should be opened on the trade debtor system for each consumer.
- 7.3 A trade deposit should be charged and the person requesting services should pay the money, before any services should be supplied. The deposit payable should be regulated by the Council's policy on consumer deposits.
- 7.4 Debtors should at all times be treated with due respect and courtesy and in a professional manner.
- 7.5 The Chief Finance Officer or delegated official should ensure that accurate and correct statements are prepared and distributed to all consumers on a monthly basis.
- 7.6 The Chief Finance Officer or delegated official should ensure that an effective distribution system exists and that a monthly consumer statement is distributed to each account holder.
- 7.7 The Chief Finance Officer should ensure that effective pay points are in operation and such pay points are managed in a cost effective manner.
- 7.8 Councillors should consult widely with ratepayers within their constituencies and encourage all parties to pay for services received. The Chief Finance Officer should supply each Councillor with a list of non-payers in his / her ward for follow up of accounts in arrears, on a bi-monthly basis.
- 7.9 Suspension or restriction of services and / or disconnections should be done within the ambit of relevant legislation.
- 7.10 The South African Police Services should be informed of disconnections in areas where it is deemed necessary, before disconnections are effected.
- 7.11 No unfair discrimination should be made between the different type of consumers and account holders.
- 7.12 Consumers are not allowed to selectively nominate any money paid by him or her for specific services.
- 7.13 A consumer that is in arrears should not receive any services until his / her account has been paid up to date.
- 7.14 Interest should be charged on all accounts that are in arrears. The interest rate should be the rate as approved by Council and should be levied before or on the last working day of each month on the balance outstanding at the time.

- 7.15 Where disconnected or restricted services are illegally restored or any criminal activity is evident, criminal action should be taken in terms of the relevant by-laws. A penalty as approved by Council should be levied to the consumers account.
- 7.16 Where the electricity and/or water supply of consumers was disconnected or restricted erroneously, a written apology should be dispatched to such consumer within seven working days after the supply was re-connected.
- 7.17 A clearance certificate should only be issued once all outstanding balances owing to the Council have been paid in terms of legislation.
- 7.18 Where no arrangements were made and the electricity and/or water supply is disconnected due to non-payment, it should only be restored upon payment of the full outstanding balance. In such cases an Acknowledgement of Debt should be completed, and the payment of the necessary connection fee should be collected. If payment agreement is not honoured, electricity and water services should be disconnected and the full outstanding amount should become payable immediately.
- 7.19 Restricting water-flow valves should be installed into the consumers' water meters that are in arrears with the repayment of accounts where water services alone are supplied to the consumer. In such instances water supply should be limited to six kiloliters per month per meter.
- 7.20 Undelivered accounts or accounts returned to sender should be reported to the Chief Finance Officer who should institute action to ensure that the accounts are delivered to the correct addresses.
- 7.21 The Municipality may consolidate any separate accounts of persons liable for payments to the Municipality.
- 7.22 The Municipality may utilize payment received to credit any account of the party from which payment was received.
- 7.23 The Municipality may implement any of the debt collection and credit control measures provided for in this document in relation to accounts in arrears of any party.
- 7.24 The accounts of officials, Councillors, service providers and ward representatives may never be in arrears.
- 7.25 Where it is proven that there was any tampering with pre-paid as well as conventional electricity and/or water meters, the Municipality should remove the meters/connections. A connection fee as approved by Council should be charged and should be paid in full before any reinstatement action should be considered. The Meter Reading Services should assist the Municipality on a day-to-day basis to report on tampered meters.
- 7.26 Amounts payable by officials and Councillors of the Municipality in respect of trade services should be recovered from their salaries or allowances on a monthly basis.
- 7.27 Management reports summarising total income, outstanding debts and possible irrecoverable debts should be submitted to the relevant roll players before the end of each month in order to facilitate the budget process.

8 WHERE CONSUMERS FAIL TO PAY THEIR WATER AND ELECTRICITY ACCOUNTS BY DUE DATE, THE FOLLOWING ACTIONS SHOULD BE TAKEN:

Due date should be the date by which payment is due according to the monthly statements. The payment date should be on the 7th day of each month or the first working day after the 7th, should the 7th fall on a weekend or public holiday.

Credit control procedures should be as follows, except for parties that have made arrangements, in writing, for extension of payment and which the Credit Control Committee approved:

- 8.1 The date and time of final payment of consumer accounts should appear on the monthly consumer statements.
- 8.2 The monthly interest run should be finalised by or on the first day following the payment date as stipulated on the monthly statements. The computer should generate a final detailed cut-off list once the interest run is finalised. The balance of the cut-off list should be reconciled to the balance of the total outstanding debtors at the time to ensure completeness of the cut-off list.
- 8.3 The names of the consumers that have approved arrangements for extension of payment, in writing, should be clearly indicated on the cut-off list to ensure that their services are not disconnected.
- 8.4 The final cut-off list should be handed to the parties liable for the disconnection of services, on the first day of each week and the services of all accounts highlighted for disconnection should be disconnected before the end of the third working day of the first week in respect of properties in within Giyani, or within 14 days in respect of properties that fall outside the Town area. This action should occur without any prior notice. Services that should be disconnected are:

Water	Restriction flow meters to be installed
Electricity	Disconnect
Pre-paid services	Disconnect
- 8.5 The parties liable for the disconnection of services should visit all meters that were disconnected and of which balances were not paid within three days after services were disconnected to verify that services were not illegally restored. The meters of consumers should be removed that have illegally re-connected their services. The same team that has disconnected the services should not perform the follow up visits.
- 8.6 A re-connection fee according to the Municipality's approved tariff structures is payable before any of the services as mentioned in point 2.4 can be reinstated.
- 8.7 The Municipality should, however, not be obliged to reinstate terminated services on the same day on which payment is received, however, where payment was received, services should be re-connected within twenty four hours. Only the Meter Reading Services of the Municipality, according to their formal agreement, should carry out reinstatement of services.
- 8.8 A final notice stating that the consumer has seven(7) working days to pay amounts owing to the Municipality may be send to all account holders that have not paid their outstanding balances by the dates as stipulated on the monthly consumer accounts.

- 8.9 Legal action against consumers will only be taken if no other workable alternative could be agreed upon. The information regarding all consumers that have not paid amounts owing to the Municipality within 90 days of the dates as specified on the monthly consumer statements is handed over to the Municipality's attorneys for collection or possible legal steps.
- 8.10 Once an account has been handed over for collection, the case should not be withdrawn unless there was a mistake or oversight on the part of the Municipality.
- 8.11 Illegal costs, including attorney and own client costs incurred in the recovery of amounts in arrears should be levied against the relevant debtor account.
- 8.12 or any action taken in demanding payment from the debtor or reminding the debtor, by means of phone, fax, e-mail, letter or otherwise, that his payments are due, a penalty fee may be levied against the account of the debtor in terms of the Municipality's approved tariffs structures.
- 8.13 Management reports summarising outstanding debts and possible irrecoverable debts should be submitted to the relevant roll players at the end of each month in order to facilitate the budget process.

9 ARRANGEMENT FOR EXTENSION OF REPAYMENT OF AMOUNTS OWING TO THE COUNCIL THAT ARE IN ARREARS

- 9.1 Arrangement for the extension of repayment of amounts owing to the Municipality should only be granted in special circumstances, as it has a negative effect on the Municipality's cash flow position. Merit cases, where special circumstances prevail, should be treated individually. The Chief Finance Officer or the Extension Committee should approve/disapprove all applications received requesting extension of payment. All applications for extension of payment should be in writing. Exceptional cases whereby extension for payment could be granted, could amongst others include the following categories:
- Deceased estates,
Outstanding enquiries on accounts, for example, misallocated payments, water leaks, etc.
Any other case not mentioned, which can be regarded as a merit case due to the circumstance and that is in line with the stipulations of the Extension Committee.
- 9.2 Arrangements for payments of arrears should only be granted on the following conditions:
- 9.3 An Acknowledgement of Debt should be completed with all arrangements for paying off on arrear accounts. A copy should be handed to the client and the original filed on the treasury credit control file.
- 9.4 Debit orders should, as far as possible, be completed for the monthly payment of the agreed arrears amount. If the arrangement is not honoured, the full balance should immediately become payable.

- 9.5 Extension for the payment of arrears together with their current accounts should not exceed 6 months with first payment payable within 30 days of date of agreement, and only the Director Finance can grant extension
- 9.6 Only account holders with positive proof of identity or an authorised agent with a Power of Attorney should be allowed to complete an Acknowledgement of Debt.
- 9.7 Where cheques are returned, "Refer to Drawer (RD)", for instances where an arrangement has been made, the full balance including an administration fee should immediately become payable. Electricity and/or water supply to such clients should be disconnected until the full amount is paid in cash or per bank guaranteed cheque. No further cheques should be accepted from the account holder whose cheques have been returned as RD.
- 9.8 No person should be allowed to enter into a second extension of payment agreement if the first agreement was dishonoured.
- 9.9 If the overdue balance contains amounts that have been outstanding for longer than twelve (12) months, a minimum of 50 % of the total overdue balance should be made as initial payment. The remainder should be repaid in equal instalments within a maximum period of twelve (12) months.
- 9.10 If the overdue balance contains amounts which have been outstanding for less than twelve (12) months, a minimum of 50 % initial payment should be made and the balance is to be repaid in equal instalments over a period not exceeding six (6) months
- 9.11 Only the Chief Finance Officer or Credit control panel may agree to extensions on payment and these cases should be supported by documentary proof and previous payment records should be taken into consideration.
- 9.12 Where the customer has not entered into a service agreement with the Municipality, water and/or electricity should stay disconnected until such time as a service agreement has been signed and the applicable deposits paid.
- 9.13 Once an account has been handed over for collection, the case should not be withdrawn unless there was a mistake or oversight on the part of the Municipality and no negotiations may be entered into between the Municipality and the consumer. All negotiations should be done with the relevant attorneys. Payments may however be accepted.
- 9.14 As soon as an agreement to repay arrears has been concluded, the amount in arrears should be transferred to a new debtor account. As long as the agreement is honoured, interest should not be charged, however, should the agreement not be honoured, interest should be charged from the moment that the agreement was dishonoured.
- 9.15 Indigent individuals can apply for assistance through the Municipality's Indigent Policy.
- 9.16 Where indigents are still in arrears with payment after the indigent allowance were credited to the relevant accounts, normal credit control procedures should prevail.
- 9.17 Management reports summarising outstanding debts and possible irrecoverable debts should be submitted to the relevant roll players at the end of each month in order to facilitate the budget process.

10 ASSESSMENT RATES, REFUSE, SEWERAGE AND SUNDRY CHARGES ON UNMETERED PROPERTIES

Where consumers fail to pay their accounts by due date the following actions should be taken:

- 10.1 Final notices should be posted or delivered where accounts are in arrears for two months (60 days) or more, starting at the date of payment. The final notice should contain that the consumer should pay the outstanding balance in terms of the Credit Control Policy. Information contained on the final notice stating that failure to settle the account on the due date should lead to the account being handed over to the Municipality's attorneys for collection.
- 10.2 The same procedure in respect of arrangements for paying off on arrears or extension of payment as for water and or electricity accounts should apply to all accounts.
- 10.3 Where an account remains unpaid on a property or service that is un-metered, the above procedures should also apply.
- 10.4 Extension should only be granted to those consumers who can prove that they have applied successfully at a financial institution for finance to cover their accounts that are in arrears. Extension should only be granted for a period of ten working days.
- 10.5 Management reports summarising outstanding debts and possible irrecoverable debts should be submitted to the relevant roll players at the end of each month in order to facilitate the budget process.

11 RESIDENTS WHO RENT OR JUST RESIDE ON PROPERTY

The following steps should be taken against residents who rent or just reside on property and who are in arrears with the payment on accounts.

- 11.1 A letter should be written to inform the residents that the non-payment of their municipal accounts should prejudice them with the allocation of stands and houses because of their poor payment record.
- 11.2 That a record be kept by the Chief Finance Officer, of all parties with a poor payment record and not to alienate any property to them.
- 11.3 That an indigent register be kept as decided by Council and that grants received from Government be appropriated against such accounts, according to the Council's approved indigent policy, before any credit control measures are instituted.
- 11.4 Where a service has been disconnected to a rented property due to non-payment, the property owner should be held liable for the amounts payable to the Council. Services should only be re-connected on payment of the full amount owing.
- 11.5 Management reports summarising outstanding debts and possible irrecoverable debts should be submitted to the relevant roll players at the end of each month in order to facilitate the budget process.

12 DEBT WRITE OFFS

- 12.1 The Municipality has the discretion to write off debt if irrecoverable. All debt write offs will be referred to the Chief Financial Officer.

Debt shall be considered irrecoverable if:

- 12.1.1. legal recourse has been exhausted and the Municipality is still unable to secure payment of the outstanding debt; or
- 12.1.2. the success of future legal action by the Municipality to recoup the outstanding debt is compromised due to actions or inactions by the Municipality; or
- 12.1.3. the costs of instituting legal action for the recovery of the outstanding debt would be higher than the value of the outstanding debt; or
- 12.1.4. the debtor in question cannot be traced and a tracing agency has rendered a non-traceable report on the debtor in question; or
- 12.1.5. a deceased estate is insolvent and has no liquid assets to cover the outstanding amount; or
- 12.1.6. a competent Plea of Prescription has been raised by the defendant in the Plea, or alternatively if the Plea of Prescription is raised ex facie the Plea but carries the real risk that it would be upheld if raised properly in the Plea; or
- 12.1.7. if, as a result of the lack of evidence, it is not possible to prove the debt outstanding; or
- 12.1.8. if the outstanding amount is due to an irreconcilable administrative error by the municipality; or
- 12.1.9. If the Sheriff of the Court has rendered a Nula Bona return on movables and the debtor has no immovable property.

- 12.2. 30.4. The above factors do not constitute an exhaustive list of factors that may be taken into account, and the Municipality may, in its opinion, consider any other factor.
- 12.2. 30.5. In exercising its discretion, the Municipality must act lawfully and reasonably having regard to the principles of fairness and equity.
- 12.2. 30.6. A request by an account holder to write off an amount or amounts as bad debt must be made in the form of a submission/motivation and must be in the prescribed or required form as stipulated by the Municipality from time to time. Any deviation from the prescribed form shall result in the rejection of such submission/motivation.
- 12.2. 30.7. In making submission for a debt write off, a Municipality Official shall take all necessary and reasonable steps to ensure compliance with this Policy and shall take all necessary and reasonable steps in the detection of fraudulent activity on the part of the account holder and shall be obliged to report such fraudulent activity to the CFO.
- 12.2. 30.8. An official who knowingly participates in fraudulent conduct with an account holder in the write off of a debt shall be subjected to the disciplinary action as set out in the Municipality's Disciplinary Code of Conduct, as well as civil or criminal prosecution in a competent court of law.

13 INTEREST REVERSALS

- 13.1. An account holder may apply to the Municipality, in the prescribed form, for interest on an account to be reversed.
- 13.2. Interest on outstanding debt can be reverse when an account holder would like some relief from interest in order to facilitate the final settlement of all outstanding debt on his account;
- 13.3. Before embarking on litigation to recover outstanding debt, interest reversal is used as a tool to persuade the account holder to settle his outstanding debt in full; In the course of litigation, the reversal of interest is used as a negotiating point for the settlement of the matter in court;
- 13.4. Interest reversal may also be initiated by authorised officials in instances where errors with billing have occurred and outstanding arrears should not have accrued interest in the first instance.

14 CHEQUES RECEIVED AS PAYMENT ON CONSUMER ACCOUNTS WHICH ARE RETURNED BY THE BANK AS REFERRED TO DRAWER DUE TO INSUFFICIENT FUNDS

The following procedures should be followed where the account holder's financial institution does not honour cheques that were received by the Municipality as payment on consumer accounts:

- 14.1. The receipt made out when the cheque was received should be reversed on the consumer's debtor account and the debtor ledger control account by means of a journal entry.
- 14.2. The water and/or electricity supply of such consumer should be disconnected with immediate effect and the necessary approved reconnection fees should be levied to the consumers debtor account.
- 14.3. An administration fee as approved by Council should be levied to the consumers debtor account by a journal.
- 14.4. Such consumer should be informed that future accounts can only be repaid in cash or bank guaranteed cheques, and the cashier, via the computerized system, should enforce this practice.
- 14.5. Management reports summarising dishonoured cheques should be submitted to the relevant roll players at the end of each month in order to facilitate the budget process.

15 RECONNECTION CHARGES AND PENALTIES

- 15.1. To prevent the unnecessary disconnection of the electricity and water supply to premises due to the non-payment of an account, the Director - Finance or delegated official may remind or let remind such a customer telephonically or in writing 24 hours before the supply is disconnected. The reminding fee as approved by Council should be charged to the consumer account of consumers making use of the facility. All parties wanting to make use of the reminding facility should complete application forms and only such parties should be reminded.
- 15.2. The charge for reconnection fees should be reviewed annually and be approved by Council.
- 15.3. An administration fee can be charge in addition to the reconnection fee in respect of administrative duties to be performed by the Treasury Department. This fee should be re-assessed annually and should be approved by Council.
- 15.4. A penalty fee as approved by Council, to cover the cost incurred as a result of illegal connections, tracing of thefts and the removal of illegal connections, is charged to consumers having such illegal electricity supply in addition to the relevant connection fee.
- 15.5. A penalty fee as approved by Council, is payable to cover the cost incurred as a result of a customer initially refusing the installation or allowing the illegal removal of the prepaid meter display unit.

16 CERTIFICATE OF ENDORSEMENT:

16.1. The Agreement to this Policy shall come into effect on the date of endorsement and shall cease only in the event where such changes/variations has been reduced to writing and been signed by the speaker of the council. Unless in the event where any changes in any applicable Act, Legislation has jurisdiction to supersede.

Signed by

Mayor: _____
 SURNAME & INITIALS **SIGNATURE** **DATE**