



Nkomazi Municipality

NKOMAZI LOCAL MUNICIPALITY
MP324

CREDIT CONTROL AND DEBT COLLECTION POLICY

VISION

A leading local municipality that empowers its communities through excellent service delivery.

MISSION

To enhance the quality of life of all people in the Nkomazi Local Municipality through a sustainable developmental system of Local Government and rendering of efficient, effective and affordable services.

MUNICIPALITY'S CORE VALUES

The Nkomazi Local Municipality subscribes to the following core values:

- Accountability;
- Good Governance;
- Transparency;
- Integrity; and
- Responsiveness.

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CHAPTER 1: DEFINITIONS

- (1) In terms of the Municipal Systems Act of 2000, 96. A municipality— (a) must collect all money that is due and payable to it, subject to this Act and any other applicable legislation; and 35 (b) for this purpose, must adopt, maintain and implement a credit control and debt collection policy which is consistent with its rates and tariff policies and complies with the provisions of this Act.
- (2) The municipal manager is accountable for implementation of this policy
- (3) The Objective of this policy is to ensure the municipality has a credit control and debt collection policy provides.
- (4) For the purpose of this policy any word or expressions to which a meaning has been assigned in the Act shall bear the same meaning in the by-law and unless the context indicates otherwise:-

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| “Account” | means any account rendered for municipal services provided; |
| “Act” | means the Local Government Municipal Systems Act, 2000 (Act No. 32 of 2000), as amended from time to time; |
| “Applicable charges” | means the rate, charge, tariff, flat rate, or subsidy determined by the municipal council; |
| “Average consumption” | means the average consumption of a customer of a municipal service during a specific period, which consumption is calculated by dividing the total measured consumption of that municipal service by that customer over the preceding three months by three; |
| “shared consumption” | means the consumption of a customer of a municipal service during a specific period, which consumption is calculated by dividing the total metered consumption of that municipal service within the supply zone within which a customer’s premises is situated for the same period by the number of customers within that supply zone, during the same period; |
| “Actual consumption” | means the measured consumption of any customer; |
| “Agreement” | means the contract relationship between the municipality or its authorized agent and a customer, whether written or deemed; |
| ”area of supply” | means any area within or partly within the area of jurisdiction of the municipality to which a municipal service or municipal services are provided; |
| “Arrears” | means any amount due, owing and payable by a customer in respect of municipal services not paid on the due date; |
| “Authorized agent” | means- (a) any person authorized by the municipal council to perform any act, function or duty in terms of, or exercise any power under this policy; and / or (b) any person to whom the municipal council has delegated the performance of certain rights, duties and obligations in respect of providing revenue services; and / or |

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| | (c) any person appointed by the municipal council in terms of a written contract as a service provider to provide revenue services to customers on its behalf, to the extent authorized in such contract; |
| “Commercial customer” | means any customer other than household and indigent customers, including without limitation, business, government and institutional customers; |
| “connection” | means the point at which a customer gains access to municipal services; |
| “customer” | means a person with whom the municipality or its authorized agent has concluded an agreement for the provision of municipal services; |
| “defaulter” | means a customer who owes arrears; |
| “due date” | means the date on which the amount payable in respect of an account becomes due, owing and payable by the customer, which date shall be not less than 21 days after the date of the account; |
| “emergency situation” | means any situation that if allowed to continue poses a risk or potential risk to the financial viability or sustainability of the municipality or a specific municipal service; |
| “estimated consumption” | means the deemed consumption by a customer whose consumption is not measured during a specific period, which estimated consumption is rationally determined taking into account at least the consumption of municipal services for a specific level of services during a specific period in the area of supply of the municipality or its authorized agent; |
| “household customer” | means a customer that occupies a dwelling, structure or property primarily for residential purposes; |
| “household” | means a traditional family unit consisting of a maximum of eight persons (being a combination of four persons over the age of eighteen and four persons eighteen years or younger); |
| “illegal connection” | means a connection to any system through which municipal services are provided that is not authorized or approved by the municipality or its authorized agent; |
| “indigent customer” | means a household customer qualifying and registered with the municipality as an indigent in accordance with this policy; |
| “municipality” | means – (a) the Nkomazi Municipality or its successors-in-title; or (b) the municipal manager of the Nkomazi Municipality in respect of the performance of any ion or exercise of any right, duty, obligation or function in terms of this policy; |

- “municipal council”** means the municipal council as referred to in section 157(1) of the Constitution, 1996 (Act No. 108 of 1996);
- “municipal manager”** means the person appointed by the municipal council as the municipal manager of the municipality in terms of section 82 of the Local Government Municipal Systems Act, 1998 (Act No. 117 of 1998) and includes any person –
- (a) acting in such position; and
 - (b) to whom the municipal manager has delegated a power, function or duty in respect of such a delegated power, function or duty;
- “municipal services”** means for purposes of these policy, services provided by the municipality or its authorized agent, including refuse removal, water supply, sanitation, electricity services and rates or any one of the above;
- “occupier”** includes any person in actual occupation of the land or premises without regard to the title under which he occupies, and, in the case of premises sub-divided and let to ledgers or various tenants, shall include the person receiving the rent payable by the lodgers or tenants whether for his own account or as an agent for any person entitled thereto or interested therein;
- “owner”** means –
- (a) the person in who from time to time is vested the legal title to premises;
 - (b) in a case where the person in whom the legal title to premises is vested is insolvent or dead, or is under any form of legal disability whatsoever, the person in whom the administration and control of such premises is vested as curator, trustee, executor, administrator, judicial manager, liquidator or other legal representative;
 - (c) in any case where the municipality or its authorized agent is unable to determine the identity of such person, a person who is entitled to the benefit of the use of such premises or a building or buildings thereon;
 - (d) in the case of premises for which a lease agreement of 30 years or longer has been entered into, the lessee thereof;
 - (e) in relation to –
 - (i) a piece of land delineated on a sectional plan registered in terms of the Sectional Titles Act, 1986 (Act No. 95 of 1986), the developer or the body corporate in respect of the common property, or
 - (ii) a section as defined in the Sectional Titles Act, 1986 (Act No. 95 of 1986), the person in whose name such section is registered under a sectional title deed and includes the lawfully appointed agent of such a person, or
 - (f) a person occupying land under a register held by a tribal authority;

- “person”** means any natural person, local government body or like authority, a company or close corporation incorporated under any law, a body of persons whether incorporated or not, a statutory body, public utility body, voluntary association or trust;
- “public notice”** means publication in an appropriate medium that may include one or more of the following –
- (a) publication of a notice, in the official languages determined by the municipal council, -
 - (i) in the local newspaper or newspapers in the area of the municipality; or
 - (ii) in the newspaper or newspapers circulating in the area of the municipality determined by the municipal council as a newspaper of record; or
 - (iii) by means of radio broadcasts covering the area of the municipality; or
 - (b) displaying a notice at appropriate offices and pay-points of the municipality or its authorized agent; or
 - (c) communication with customers through public meetings and ward committee meetings;
- “subsidized services”** means a municipal service which is provided to a customer at an applicable rate which is less than the cost of actually providing the service including services provided to customers at no cost;
- “Supply zone”** means an area, determined by the municipality or its authorized agent, within which all customers are provided with services from the same bulk supply connection;
- “Unauthorized services”** means receipt, use or consumption of any municipal service which is not in terms of an agreement, or authorized or approved by the municipality or its authorized agent;

CHAPTER 2: PROVISION OF MUNICIPAL SERVICES TO CUSTOMERS OTHER THAN INDIGENT CUSTOMERS

Part 1: APPLICATION FOR MUNICIPAL SERVICES

1. Application for Services

- a) A customer wanting to qualify, as an indigent customer must apply for services as set out in Chapter 4 below.
- b) No person shall be entitled to have access to municipal services unless application has been made to, and approved by, the municipal manager or its authorized agent on the prescribed form attached as **Annexure "A"** to this policy.
- c) If, at the commencement of this policy or at any other time, municipal services are provided and received and no written agreement exist in respect of such services, it shall be deemed that -
 - (i) an agreement in terms of sub-section (7) exists; and
 - (ii) The levels of services provided to that customer are the level of services elected; until such time as the customer enters into an agreement in terms of sub-section (2).
- d) The municipality or its authorized agent must on application for the provision of municipal services inform the applicant of the then available levels of services and the then applicable tariffs and / or charges associated with each level of service.
- e) The municipality or its authorized agent is only obliged to provide a specific level of service requested if the service is currently being provided and if the municipality or its authorized agent has the resources and capacity to provide such level of service.
- f) A customer may at any time apply to alter the level of services elected in terms of the agreement entered into, provided that such requested level of service is available and that any costs and expenditure associated with altering the level or services is paid by the customer.
- g) An application for services submitted by a customer and approved by the municipality or its authorized agent shall constitute an agreement between the municipality or its authorized agent and the customer, and such agreement shall take effect on the dated referred to or stipulated in such agreement.
- h) In completing an application form for municipal services the municipality or its authorized agent will ensure that the document and the process of interaction with the owner, customer or any other person making such an application are understood by that owner, customer or other person and advise him or her of the option to register as an indigent customer.
- i) In the case of illiterate or similarly disadvantaged persons, the municipality or its authorized agent must take reasonable steps to ensure that the person is aware of and

understands the contents of the application form and shall assist him or her in completing such form.

- j) Municipal services rendered to a customer are subject to the provisions of this policy and any applicable by-laws and the conditions contained in the agreement.
- k) If the municipality or its authorized agent -
 - (i) refuses an application for the provision of municipal services or a specific service or level of service;
 - (ii) is unable to render such municipal services or a specific service or level of service on the date requested for such provision to commence; or
 - (iii) is unable to render the municipal services or a specific service or level of service; the municipality or its authorized agent must, within a reasonable time, inform the customer of such refusal and / or inability, the reasons therefore and, if applicable, when the municipality or its authorized agent will be able to provide such municipal services or a specific service or level of service.

2. "Residential property"

The municipality will endeavor to register owners only for services on their property

3. "Business Property"

The municipality will only enter into new contracts for municipal services if the owner of the property has multi properties as defined, and the municipal accounts on all of his or her properties are paid. Where the landlord is not a multi- property owner, the owner of the property must register for services.

4. "Government property"

The respective government department shall be held liable for their own property

5. Special agreements for Municipal Services

The municipality or its authorized agent may enter into a special agreement for the provision of municipal services with an applicant -

- (a) within the area of supply, if the services applied for necessitates the imposition of conditions not contained in the prescribed form or these policy;
- (b) receiving subsidized services; and
- (c) If the premise receiving such services is situated outside the area of supply, provided that the municipality having jurisdiction over the premises has no objection to such special agreement. The obligation is on the customer to advise the municipality having jurisdiction of such special agreement.

6. Change in purpose for which municipal services are used.

Where the purpose for or extent to which any municipal service used is changed, the onus and obligation is on the customer to advise the municipality or its authorized agent of such change and to enter into a new agreement with the municipality or its authorized agent.

7. Property developments.

- (1) A property developer must on the provision of infrastructure for the provisioning of municipal services inform the municipality or its authorized agent, in writing, of the details of all municipal services that may be provided through the infrastructure and the details of all measuring devices that are installed.
- (2) A property developer that fails to comply with the provisions of sub-section (1) shall be liable for the payment of all estimated applicable charges that would have been payable by customers in respect of municipal services provided if the details thereof was known by the municipality or its authorized agent.

Part 2: APPLICABLE CHARGES

8. Applicable charges for municipal services

- a) All applicable charges payable in respect of municipal services, including but not limited to the payment of connection charges, fixed charges or any additional charges or interest will be set by the municipal council in accordance with –
 - (i) its Rates and Tariff policy;
 - (ii) any by-laws in respect thereof; and
 - (iii) Any regulations in terms of national or provincial legislation.
- b) Applicable charges may differ between different categories of customers, users of services, types and levels of services, quantities of services, infrastructure requirements and geographic areas.

9. Availability charges for Municipal Services

The municipal council may, in addition to the tariffs or charges prescribed for municipal services actually provided, levy a monthly fixed charge, annual fixed charge or once-off fixed charge where municipal services are available, whether or not such services are consumed or not.

10. Subsidized Services

- a) The municipal council may, from time to time, and in accordance with national policy, but subject to principles of sustainability and affordability, by public notice, implement subsidies for a basic level of municipal service.
- b) The municipal council may in implementing subsidies differentiate between types of household customers, types and levels of services, quantities of services, geographical areas and socio-economic areas.
- c) Public notice in terms of sub-section (1) must contain at least the following details applicable to a specific subsidy -
 - (i) the household customers that will benefit from the subsidy;
 - (ii) the type, level and quantity of municipal service that will be subsidized;
 - (iii) the area within which the subsidy will apply;
 - (iv) the rate (indicating the level of subsidy);
 - (v) the method of implementing the subsidy; and
 - (vi) Any special terms and conditions that will apply to the subsidy.

- d) If a household customer's consumption or use of a municipal service is -
 - (i) less than the subsidized service, the unused portion may not be accrued by the customer and will not entitle the customer to cash or a rebate in respect of the unused portion; and
 - (ii) in excess of the subsidized service, the customer will be obliged to pay for such excess consumption at the applicable rate.
- e) A subsidy implementation in terms of sub-section (1) may at any time, after reasonable notice, be withdrawn or altered in the sole discretion of the municipal council.
- f) Commercial customers may not qualify for subsidized services.
- g) Subsidized services shall be funded from the portion of revenue raised nationally that is allocated to the municipality and if such funding are insufficient the services may be funded from revenue raised through rates, fees and charges in respect of municipal services.

11. Authority to recover additional costs and fees

The municipality or its authorized agent has the authority to, notwithstanding the provisions of any other sections contained in these policy, recover any additional costs incurred in respect of implementing this policy against the account of the customer, including but not limited to -

- (a) all legal costs, including attorney and own client costs incurred in the recovery of amounts in arrears shall be against the arrears account of the customer; and / or
- (b) the average costs incurred relating to any action taken in demanding payment from the customer or reminding the customer, by means of telephone, fax, e-mail, letter or otherwise.

12. COST TO REMIND CUSTOMERS OF ARREARS.

An administrative fee can be levied against the account of a customer in terms of the tariff provisions of the Council, in respect of any action taken in demanding payment from the customer or reminding the customer by means of notice delivered by mail, by hand or any electronic means available, that account is in arrears.

13. COST FOR THE RECONNECTION OF SERVICES

Where any instruction is issued by Council for the reinstatement of normal service flow or reconnection of municipal service, restricted or disconnected in terms of this policy, reconnection fee will be levied in terms of tariff provisions of Council. A Reconnection will not be charged for prepaid customers.

Part 3: PAYMENT

14. Payment of deposits

- a) The municipal council may, from time to time, determine different deposits for different categories of customers, users of services, debtors, services and service standards, provided that the deposit will not be more than three times the monetary value of the most recent measured monthly consumption of the premises for which an application is made.
- b) At the time of registration as a customer, a deposit will be required based on the criteria set by the CFO from time to time.

- c) The CFO/MM may exclude a category of owners from payment of deposits and may waive the requirements for a deposit where a prepayment electricity meter or water management device has been installed.
- d) Deposit will be due and payable on registration of new customers and upon the movement of existing customers to a new address
- e) The municipality may appropriate a customer's deposit on any account related to that customer
- f) Where a business customer does not present a valid South African ID document, a deposit equivalent to twice the usual deposit shall apply in addition to the personal surety-ships
- g) The municipality or its authorized agent may annually review a deposit paid in terms of sub-section (b) and in accordance with such review -
 - (i) Require that an additional amount be deposited by the customer where the deposit is less than the most recent deposit determined by the municipal council; or
 - (ii) Refund to the customer such amount as may be held by the municipality or its authorized agent where the deposit is in excess of the most recent deposit determined by the municipal council.
 - (iii) Instances where a consumer defaults payment on arrear debt, the municipality can increase the consumer deposit
 - (iv) Deposit should be made by way cash payments. Council however recognize that for large and very large electricity user's guarantees may be accepted in place of deposits.
- h) If a customer is in arrears, the municipality or its authorized agent may require that the customer -
 - (i) Pay a deposit if that customer was not previously required to pay a deposit, if the municipal council has determined a deposit; and
 - (ii) Pay an additional deposit where the deposit paid by the customer is less than the most recent deposit determined by the municipal council.
- i) Subject to sub-section (7), the deposit shall not be regarded as being in payment or part payment of an account.
- j) If an account is in arrears, the deposit will be applied in payment or part payment of the arrears.
- k) No interest shall be payable by the municipality or its authorized agent on any deposit held.
- l) The deposit, if any, is refundable to the customer on settlement of all arrears and termination of the agreement. A deposit shall be forfeited to the municipality if it has not been claimed by the customer within 12 (twelve) months of termination of the agreement.

15. Extension of payment

- a) extension should be granted as a result of:
 - (i) The death of a family member within the household – a death certificate must be obtained.
 - (ii) Unemployment of the breadwinner – proof must be obtained that he/she is registered with the Department of Labour. The possibility to enter the municipality's Indigent Support Programme must be offered to the consumer.
 - (iii) Salaries being received at a different time than the payment date – proof must be obtained from the applicant's employer. Extension can only be granted if such employer formally agrees to future salary deductions.
- b) A maximum of three (3) extensions per year is allowed.
- c) Should the electricity supply be terminated more than twice during a twelve (12) month period, no further extensions will be allowed.
- d) The attention of the consumer must be drawn to all of the conditions mentioned above.

16. Conversion to prepaid meters

- a) Electricity consumers are have the option of converting from conventional meters to prepaid meters only once their municipal account is up to date
- b) No convection is to be done on accounts or properties with outstanding balances.

17. Duties of rates payers and residents

- a) The duties are to pay deposits, service fees, rates on property and other taxes imposed by the municipality.
- b) Allow municipal officials reasonable access to their property to execute municipal functions at a time that is agreeable by the consumer and municipal officials.
- c) Comply with the municipal by-laws and other applicable legislation.
- d) Refrain from tampering with municipal services and property as that shall have legal implications on anyone apprehended.

18. Responsibility of all Councilors'

- a) To always pay amounts that are owed in respect of municipal rates and taxes as required by section 12A of schedule 1 of the Municipal systems act and not to default on payments for a period longer than 3months.
- b) All agreement with councilors shall not exceed the expiry date of the term of office.
- c) The Councilors must have an active role in encouraging the Community to pay for the services that Council provides to them
- d) The Community must be updated on a continuous basis on what is happening in Council and taking into consideration the IDP to make sure that they are on board on the progress in the Municipal area.
- e) The Councilors and officials must ensure that all their personal accounts are up to date

19. Methods for determining amounts due and payable

- a) The municipality or its authorized agent must in respect of municipal services that can be metered, endeavor to, within available financial and human resources, meter all customer

connections and / or read all metered customer connections, on a regular basis, subject to sub-section (b).

- b) If a service is not measured, a municipality or its authorized agent may, notwithstanding subsection (a), determine the amount due and payable by a customer, for municipal services supplied to him, her or it, by calculating the -
 - (i) shared consumption; or if not possible,
 - (ii) Estimated consumption.
- c) If a service is metered, but it cannot be read due to financial and human resource constraints or circumstances out of the control of the municipality or its authorized agent, and the customer is charged for an average consumption the account following the reading of the metered consumption must articulate the difference between the actual consumption and the average consumption, and the resulting credit or debit adjustment.
- d) Where water supply services is provided through a communal water services work (standpipe), the amount due and payable by customers gaining access to water supply services through that communal water services work, must be based on the shared or estimated consumption of water supplied to that water services work.
- e) Where in the opinion of the municipality or its authorized agent it is not reasonably possible or cost effective to meter all customers connections and / or read all metered customers connections within a determined area, the municipal council may, on the recommendation of the municipality or its authorized agent, determine a basic tariff (flat rate) to be paid by all customers within that area, irrespectively of actual consumption.
- f) The municipality of its authorized agent must inform customers of the method for determining amounts due and payable in respect of municipal services provided that will apply in respect of their consumption or supply zones.

20. Payment for Municipal Services provided

- a) A customer shall be responsible for payment of all municipal services consumed by him, her or it from the commencement date of the agreement until his, her or its account has been settled in full and the municipality or its authorized agent must recover all applicable charges due to the municipality.
- b) If a customer uses municipal services for a use other than that for which it is provided by the municipality or its authorized agent in terms of an agreement and as a consequence is charged at a charge lower an adjustment of the amount charged and recover the balance from the customer.
- c) If amendments to the applicable charge become operative on a date between measurements for the purpose of rendering an account in respect of the applicable charges -
 - (i) it shall be deemed that the same quantity of municipal services was provided in each period of twenty-four hours during the interval between the measurements; and;

- (ii) Any fixed charge shall be calculated on a pro rata basis in accordance with the charge that applied immediately before such amendment and such amended applicable charge.

21. Full and final settlement of an amount

- a) Where an account is not settled in full, any lesser amount tendered to and accepted shall not be deemed to be in final settlement of such an account.
- b) Sub-section (a) shall prevail notwithstanding the fact that such lesser payment was tendered and / or accepted in full and final settlement, unless the municipal manager or the manager of the municipality's authorized agent made such acceptance in writing.

22. Responsibility for amounts due and payable by property owners

- a) Notwithstanding the provisions of any other sections of these policy, the owner of premises shall be liable for the payment of any amounts due and payable to the municipality or its authorized representative in respect of the preceding two years, where the owner is not the customer and the municipality or its authorized agent after taking reasonable measures to recover any amounts due and payable by the customer from the latter, could not recover such amounts.

23. Dishonored payments

- a) Where any payment made to the municipality or its authorized agent by negotiable instrument is later dishonoured by the bank, the municipality or its authorized agent –
 - (i) may recover the average bank charges incurred relating to dishonoured negotiable instruments against the account of the customer; and
 - (ii) shall regard such an event as default on payment
- b) Where any payment made to the municipality by debit order and is later dishonoured by the bank for a prevailing period of two months from the same consumer, the municipality shall cancel the debit order and will notify the consumer in writing to come and make their payments in cash only.
- c) Where any payment made to the municipality by cheque and is later dishonoured by the bank for a prevailing period of two months from the same consumer, the municipality shall not accept any cheques by that consumer and will notify the consumer in writing to come and make their payments in cash only.

24. Incentive Schemes

- a) The municipal council may institute incentive schemes to encourage prompt payment and to reward customers that pay accounts on a regular and timeous basis.
- b) If a consumer pays 100% of their property rates in advance a 2.5% discount is granted on the day of the payment, except Government accounts

25. Pay-points and Approved Agents

- a) A customer must pay his or her account at pay-points, specified by the municipality or its authorized agent from time to time, or at approved agents of the municipality of its authorized agent.
- b) The municipality or its authorized agent must inform a customer of the location of specified pay-points and approved agents for payment of accounts.

Part 4: ACCOUNTS

26. Accounts

- a) Accounts will be rendered monthly to customers at the address last recorded with the municipality or its authorized agent. The customer may receive more than one account for different municipal services if they are accounted for separately.
- b) An account can serve as a first notice as it may contain a warning message to the client with over 30 day's arrears on their account.
- c) Failure to receive or accept an account does not relieve a customer of the obligation to pay any amount due and payable.
- d) The municipality or its authorized agent must, if administratively possible, issue a duplicate account to a customer on request.
- e) Accounts must be paid not later than the last date for payment specified in such account, which date will be at least 21 (twenty-one) days after the date of the account.
- f) Accounts will reflect at least –
 - (i) the services rendered;
 - (ii) the consumption of metered services or average, shared or estimated consumption;
 - (iii) the period addressed in the account;
 - (iv) the applicable charges;
 - (v) any subsidies;
 - (vi) the amount due (excluding value added tax payable)
 - (vii) value added tax;
 - (viii) the adjustment, if any, to metered consumption which has been previously estimated;
 - (ix) the arrears, if any;
 - (x) the interest payable on arrears, if any;
 - (xi) the final date for payment;
 - (xii) the methods, places and approved agents where payment may be made; andstate that –
 - (xiii) the customer may conclude an agreement with the municipality or its authorized agent for payment of the arrears amount installments, at the municipality or its authorized agent's offices before the final date for payment, if a customer is unable to pay the full amount due and payable;
 - (xiv) if no such agreement is entered into the municipality or its authorized agent will limit the services after sending a final demand notice to the customer;

- (xv) legal action may be instituted against any customer for the recovery of any amount 60 (sixty) days in arrears;
 - (xvi) the account may be handed over to a debt collector for collection; and
 - (xvii) Proof of registration, as an indigent customer, in terms of the municipality or its authorized agent's indigent policy must be handed in at the offices of the municipality or its authorized agent before the final date for payment.
- g) Commercial customers in arrears for more than 120 days can be provided with 6months interest free upon full payments of accounts or signing of a suitable arrangement. This is at the discretion of the chief financial officer.
 - h) Residential customers in arrears for more than 120 days can be given a **10%** discount upon full payment ONLY. This is at the discretion of the chief financial officer.
 - i) Discount offers will only be done once per debtor
 - j) Debtors are not allowed to deduct discount amount before it is approved by the relevant manager as it is up to management's discretion to approve or disapprove discount offers.
 - k) Executor of late estate can be granted a **10%** discount if account is 120 days in arrear upon full payment or signing of a suitable arrangement.
 - l) Discount offers are NOT applicable to Hand over Accounts.
 - m) Discount offers are NOT applicable to Accounts in the event of property transfer.
 - n) The municipality reserves the right to reverse interest given upon default of repayment of arrears.
 - o) The municipality shall reverse interest where an incorrect billing was charged and corrected at a later stage.

27. Consolidated Debt

- a) If one account is rendered for more than one municipal service provided the amount due and payable by a customer constitutes a consolidated debt, and any payment made by a customer of an amount less than the total amount due, will be allocated in reduction of the consolidated debt in the following order –
 - (i) towards payment of the current account;
 - (ii) towards payment of arrears; and
 - (iii) towards payment of interest.
- b) If an account is rendered for only one municipal service provided any payment made by a customer of an amount less that the total amount due, will be allocated in the following order-
 - (i) towards payment of arrears; and
 - (ii) towards payment of interest.
 - (iii) towards payment of the current account;
- c) A customer may not elect how an amount is to be settled if it is not settled in full or if there are arrears.

28. Extinction of debts by prescription

- a) Subject to the provisions of this policy and of Chapter IV of the Prescription Act 68 of 1969, a debt shall be extinguished by prescription after the lapse of the period which in terms of the relevant law applies in respect of the prescription of such debt.

- b) By the prescription of a principal debt a subsidiary debt which arose from such principal debt shall also be extinguished by prescription.
- c) Notwithstanding the provisions of subsections (1) and (2), payment by the debtor of a debt after it has been extinguished by prescription in terms of either of the said subsections, shall be regarded as payment of a debt.

29. Periods of prescription of debts

The periods of prescription of debts shall be the following:

- a. thirty years in respect of-
 - (i) any debt secured by mortgage bond;
 - (ii) any judgment debt;
 - (iii) any debt in respect of any taxation imposed or levied by or under any law;
 - (iv) any debt owed to the State in respect of any share of the profits, royalties or any similar consideration payable in respect of the right to mine minerals or other substances;
- b) fifteen years in respect of any debt owed to the State and arising out of an advance or loan of money or a sale or lease of land by the State to the debtor, unless a longer period applies in respect of the debt in question in terms of paragraph (a);
- c) six years in respect of a debt arising from a bill of exchange or other negotiable instrument or from a notarial contract, unless a longer period applies in respect of the debt in question in terms of paragraph (a) or (b);
- d) Save where an Act of Parliament provides otherwise, three years in respect of any other debt.

Part 5: QUERIES, COMPLAINTS AND APPEALS

30. Queries or complaints in respect of account

- a) A customer may lodge a query or complaint in respect of the accuracy of an amount due and payable in respect of a specific municipal service as reflected on the account rendered.
- b) A query or complaint must be lodged with the municipality or its authorized agent in writing before the due date for payment of the account.
- c) In the case of illiterate or similarly disadvantaged customers the municipality or its authorized agent must assist such a customer in lodging his or her query or complaint in writing and must take reasonable steps to ensure that the query or complaint is reflected correctly.
- d) A query or complaint must be accompanied by the payment of at least the total amount, excluding the amount in respect of which a query or complaint is lodged, due and payable in respect of the account.

- e) The municipality or its authorized agent will register the query or complaint and provide the customer with a reference number.

31. Payment of accounts:

- a) Accounts not queried within 30 days of receiving statement will be deemed correct.
- b) The municipality will not be held liable for accounts handed over with payments made but not allocated due to incorrect reference number being used. The onus is on the customer to check correctness of their statement.
- c) The onus is also with the customer to make every effort to obtain a copy account to make payments as failure to receive a statement does not relieve anyone of the obligation to pay for services.
- d) The municipality or its authorize agent -
 - (i) shall investigate or cause the query or complaint to be investigated within 14 (fourteen) days after the query or complaint was registered; and
 - (ii) Must inform the customer, in writing, of its finding within 16 (sixteen) days after the query or complaint was registered.
- e) The municipality or its authorized agent may, in its absolute discretion, not recover amounts due and payable in respect of metered consumption if a customer reports that irregular consumption was as a result of leakage on a customer's property provided that such customer could not reasonably have detected the leak and further provided that the customer took reasonable and timeous steps to rectify the leak.

32. Appeals against finding of municipality or its authorized agent in respect of queries or complaints

- a) A customer may appeal against a municipality's finding or its authorized agent.
- b) An appeal and request in terms of sub-section (a) must be made in writing and lodged with the municipality within 21 (twenty-one) days after the customer became aware of the finding referred to in section 19 and must -
 - (i) set out the reason for the appeal; and
 - (ii) Be accompanied by any security determined for the testing of a measuring device, if applicable.
- c) The municipality may on appeal by a customer request him, her or it to pay the full amount appealed against.
- d) The customer is liable for all other amounts, other than that appealed against, falling due and payable during the adjudication of the appeal.
- e) An appeal must be decided by the municipality within 21 (twenty-one) days after an appeal was lodged and the customer must be informed of the outcome in writing, as soon as possible thereafter.

- f) The decision of the municipality is final and the customer must pay any amounts due and payable in terms of the decision within 14 (fourteen) days of being informed of the outcome of the appeal.
- g) The municipality may condone the late lodging of appeals or other procedural irregularities.
- h) If it is alleged in an appeal that a measuring device is inaccurate, the device must be subjected to a standard industry test to establish its accuracy. The customer must be informed of the possible cost implications including the estimated amount of such test prior to such test being undertaken.
- i) If the outcome of any test shows that a measuring device is-
- (i) Within a prescribed range of accuracy, the customer will be liable for the costs of such test and any other amounts outstanding. Such costs will be debited against the customer's account;
 - (ii) is outside a prescribed range of accuracy, the municipality or its authorized agent will be liable for the costs of such test and the customer must be informed of the amount of any credit to which he, she or it is entitled.
- j) The security referred to in sub-section (2)(b), if applicable and amount paid in terms of sub-section (3) may be -
- (i) retained by the municipality or its authorized agent of the measuring device is found not to be defective; or
 - (ii) Refunded to the applicant of the measuring device is found in terms of those sub-sections to be defective.
- k) In addition to sub-section (i) and (j) the municipality or its authorized agent must if the measuring device is found defective -
- (i) repair the measuring device or install another device which is in good working order, without charge to the customer, unless the costs thereof are recoverable from the customer in terms of the policy of the municipality; and
 - (ii) determine the quantity of municipal services for which the customer will be charged in lieu of the quantity measured by the defective measuring device by taking as basis for such determination, and as the municipality or its authorized agent may decide –
 - the quantity representing the average monthly consumption of the customer during the three months preceding the months in respect of which the measurement is disputed and adjusting such quantity in accordance with the degree of error found in the reading of the defective meter or measuring device;
 - the average consumption of the customer during the succeeding three metered periods after the defective meter or measuring device has been repaired or replaced; or

- The consumption of services on the premises recorded for the corresponding period in the previous year.

33. Adjustment on an Account

Where a situation arises that an exceptionally large debt is levied to an account due to, for example, a large water leak or an adjustment on an incorrect levy, extension of payment can be arranged as follows:

33.1 Water Leak

The amount, over and above the normal consumption can be repaid over three (3) to six (6) months, depending on the amount

33.2 Adjustment of an incorrect levy

The amount can be repaid over a maximum period equal to that over which the incorrect levy has taken place.

Part 6: ARREARS

34. Arrears

- If a customer fails to pay the account on or before the due date, a final demand notice may be hand delivered or sent, per registered mail, to the most recent recorded address of the customer, within 7 (seven) working days of arrears accruing.
- A final warning notice may be sent if the client's account is in arrears of R1000 and above and is over 30 days.
- Failure to deliver or send a final demand notice within 7 (seven) working days do not relieve a customer from paying arrears.

35. Offences: Staff and councilors in arrears

- Theft of electricity by employees will be reported and submitted to HR for deduction of the full amount of consumed services.
- According to schedule 2(10) of the Systems Act of 200 and our code of conduct it, states that a staff member or councilor of the municipality may not be in arrears for a prevailing period of 3months for rates and taxes,
- The municipality shall liaise with the relevant staff on repayment of the arrears and issue necessary salary deductions instruction here appropriate.(should default of payment occur)
- The Accounting officer shall liaise with the Mayor and issue necessary salary deduction instruction where appropriate for councilors.(should default of payment occur)
- Should a customer, staff member, or councilor be found to have been tempering with a meter more than once, the municipality reserves the right to have the meter removed and the customer will be liable to pay for the meter to be re installed.

- f) Municipal employees and Councilors shall be treated like any other customer of the municipality and the full provisions of the policy should be applied.
- g) There shall be monthly reporting to the speaker's office and council on the outstanding councilor and staff debt.
- h) All employees owing rates and taxes for a prevailing period of more than 3 months are to be reported and their information is to be presented in the municipal financial statements.
- i) The municipality reserves the right to deduct the full balance outstanding from their salary.

36. Consolidated Arrears

1. If one account is rendered for more than one municipal service provided all arrears due and payable by a customer constitutes a consolidated debt, and any payment made by a customer of an amount less than the total amount due, will be allocated in reduction of the consolidated debts in the following order –
 - (i) towards payment of arrears;
 - (ii) towards payment of interest; and
 - (iii) towards costs incurred in taking relevant action to collect amounts due and payable.
 - (iv) towards payment of the current account;

37. Interest

- a) Interest at the prime rate of the Nkomazi Local Municipality's bankers (currently Standard Bank Ltd) will be charged per month or part thereof on all arrear assessment rates at the applicable interest rate plus 1% as prescribed by council,
- b) Council is to review interest charges annually.
- c) Interest may be reversed under the following circumstances and proper documentation shall be provided for proof:
 - (i) Exemptions as determined by this policy from time to time
 - (ii) If the municipality has made an administrative error on the account
 - (iii) Where the owner takes over the debt of a tenant
- d) The following categories of arrear debt shall not attract interest on arrears
 - (i) Closed accounts
 - (ii) Deceased estates
 - (iii) Insolvent Estate
 - (iv) Debtors under administration(administration portion only)
- e) Accounts maybe accompanied by a notice stating that;
 - (i) The consumer may conclude an agreement with the municipality for payment of arrears
 - (ii) If no such agreement is not entered into, the municipality may, in accordance with the policy, limit the services of the debtor,
 - (iii) Legal actions maybe instituted against any consumer for the recovery of any arrear amount in terms of this policy
 - (iv) The account may be handed over to a debt collector or attorney for collection
 - (v) the defaulters name may be listed with the credit bureau or any other equivalent body as a defaulter

- (vi) Proof of registration as an indigent in terms of the municipality's indigent policy must be handed in before the final date of payments as stated on the statements.

38. Final Demand Notice

- a) The final demand notice must contain the following statements –
- (i) the amount in arrears and any interest payable;
 - (ii) that the customer may conclude an agreement with the municipality or its authorized agent for payment of the arrears in installments within 14 (fourteen) days of the date of the final demand notice;
 - (iii) that if no such agreement is entered into within the stated period that –
 - the electricity services will be disconnected; or
 - that the water supply services will be disconnected in the event that-
 - no electricity services are provided by the municipality or its authorized agent; or
 - the arrears amount exceed the amount payable in respect of electricity services;
 - (iv) that legal action may be instituted against any customer for the recovery of any amount 60 (sixty) days in arrears;
 - (v) that the account may be handed over to a debt collector for collection; and
 - (vi) that proof of registration, as an indigent customer, in terms of the municipality or its authorized agent's indigent policy must be handed in at the offices of the municipality or its authorized agent before the final date of the final demand notice.

39. Limitation or disconnection of municipal services

- a) The municipality or its authorized agent may, within 7 (seven) working days after the expiry of the 14 (fourteen) day period allowed for payment in terms of the final demand notice –
- (i) disconnect the provision of electricity services to the defaulter; or
 - (ii) disconnect water supply services for commercial consumers in the event that –
 - no electricity services are provided by the municipality or its authorized agent; or
 - The arrears amount exceeds the amount payable in respect of electricity services.
 - Prepaid consumers will be immediately blocked should they accumulate arrears on their rates and taxes accounts
 - (iii) No disconnections of water supply shall be done on household consumers
 - (iv) The onus is always on the customer to request in presentation of proof of payment.
 - (v) Council reserves the right to deny or restrict the sale of electricity or water to customers who are in arrears with their rates or any other municipal service charges.

- (vi) Council reserves the right to disconnect the services of a tenant if the owners account is in arrears.
 - (vii) The cost of restriction or disconnection, and the reconnection, will be determined by tariffs agreed by Council, and will be payable by the customer.
 - (viii) Should a customer default in terms of an arrangement, Council may refuse further extension of payment and the full outstanding amount due has to be, and will be payable before services are reconnected.
- b) If a customer fails to pay the amount/s due and payable within 7 (seven) working days after implementation of the actions specified in sub-section (1) the municipality or its authorized agent may hand delivered or sent, per registered mail, to the most recent recorded address of the customer a disconnection of water supply service notice where actions taken in terms of sub-section (1) resulted in only electricity services being disconnected.
 - c) (3) Failure to deliver or send a disconnection of water supply services notice within 7 (seven) working days does not relieve a customer from paying such arrears.
 - d) The disconnection of water supply services notice must contain the following statements-
 - (i) the amount in arrears and any interest payable;
 - (ii) a statement that the customer may conclude an agreement with the water services provider for payment of the arrear amount in installments, within 14 (fourteen) days of the date of the notice;
 - (iii) That if no such agreement is entered into within the stated period, the municipality or its authorized agent may discontinue the water supply with immediate effect, notwithstanding any legal action instituted or in the process of being instituted against the customer for the recovery of the arrears amount, without further notice.
 - e) The municipality or its authorized agent may, within 7 (seven) working days after the expiry of the 14 (fourteen) day period allowed for payment in terms of the disconnection of water supply services notice disconnect the provision of water supply services to the defaulter.
 - f) The costs associated with the limitation of disconnection of municipal services shall be for the cost of the customer and shall be included in the account following the re-connection.

40. Accounts 60 (sixty) days in arrears

- (1) Where an account rendered to a customer remains outstanding for more than 60 (sixty) or whereby the consumers services have been disconnected for more than 28 days and is still without any payment arrangement, the municipality or its authorized agent may –
 - (a) institute legal action against a customer for the recovery of the arrears; and
 - (b) Hand the customer's account over to a debt collector or an attorney for collection.

- (2) A customer will be liable for any administration fees, costs incurred in taking action for the recovery of arrears and any penalties, including the payment of a higher deposit, as may be determined by the municipal council from time to time.

41. General

- a) No action taken in terms of this section due to non-payment will be suspended or withdrawn, unless the arrears, any interest thereon, administration fees, additional charges, costs incurred in taking relevant action and any penalties, including the payment of a higher deposit, payable are paid in full.
- b) The municipality or its authorized agent will not be liable for any loss or damage suffered by a customer due to his or her electricity services being disconnected or his or her water supply services being disconnected.

42. WRITE OFF'S

- (a) Each financial year the debtor's book is to be reviewed by the *CFO or the MM* In order to recommend write- offs for all uncollectable debts.
- (b) Write-offs shall only be considered:
- i. after the following steps have been exhausted:
 - Financial demand notice sent
 - Acknowledgement of debt has been entered into
 - Electricity supply has been disconnected
 - Hand over to debt collectors has been made
 - Hand over to attorneys has been done after debt collectors have failed to collect
 - A deceased estate with no liquid assets to cover the outstanding amount.
 - The outstanding amount is due to an administrative error by officials
 - The consumer is untraceable or cannot be identified so as to proceed with further legal actions
 - ii. once the municipality has satisfied itself that pursuing the collection of the debt would prove uneconomical,
 - iii. if the collection of the debt will cause undue hardship on the consumer
 - iv. should the consumer be liquidated or declared insolvent

Part 7: AGREEMENT FOR THE PAYMENT OF ARREARS IN INSTALLMENTS

43. Agreements

Arrangement may be entered into by the relevant staff member appointed or delegated to by the CFO/MM

- a) The following agreements for the payment of arrears in installments may be entered into-
- (i) An Acknowledgement of Debt;
 - (ii) A Consent to Judgement; or

(iii) An Emolument Attachment Order.

- b) Only customers with positive proof of identity or persons duly authorized, in writing as a representative of a customer, will be allowed to enter into an agreement for the payment of arrears in installments.
- c) Should an error occur were the municipality is at fault, or has omitted readings and cause inconvenience to client, a rand for a rand credit will be granted upon receipt of payment.
- d) No customer will be allowed to enter into an agreement for the payment of arrears in installments where that customer failed to honor a previous agreement of the payment of arrears in installments.
- e) The municipality or its authorized agent must require a customer to pay at least its current account on entering into an agreement for the payment of arrears in installments.
- f) Current charges must be paid in full and cannot be negotiated.
- g) 50% of the account balance MUST be paid before an agreement to pay the amount in arrears by means of installments is entered to.
- h) No arrangement will be entered into with a Tenant on property not registered under his/her name.
- i) Customers with electricity arrears must agree to the conversion to a prepaid meter upon request of council and when implemented the cost of which together with the arrears total will be paid off, either by (i) adding it to the arrears bill and repaying over a period of time or (ii) paying it once off.

44. Additional Costs, Partial settlement and installments

- a) The costs associated with entering into an agreement for the payment of arrears in installments and the limitation of the municipal services in accordance with section 25 shall be included in the arrears amount due and payable by the customer. All cost including attorney cost and client costs incurred in the recovery of arrears shall be debited against such customer as arrears in his accounts and also costs incurred in demanding payment from such debtor
- b) in the event that a customer proves to the municipality that they have been declared over indebted by the High Court or its authorized agent that he/she or it is unable to pay the amount referred to in sub-section (a) on entering into an agreement for the payment or arrears in installments, the municipality or its authorized agent may -
 - (i) extend the payment thereof to the end of the months in which the customer enters into such agreement; or
 - (ii) include it in the amount payable in terms of the agreement; after taking into account the following factors –
 - the credit record of the customer;
 - the arrears amount;
 - the level of consumption of municipal services;

- the level of service provided to the customer;
 - previous breaches of agreements for the payment of arrears in installments; and
 - any other relevant factors.
- c) The municipality or its authorized agent may, after taking into account the factors referred to in sub-section (b), require a customer to pay the following amounts on entering into an agreement for the payment of arrears in installments an amount, in addition to the current account, representing a percentage of the arrears amount.
- d) The municipality or its authorized representative shall determine the installments payable in respect of any arrears amount by taking into account the same factors referred to in sub-section (b).

45. Duration of Agreement

- a) No agreement for the payment of arrears will be longer than six months, unless the circumstances referred to in sub-paragraph (2) prevail.
- b) The municipality or its authorized agent may, on an individual basis, allow a longer period than six months but not longer than 12 months for the payment of arrears if special circumstances prevail, that in the opinion of the municipality or its authorized agent warrants such an extension and which the customer reasonably could not prevent or avoid. The customer on request by the municipality or its authorized agent must furnish documentary proof of any special circumstances.
- c) The municipality or its authorized agent may, in exercising his or her discretion under sub-section (b) has regard to a customer's -
- (i) credit record;
 - (ii) consumption;
 - (iii) income level;
 - (iv) level of service;
 - (v) previous breaches of agreements for the payment of arrears in installments; and
 - (vi) any other relevant factors.
- d) A copy of the agreement shall be made available to the customer.

46. Acknowledgement of debt may not be granted where:

- a) Arrears have risen due to dishonored cheques, direct debit reversals,
- b) Instances of repeated meter tempering have been identified,
- c) Previous arrangements were never honored.

47. Failure to honor Agreements

- a) If a customer fails to comply with an agreement for the payment of arrears in installments, the total of all outstanding amounts, including the arrears, any interest thereon, administration fees, costs incurred in taking relevant action, and penalties, including payment of a higher deposit, will be immediately due and payable, without further notice or correspondence and the municipality or its authorized agent may –

- (i) disconnected the electricity services provided to the customer;
- (ii) in the event that no electricity services are provided by the municipality or its authorized agent, disconnected the water supply services provided to the customer;
- (iii) institute legal action for the recovery of the arrears; and
- (iv) Hand the customer's account over to a debt collector or an attorney for collection.

48. Voluntary application for the limitation or disconnection of Services

- a) A customer may on entering an agreement for the payment of arrears in installments request the municipality or its authorized agent in writing to limit or disconnect any metered municipal service provided to him / her or it for a specific period to limit the quantity of services consumed.
- b) The reasonable costs associated with a request in accordance with sub-section (1) shall be included in the arrears amount due and payable by the customer.
- c) 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.
- d) Failure to comply with the provision of paragraph (3) 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.
- e) A customer may terminate an agreement for the supply of municipal services by signing a disconnection of services from obtainable from the municipal offices.
- f) A customer shall remain liable for all arrears and applicable charges that are payable for municipal services rendered prior to the termination of the services.

49. Re-connection of Services

- a) An agreement for payment of the arrears amount in installments, entered into after the electricity services was disconnected and / or water services was limited or disconnected, will not result in the services being restored until –
 - (i) the arrears, any interest thereon, administration fees, costs incurred in taking relevant action and any penalties, including payment of a higher deposit, are paid in full; or
 - (ii) a written appeal by the customer due to timeous and full payment of installments and current amounts due and payable for a period of at least 6 (six) months has been approved by the municipality or its authorized agent.
 - (iii) A reconnection will be done within a reasonable period of time after the customer has produced proof of payment, services will be restored during official business hours of council, except in the case of an emergency(in the discretion of council)
 - (iv) Council reverses the right to deny or restrict the sale of electricity or water to consumers who are in arrears with their rates and municipal charges

- b) In addition to any payments referred to in sub-section (a) the customer shall pay the standard re-connection fee as determined by the municipality from time to time, prior to the re-connection of municipal services by the municipality or its authorized agent.
- c) Municipal services shall be restored within 7 (seven) working days after a customer have complied with the provisions of sub-sections (a) and (b).

50. Illegal reconnections/ Tampering

- a) Any customer found to have illegally reconnected or tampered with the municipal electricity shall be;
 - (i) Reported to the South African Police Service,
 - (ii) Circuit breaker will be removed or a complete removal of the installation and this shall be at the discretion of the electricity department. A fine shall be imposed on the debtor's account as per the municipal approved tariffs and any legal cost necessary.
 - (iii) The full amount of arrears plus any illegal consumption and any applicable tariffs, may be required to be paid prior to reconnection.

51. Business who tender to the municipality (To be included in supplier contracts)

- a) When inviting suppliers for the supply of services or delivery of goods and services, all suppliers, contractors or partners must declare that all municipal accounts owing by or its directors, partners have been paid in full or that suitable arrangement have been made to pay off the debt.
- b) The municipality will, at its own discretion check whether all municipal accounts are up to date.
- c) No tender will be allocated to any person, supplier, and contractor until the debt or the full balance is paid.
- d) Where payments are due to a contractor in respect of goods and services provided to the municipality, the arrear amount owing to the municipality may be set off against such payments, Tender conditions to contain a condition allowing the municipality to deduct money's owing to the municipality from contract payments.

CHAPTER 3: ASSESSMENT RATES

52. Amount due for assessment rates

- a) The provisions of Chapter 2 apply in respect of the recovery of assessment rates.
- b) All assessment rates due by owners are payable by a fixed date as determined by the municipality.
- c) Joint owners of property shall be jointly and severally liable for payment of assessment rates.

- d) Assessment rates may be levied as an annual single amount, or in equal monthly installments. When levied in equal monthly installments the amount payable may be included in the municipal account.
- e) A property owner remains liable for the payment of assessment rates included in municipal accounts, notwithstanding the fact that -
 - (i) that the property is not occupied by the owner thereof; and / or
 - (ii) the municipal account is registered in the name of a person other than the owner of the property.
- f) Payment of assessment rates may not be deferred beyond the fixed date by reason of an objection to the valuation roll.

53. Claim on rental for assessment rates in arrears

The municipality or its authorized agent may in terms of the Act instructs for the attachment of any rent, due in respect of ratable property, to cover in part or in full any amount outstanding in respect of assessment rates for a period longer than three months after the fixed date.

54. Disposal of municipality's property and payment of assessment rates

- a) The purchaser of municipal property is pro rate liable for the payment of assessment rates on the property as from the date of registration in the name of the purchaser in respect of the financial year in which the purchaser becomes the new owner.
- b) In the event that the municipality repossesses the property, any outstanding and due amount in respect of assessment rates shall be recovered from the purchaser.

55. Assessment rates payable on municipal property

- a) The lessee of municipal property is responsible for payment of any general assessment rates payable on the property for the duration of the lease, as if it the lessee is the owner of such property.
- b) The municipality or its authorized representative may elect to include the assessment rates in respect of municipal property in the rent payable by the lessee, instead of billing it separately as in the case of owners of properties.

CHAPTER 4: UNAUTHORISED SERVICES

56. Unauthorized services

- a) No person may gain access to municipal services unless it is in terms of an agreement entered into with the municipality or its authorized agent for the rendering of those services.
- b) The municipality or its authorized agent may, irrespective of any other action it may take against such person in terms of these policy by written notice order a person who is using unauthorized services to -
 - (i) apply for such services in terms of section 1 and 2; and

- (ii) Undertake such work as may be necessary to ensure that the customer installation through which access was gained complies with the provisions of this policy

57. Interference with infrastructure for the provision of municipal services

- a) No person other than the municipality or its authorized agent shall manage, operate or maintain infrastructure through which municipal services are provided.
- b) No person other than the municipality or its authorized agent shall effect a connection to infrastructure through which municipal services are provided.

58. Obstruction of access to infrastructure for the provision of municipal services

- a) No person shall prevent or restrict physical access to infrastructure through which municipal services are provided.
- b) If a person contravenes sub-section (1), the municipality or its authorized agent may -
 - (i) by written notice require such person to restore access at his or her own expense within a specified period; or
 - (ii) if it is of the opinion that the situation is a matter of urgency, without prior notice restore access and recover the cost from such person.
 - (iii) Should any high billing be done as a result of physical access being restricted by the owner to municipal property(meters), the full amount will be payable and no arrangement can be made on such and interest will be charged should the amount fall into arrears

59. Illegal re-connection

- (1) A person who unlawfully and intentionally or negligently reconnects to services or unlawfully and intentionally or negligently interferes with infrastructure through which municipal services are provided, after such customers access to municipal services have been limited or disconnected shall immediately be disconnected.
- (2) A person who re-connects to municipal services in the circumstances referred to in sub-section (1) shall be liable for the cost associated with any consumption, notwithstanding any other actions that may be taken against such a person.
- (3) The consumption will be estimated based on the average consumption of water supplied to the specific area within which the unauthorized connection was made.

60. Immediate disconnection

- a) The provision of municipal services may immediately be disconnected of any person –
 - (i) unlawfully and intentionally or negligently interfere with infrastructure through which the municipality or its authorized agent provides municipal services;
 - (ii) Failure to provide information or provide false information reasonably requested by the municipality or its authorized agent.

CHAPTER 5: OFFENCES

61. Offences

- a) Any person who -
- (i) fails to give access required by the municipality or its authorized agent in terms of these policy;
 - (ii) obstructs or hinders the municipality or its authorized agent in the exercising of the powers or performance of functions or duties under these policy;
 - (iii) assists any person in providing false or fraudulent information or assists in willfully concealing information;
 - (iv) uses, tampers or interferes with municipal equipment, service supply equipment and reticulation network or consumption or services rendered;
 - (v) fails or refuses to give the municipality or its authorized agent such information as may reasonably be required for the purpose of exercising the powers or functions under this policy or gives such the municipality or its authorized agent false or misleading information, knowing it to be false or misleading;
 - (vi) contravenes or fails to comply with a provision of this policy;
 - (vii) fails to comply with the terms of a notice served upon him/her in terms of these policy;
 - (viii) shall be guilty of an offence and liable upon conviction to a period not exceeding six months imprisonment or community service or a fine not exceeding R6 000.00, or a combination of the aforementioned.

CHAPTER 6: DOCUMENTATION

62. Signing of notices and documents

A notice or documents issued by the municipality in terms of this policy and signed by a staff member of the municipality or its authorized agent shall be deemed to be duly issued and must on its mere production be accepted by a court as evidence of that fact.

63. Notices and documents

- a) A notice or document issued by the municipality or its authorized agent in terms of this policy shall be deemed to be duly authorized if an authorized agent signs it.
- b) Any notice or other document that is served on an owner, customer or any other person in terms of this policy is regarded as having been served -
- (i) if it has been delivered to that person personally;
 - (ii) when it has been left at that person's village, place of residence, or business or employment in the Republic with a person apparently over the age of sixteen years;
 - (iii) when it has been posted by registered or certified mail to that person's last known residential address or business address in the Republic and an acknowledgement of posting thereof from the postal service is obtained;
 - (iv) if that person's address in the Republic is unknown, when it has been served on that person's agent or representative in the Republic in the manner provided in sub-sections (a) – (c); or

- (v) if that person's address and agent or representative in the Republic is unknown, when it has been posted in a conspicuous place on the property or premises, if any, to whom it relates.
- c) In the case where compliance with a notice is required within a specified number of working days, such period shall be deemed to commence on the date of delivery or sending of such notice.

64. Authentication of documentation

Every order, notice or other document requiring authentication by the municipality shall be sufficiently authenticated, if signed by the municipal manager or by a duly authorized officer of the municipality or the authorized agent of the municipality; such authority being conferred by resolution of the municipality, written agreement or by a policy.

65. Prima facie evidence

In legal proceedings by or behalf of the municipality or its authorized agent, a certificate reflecting the amount due and payable to the municipality or its authorized agent, under the hand of the municipal manager, or suitably qualified municipal staff member authorized by the municipal manager or the manager of the municipality's authorized agent, shall upon mere production thereof be accepted by any court of law as prima facie evidence of the indebtedness.

CHAPTER 7: GENERAL PROVISIONS

"By laws "A credit control and debt collection by law is adopted to give effect to the credit control and debt collection policy. This is implemented in conjunction with the credit control and debt collection By-law

66. Power of entry and inspection

The municipality or its authorized agent may enter and inspect any premises for any purpose connected with the implementation or enforcement of these policy, at all reasonable times, after having given reasonable written notice to the occupier of the premises of the intention to do so.

67. Exemption

- a) The municipality may, in writing exempt an owner, customer, any other person or category of owners, customers, ratepayers, users of services from complying with a provision of these policy, subject to any conditions it may impose, if it is of the opinion that the application or operation of that provision would be unreasonable, provided that the municipality or its authorized agent shall not grant exemption from any section of these policy that may result in –
 - (i) the wastage or excessive consumption of municipal services;
 - (ii) the evasion or avoidance of water restrictions;
 - (iii) significant negative effects on public health, safety or the environment;
 - (iv) the non-payment for services;
 - (v) the Act, or any regulations made in terms thereof, is not complied with.
- b) The municipality at any time after giving written notice of at least thirty days withdraws any exemption given in terms of sub-section (a).

68. Availability of policy

- a) A copy of this policy shall be included in the municipalities Municipal Website (www.nkomazi.gov.za) as requested in terms of legislation.
- b) The municipality or its authorized agent shall take reasonable steps to inform customers of the contents of the credit control policy.
- c) A copy of this policy shall be available for inspection at the municipal offices or at the offices of its authorized agent at all reasonable times.
- d) A copy of the policy may be obtained against payment of R10.00 per person from the municipality or its authorized agent.

69. Conflict of law

- a) When interpreting a provision of this policy, any reasonable interpretation which is consistent with the purpose of the Act as set out in Chapter 9 on Credit Control and Debt Collection, must be preferred over any alternative interpretation which is inconsistent with that purpose.
- b) If there is any conflict between this policy and any other policy of the Council, this policy will prevail.

70. Short Title and Commencement

- a) This policy is called the Credit Control and Debt Collection policy of the Nkomazi Local Municipality.
- b) The municipality may, by notice in the *Provincial Gazette*, determine that provisions of this policy, listed in the notice, does not apply in certain areas within its area of jurisdiction listed in the notice from a date specified in the notice.
- c) Until any notice contemplated in sub-section (b) is issued, this policy is binding.

CHAPTER 8: ROLES OF MUNICIPAL MANAGER

- (1) Reports must be submitted by the Municipal Manager on a monthly and quarterly basis on the implementation of the policy, payment levels and administrative short comings.
- (2) The report is to outline measures required to address challenges.

CHAPTER 9: ROLES OF COUNCILORS

- (1) The Councilors must have an active role in encouraging the Community to pay for the services that Council provides to them
- (2) The Community must be updated on a continuous basis on what is happening in Council and taking into consideration the IDP to make sure that they are on board on the progress in the Municipal area.

| | | | |
|--|--|-----------------|--|
| Registration number of corporate entity | | | |
| Surname | | Initials | |
| ID Number | | | |
| Marital Status | | | |
| If married – in / out community or property | | | |
| Occupation | | | |
| Tel. No | | | |
| Cell No | | | |
| Address of Applicant (for purposes of account delivery) | | | |
| 5.4 Physical Address | | Postal Address | |
| Next of Kin | | | |
| 1. Name | | Tel. no | |
| Address | | | |
| 2. Name | | Tel. no | |
| Address | | | |

| | | | |
|---------------------------|--|------------|--|
| Employer's Details | | | |
| Name | | Tel. No. | |
| Physical Address | | | |
| Period in Service | | | |
| Credit References | | | |
| 1. Name of Company | | Account No | |
| Address | | Tel.No. | |

| | |
|------------------|------------|
| 2.Nameof Company | Account No |
| Address | Tel.No. |
| | |

| | | |
|---|------------------------------------|----------------------|
| Particulars of Owner (if not Applicant) | | |
| Name of Corporate Entity | | |
| Registration number of corporate entity | | |
| Surname | Initials | |
| ID Number | | |
| Occupation | | |
| Tel. No. | | |
| Cell No. | | |
| Physical Address | Postal Address | |
| | | |
| Property to which municipal services must be provided | | |
| Suburb | | |
| Zone | | |
| Stand No | | |
| Street Name | | |
| Street Number | | |
| Number of persons over the age of 18 years living on the property | | |
| Type of municipal services to be provided | | |
| Water Supply Services | Communal Standpipe Yard Connection | In-house connection |
| Sanitation Services | Night Soil Removal | Water borne sewerage |
| Refuse Removal Services | Electricity Services | Pre-paid |
| Other | | |
| Date on which provision of services should commence | | |

| Payment Details | | |
|---------------------------------------|------------|--|
| Cash (including cheque & credit card) | | |
| Debit Order | | |
| Stop Order | | |
| Other method of electronic transfer | | |
| Bank Details | Branch | |
| | Account No | |
| | | |

A CERTIFIED COPY OF THE APPLICANT'S IDENTITY DOCUMENT / POWER OF ATTORNEY MUST BE ATTACHED TO THE APPLICATION

- I / We hereby –
- (a) Apply for the provision of municipal services to be provided to the above property;
 - (b) Accept the conditions applicable to the provision of municipal services as set out the municipality's policy, by-laws and the Conditions of Supply of any service provider of the municipality;
 - (c) Declare that I / We was informed that the documents referred to in (b) are available for inspection at the offices of the municipality during office hours;
 - (d) Declare that this application form and the implications thereof was explained to me / us;
 - (e) Declare that all payments due and payable by me / us in pursuance of this application shall promptly be paid by me / us on the due date; and
 - (f) Declare that the information provided in this application form is true and correct.

Applicant

Municipality / Authorised Agent

Date

Date

Signature of Owner (if not applicant)

Date

CERTIFICATION BY MUNICIPALITY

The consequences of the above declaration made by the Owner/Applicant were explained to him/her/it and he/she/it indicated that the contents of the application were understood.

Municipality / Authorised Agent

Date

FOR OFFICE USE ONLY

| | | |
|-------------------------------|----------------|--|
| Deposit paid | Date | |
| | Amount | |
| | Receipt Number | |
| Account Number | | |
| Commencement date of services | | |
| Area Code | | |

ANNEXURE B: APPLICATION FOR REGISTRATION AS AN INDIGENT CUSTOMER

NKOMAZI MUNICIPALITY

APPLICATION FOR REGISTRATION AS INDIGENT CUSTOMER

Note: an application for Municipal Services must be completed or updated on submission of this application.

| Particulars of Applicant | | | |
|--|--------------------------|----------------|--|
| Surname | | Initials | |
| ID Number | | | |
| Marital Status | | | |
| If married: In/Out of Community of Property | | | |
| Occupation | | | |
| Tel. no. | | | |
| Cell No | | | |
| Address of Applicant | | | |
| Physical Address | | Postal Address | |
| | | | |
| | | | |
| Number of properties owned by applicant and all members of the household | | | |
| Details of properties, if applicable | | | |
| Property 1 | Physical address | | |
| | | | |
| | | | |
| | Name of owner | | |
| | Name of bondholder | | |
| | Account number | | |
| Property 2 | Deed Registration Number | | |
| | Type of structure | | |
| | Physical Address | | |
| | | | |
| | | | |
| | Name of owner | | |
| Name of bondholder | | | |
| Account number | | | |
| Deed Registration Number | | | |
| Type of structure | | | |
| Is property / properties of a portion thereof leased to a third person? YES / NO | | | |
| If leased, rent received | | | |
| Number of all members in household | | | |
| Combined gross income of all members of the household per month | | | |
| Details of all members of the household over the age of 18 years resident at the property | | | |
| 1.Surname | | 2.Surname | |
| Full name | | Full name | |
| ID Number | | ID Number | |
| Employed (Y/N) | | Employed (Y/N) | |

| | | | |
|--|--|--|--|
| Salary including benefits, if relevant | | Salary including benefits, if relevant | |
| 3.Surname | | 4.Surname | |
| Full name | | Full name | |
| ID Number | | ID Number | |
| Employed (Y/N) | | Employed (Y/N) | |
| Salary including benefits, if relevant | | Salary including benefits, if relevant | |
| 5.Surname | | 6.Surname | |
| Full name | | Full name | |
| ID Number | | ID Number | |
| Employed (Y/N) | | Employed (Y/N) | |
| Salary including benefits, if relevant | | Salary including benefits, if relevant | |
| Details of any other income received by household: (I.e. such as old age pension, disability pension, welfare, etc) | | | |
| 1.Type of income | | 2.Type of income | |
| Institution | | Institution | |
| Amount | | Amount | |
| Reference no | | Reference no | |
| 3.Type of income | | 4.Type of income | |
| Institution | | Institution | |
| Amount | | Amount | |
| Reference no | | Reference no | |
| 5.Type of income | | 6.Type of income | |
| Institution | | Institution | |
| Amount | | Amount | |
| Reference no | | Reference no | |
| Details of monthly expenses of household: | | | |
| 1. Groceries | | 2. School Fees | |
| 3. Clothes | | 4. | |
| 5. | | 6. | |
| 7. | | 8. | |
| 9. | | 10. | |
| Details of current debts of the household: (including insurance, policies and credit purchases) | | | |
| 1.Institution | | 2.Institution | |
| Account number | | Account number | |
| Amount owing | | Amount owing | |
| 3.Institution | | 4. Institution | |
| Account number | | Account number | |
| Amount owing | | Amount owing | |

| | | | |
|----------------------|--|----------------------|--|
| 5.Institution | | 6.Institution | |
| Account number | | Account number | |
| Amount owing | | Amount owing | |
| | | | |

Details in respect of legal or other actions taken against me/us in respect of current expenses / debts of the household: (I.e. Administration orders, sequestrations, other court order, listed with the Credit Agency, etc)

| | | | |
|----------------------|--|----------------------|--|
| 1.Institution | | 2.Institution | |
| Type of action | | Type of action | |
| Case number | | Case number | |
| Amount owing | | Amount owing | |

| | | | |
|----------------------|--|----------------------|--|
| 3.Institution | | 4.Institution | |
| Type of action | | Type of action | |
| Case number | | Case number | |
| Amount owing | | Amount owing | |

| | | | |
|----------------------|--|----------------------|--|
| 5.Institution | | 6.Institution | |
| Type of action | | Type of action | |
| Case number | | Case number | |
| Amount owing | | Amount owing | |

The following documents must be attached:-

- 1. Documentary proof of income (such as a letter from the customer’s employer, a salary advice, a pension card, unemployment fund card, etc.); or**
- 2. An affidavit declaring unemployment or income; and**
- 3. Latest municipal account in the possession of customer; and**
- 4. A certified copy of the applicant’s identity document.**

A.I hereby -

1. apply for registration as an indigent customer for a period of one year;
2. accept the conditions applicable to this application as set out in the municipality’s policy, by-law and the Conditions of Supply of any service provider of the municipality;
3. declare that I/we was informed that the document referred to (2) are available for inspection at the offices of the municipality during office hours;
4. declare that this application form and the implications thereof was explained to me/us;
5. declare that all payments due and payable by me/us in pursuance of this application shall promptly be paid by me/us on the due date; and
6. Declare that the information provided in this application form is true and correct.

B. I/We further declare and accept that the following specific conditions shall apply to this application –

1. The municipality or its authorized agent may send authorized representatives to the premises of households applying for registration as indigent customer to conduct an on-site audit of information provided prior to approval of an application or any time thereafter.

2. An application shall be approved for a period of 12 (twelve) months only.
3. The municipality or its authorized agent may on approval of an application or any time thereafter –
 - 3.1 install a pre-payment electricity meter for the indigent customer where electricity is provided by the municipality or its authorized agent; and
 - 3.2 limit the water supply services of an indigent customer to a basic supply of not less than 6 (six) kiloliters per month.
4. An indigent customer must annually re-apply for registration as an indigent customer, failing which the assistance will cease automatically.
5. The municipality or its authorized agent gives no guarantee of renewal.
6. The municipal council may annually as part of its budgetary process determine the municipal services and levels thereof that will be subsidized in respect of indigent customers in accordance with national policy, but subject to principles of sustainability and affordability.
7. Any other municipal services rendered by the municipality or its authorized agent or municipal services consumed in excess of the quantities specified in 6 above shall be charged for and the indigent customer shall be liable for the payment of such charges levied in the excess consumption. Normal credit control procedures shall apply in respect of such excess consumption.
8. Arrears accumulated in respect of the municipal accounts of customers prior to registration as indigent customers will be suspended, without interest accumulating in respect of such arrears, for the period that a customer remains registered as an indigent customer.
9. Suspended arrears shall become due and payable by the customer in monthly installments as determined by the municipality or its authorized agent, on de-registration.
10. Arrears suspended for a period of 2 (two) years or longer shall not be recovered from a customer on de-registration.
11. The municipality or its authorized agent may undertake regular random audits to
 - 11.1 verify the information provided by indigent customers;
 - 11.2 record any changes in the circumstances of indigent customers; and
 - 11.3 make recommendations on de-registration of the indigent customer.
12. Any customer who provides or provided false information in the application form and / or any other documentation and information in connection with the application –
 - 12.1 shall automatically, without notice, be de-registered as an indigent customer from the date on which the municipality or its authorized agent became aware that such information is false; and
 - 12.2 shall be held liable for the payment of all services received;
 - 12.3 in addition to any other legal actions the municipality or its authorized agent may take against such customer.
13. An indigent customer must immediately request de-registration by the municipality or its authorized agent if his or her circumstances has changed to the extent that he or she no longer meets the qualifications set out in the by-laws.
14. An indigent customer shall automatically be de-registered if an annual application is not made or if such application is not approved.
15. An indigent customer shall automatically be de-registered if an audit or verification concludes that the financial circumstances of the indigent customer has changed to the extent that he or she no longer meet the qualifications set out in the by-laws.
16. An indigent customer may at any time request de-registration.

Applicant

Municipality / Authorised Agent

_____ **Date**

_____ **Date**

| CERTIFICATION BY MUNICIPALITY | |
|--|-------------------|
| The consequences of the above declaration made by the applicant were explained to him/her and he/she indicated that the contents of the APPLICATION were understood. | |
| _____ Municipality / Authorised Agent | _____ Date |

| FOR OFFICE USE ONLY | |
|---|--|
| Account Number | |
| Date of receipt of application | |
| First Verification | |
| Date | |
| Site Visit (Yes / No) | |
| Name of verifier | |
| Designation of verifier | |
| Indicate information not verified | |
| Recommendation | |
| APPLICATION APPROVED/ NOT APPROVED | |
| Second Verification | |
| Date | |
| Site Visit (Yes / No) | |
| Name of verifier | |
| Designation of verifier | |