



GREATER GIYANI MUNICIPALITY

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UNALLOCATED DEPOSITS POLICY

2022/23 FY

Council Resolution: CR106 – 27/05/22 SP

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1. DEFINITIONS

"Council" means a municipal Council established in section 18 of the Municipal Structures Act and referred to in section 157(1) of the Constitution.

"creditor" means a person to whom money is owed to by the municipality.

"customer" means any person comprising:

- (a) resident of the municipality;
- (b) ratepayer of the municipality;
- (c) any civic organization involved in the municipality; and/or
- (d) any visitor or other people who make use of services or facilities provided by the municipality.

"primary bank account" means a bank account referred to in section 8(1) of the Municipal Finance Management Act.

"register" means the official register kept to receipt all unclaimed deposits.

"municipality" means the Greater Giyani Local Municipality established in terms of section 155 of the Constitution.

2. INTRODUCTION

- (1) Unclaimed monies is a challenge faced by the municipality where monies are deposited into the municipal primary bank account or paid which cannot be identified nor are claimed by any consumer or creditor of the municipality.
- (2) Monies are unclaimed for various reasons and commonly arise amongst other things from the following:
 - (a) Monies deposited into the municipal primary bank account without any reference or documentary proof.
 - (b) Amounts/deposits payable to consumers or creditors which were either not claimed or banked.
 - (c) Creditors/consumers are unaware of their legal right to the monies.
 - (d) Cannot be identified and allocated to an account or vote.
 - (e) Deposits paid for utilization of facilities not claimed by customer.

3. OBJECTIVES OF THE POLICY

The objectives of the policy are to:

- (a) To provide a framework on how to deal with unknown or unclaimed monies in the municipal bank account.
- (b) To reduce the liability of the municipality.
- (c) To provide guidelines to identify unidentified deposits in the municipal bank account.

4. LEGISLATIVE FRAMEWORK

- (1) Revenue management involves all procedures necessary to ensure that income of the municipality is properly planned and fully accounted for, and that cash once received is safeguarded and banked promptly.

- (2) In terms of section 62 (2) of the Local Government: Municipal Finance Management Act 56 of 2003, the municipality has and maintains a management, accounting and information system which: -
 - (a) recognises revenue when it is earned;
 - (b) accounts for debtors; and
 - (c) accounts for receipts of revenue.

5. IDENTIFICATION OF UNCLAIMED MONIES

- (1) An unclaimed direct deposit is any amount of money legally paid into the municipal primary bank account without any reference or documentary proof on how the monies should be allocated and that remains unclaimed for a period of three (3) months.
- (2) Unclaimed monies are any amounts of money legally payable to a creditor and that have not been claimed or banked within a period of three (3) months.
- (3) An unclaimed deposit is any amount of money legally paid by a customer as security for municipal services for the use of facilities which have not been claimed within a period of three (3) months.

6. REGISTER OF UNCLAIMED MONEY

- (1) After all processes to identify the unallocated monies have been exhausted and the period as mentioned in paragraph 4 has expired all unclaimed and/or unallocated monies will be receipted in a register kept by the municipality.
- (2) The register shall be maintained and updated regularly and be kept for a period of five (5) years.
- (3) After the unclaimed and/or unallocated monies have been deposited in the register the rightful owner thereof can claim the monies within a period of five (5) years from date the monies were deposited or become unclaimed subject to documentary proof being provided by the claimant of the monies.
- (4) The value of unclaimed monies and/or unallocated direct deposits will be recognized as a liability in the financial statements of the municipality.

7. UNCLAIMED MONEY TO BE PAID AS PUBLIC REVENUE

- (1) Should unclaimed monies not be claimed within the period of five (5) years the monies will be written off from the register and be receipted as revenue in that financial year.
- (2) The following process must be followed before any monies are receipted as revenue:-
 - (a) the register will be advertised in the media in terms of section 2 IA of the Municipal Systems Act, 32 of 2000 that it shall lie open for public inspection;
 - (b) such register shall lie open for public inspection for a period of four (4) months;
 - (c) the register shall be made available for public inspection at the main municipal buildings;
 - (d) the prescribed form shall be completed with documentary proof should any monies be claimed by a customer or creditor; and
 - (e) after the four (4) months period a report shall be submitted to Council for approval as unclaimed monies to be written off from the register and be transferred to general revenue.

8. CERTIFICATE OF ENDORSEMENT:

(a) 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.

(b) Unless in the event where any changes in any applicable Act, Legislation has jurisdiction to supersede.

9. POLICY REVIEW

Council will exercise its legislative authority to approve and to amend the policy as and when the need arises.

Signed by:

**Mayor: Cllr Zitha T
Surname & Initials**



Signature

27/05/2022

Date

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