

THE VENTERSDORP LOCAL MUNICIPALITY



Ventersdorp Local
Municipality

CUSTOMER CARE & MANAGEMENT, CREDIT CONTROL & DEBT COLLECTION POLICY 2014/2015

PREAMBLE

- (1) In terms of the provisions of section 95 of the Local Government: Municipal Systems Act, Act 32 of 2000 (hereinafter referred to as “the Systems Act”), the Ventersdorp Local Municipality (hereinafter referred to as “the VLM”), in relation to the levying of rates and other taxes and the charging of fees for municipal services and within its financial and administrative capacity, must-
- (a) establish a sound customer management system which aims to create a positive and reciprocal relationship between persons liable for these payments and the VLM, and where applicable a service provider;
 - (b) establish mechanisms for users of services and ratepayers to give feedback to the VLM or service provider regarding the quality of the services and performance of the service provider;
 - (c) take reasonable steps to ensure that users of services are informed of the costs involved in the provision of the service, the reasons for the payment of service fees and the manner in which monies raised from such service are utilised;
 - (d) where the consumption of services has to be measured, take reasonable steps to ensure that the consumption by individual users of services is measured through accurate and verifiable metering systems;
 - (e) ensure that persons liable for payments, receive regular and accurate accounts that indicate the basis for calculating the amounts due;
 - (f) provide accessible mechanisms for those persons to query or verify accounts and metered consumption;
 - (g) provide accessible mechanisms for dealing with complaints from such persons, together with prompt replies and corrective action by the VLM which includes the declaring of disputes and procedures which allows for the dealing with such disputes;
 - (h) provide mechanisms to monitor the response time and efficiency in complying with paragraph (g) above; and

- (i) provide accessible pay points and other mechanisms for settling accounts or for making pre-payments for services.
- (2) In terms of the provisions of section 96 of the Systems Act, the VLM must collect all money which is due and payable to it subject to the provisions of the Systems Act and other applicable legislation, and for this purpose must adopt, maintain and implement a credit control and debt collection policy which complies with the provisions of the Systems Act and is consistent with the Rates and Tariff Policies of the VLM.
- (3) In terms of the provisions of section 5(2)(b) of the Systems Act members of the local community have a duty where applicable, and subject to the provisions of section 97(1)(c), to promptly pay service fees, surcharges on fees, rates on property and other taxes, levies and duties imposed by the VLM.
- (4) This policy has been drafted in compliance with the provisions of the above referred to legislation and the VLM has adopted this policy to give effect to, implement and enforce the above.

THE VENTERSDORP LOCAL MUNICIPALITY:

CUSTOMER CARE & MANAGEMENT, CREDIT CONTROL & DEBT COLLECTION POLICY

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CHAPTER 1: INTRODUCTORY PROVISIONS

1. DEFINITIONS

- (1) In this policy, except where the context otherwise indicates or it is expressly stipulated otherwise, the following words and expressions shall have the respective meanings assigned to them hereunder and words or expressions to which a meaning has been assigned in terms of the provisions of the Systems Act, other relevant legislation and the Tariff Policy and/or By-Law of the VLM, will have a corresponding meaning assigned thereto in terms of such policies and/or by-laws.

NO.	WORD/EXPRESSION	DEFINITION
“A”		
1.1.	“account”	Means the account furnished to a customer by the VLM subsequent to the conclusion of a service agreement and/or once the customer becomes liable for the payment of property rates, which account reflects the amount due to the VLM by such customer in respect of rates, tariffs, levies and fees.
1.2.	“agreement”	Means a written document containing the terms, conditions, rights and obligations of the VLM and customers within its municipal area in respect of the provision of services by the VLM and the payment therefore by the customers concerned.
“B”		
1.3.	“billing cycle”	Means the time period in respect of which a customer is liable to effect payment to the VLM for rates, tariffs, levies and fees, being a monthly period in respect of municipal services, and either a monthly or an annual period in respect of property rates.

“C”		
1.4.	“chief financial officer”	Means a person appointed by the municipal council and designated by the municipal manager of the VLM to manage the financial administration of the VLM and be directly accountable to the municipal manager as contemplated in terms of the provisions of section 80(2)(a) read with the provisions of sections 1 and 81 of the MFMA.
1.5.	“collection charges”	Means all costs incurred by the VLM during the process of recovering monies due and payable to it, with consideration of the provisions of this policy and other relevant legislation.
1.6.	“customer”	Means a person or entity liable to the VLM for the payment of property rates and/or tariffs, levies and fees for municipal services.
1.7.	“council”	Means the municipal council of the VLM in which the executive and legislative authority of the VLM is vested and which is the decision making body of the VLM, its legal successors and its delegates.
1.8.	“credit control”	Means the collection of cash from ratepayers and customers of the various municipal services. Credit control under this definition would start once an account has remained unpaid after a specified due date. In terms of modern practices and approaches, credit control is more aptly defined as an avenue of last resort within the ambit of customer management. The customer management approach focuses on the client's needs in a responsive and responsible manner, the objective being to encourage payment and prevent the need for enforcement.
“D”		
1.9.	“debt collection”	Means the functions relating to the collection of

		unpaid debt which is due and payable to the VLM and includes the restructuring of debt. It provides procedures and mechanisms for the collection of all monies due and payable to the VLM in respect of the provision of services and annual levies in order to ensure financial sustainability and the continual delivery of municipal services in the interest of the community, with consideration of the provisions of this policy and other relevant legislation.
1.10.	“debtor”	Means a person who/which has failed to make payment to the VLM in terms of this policy and who/which continues in such failure.
1.11.	“dispute”	Means a dispute as contemplated in terms of the provisions of section 102(2) of the Systems Act.
1.12.	“due and payable”	Means that monies owed to the VLM is due to be paid immediately.
1.13.	“due date”	Means the date upon which monies are to be paid to the VLM.
“E”		
1.14.	“equipment”	Means a building or other structure, pipe, pump, wire, cable, meter, engine or any accessories.
1.15.	Mayor	Means the Mayor of the VLM who has been elected in terms of the relevant provision(s) of the Local Government Municipal Structures Act.
“I”		
1.16.	“interest”	Means a charge levied, with the same legal priority as service charges, on arrear amounts calculated at a standard (simple) rate equal to an interest rate of 15,5% per annum.
1.17.	“indigent”	Means a person who lacks the most basic necessities of life, which for the purpose of this

		policy and to the VLM includes the provision of water, electricity, sanitation and refuse removal.
“L”		
1.18.	“Local Government: Municipal Finance Management Act” or “MFMA”	Means the Local Government: Municipal Finance Management Act, Act 56 of 2003.
1.19.	“Local Government: Municipal Structures Act” or “Structures Act”	Means the Local Government: Municipal Structures Act, Act 117 of 1998.
1.20.	“Local Government: Municipal Systems Act” or “Systems Act”	Means the Local Government: Municipal Structures Act, Act 32 of 2000.
“M”		
1.21.	“municipal manager”	Means the municipal manager of the VLM, appointed in terms of the provisions of section 54A of the Systems Act, and refers to the definition of “accounting officer” as defined in terms of the provisions of section 1 of the MFMA and also referred to in section 60 of the MFMA, and includes a person acting as an accounting officer, or the person to whom the accounting officer has delegated his/her authority to act.
1.22.	“municipal services” or “services”	Means the services provided by the VLM to the local community for which fees, surcharges on fees, charges and tariffs in respect of the provision of electricity, water, refuse removal, sewerage and the removal and purification of sewerage.
“O”		
1.23.	“occupier”	Means any person who occupies a property or part thereof without taking cognisance of the title in

		which he or she occupies the property.
1.24.	“official application form”	Means the application form provided in Schedule 1 to this policy.
“P”		
1.25.	“property”	Means any portion of land, of which the boundaries are determined and which is located within the municipal area of the VLM.
“R”		
1.26.	“ratepayer”	Means any owner of rateable property (as defined in the Rates Policy of the VLM) as well as any owner of rateable property held under sectional title, situate within the municipal area of the VLM.
1.27.	“relevant legislation”	Means, <i>inter alia</i> , the Systems Act, Structures Act, MFMA, the National Credit Act, Act 34 of 2005, the National Consumer Protection Act, Act 68 of 2008, and the Magistrate’s Court Act, Act 32 of 1944.
“S”		
1.28.	“services agreement”	Means the agreement concluded between the VLM and a customer for the provision of municipal services upon the approval by the VLM of the official application form of a customer for the rendering of municipal services to such customer.
“T”		
1.29.	“this policy”	Means the Customer Care and Management, Credit Control and Debt Collection Policy of the VLM.
“V”		
1.30.	“Ventersdorp Local Municipality” or	Means the VENTERSDORP LOCAL MUNICIPALITY a local government and legal entity with full legal capacity as contemplated in terms of

	"VLM"	the provisions of section 2 of the Systems Act, read with the provisions of Chapter 7 of the Constitution of the Republic of South Africa, 1996, and sections 12 and 14 of the Structures Act, with its main place of business and the offices of the Municipal Manager, as envisaged in terms of the provisions of section 115(3) of the Systems Act, 1 Van Tonder Crecent Street, VENTERSDORP, NORTH WEST PROVINCE , and includes its successor in title; or a structural person exercising a delegated power or carrying out an instruction in the event of any power being delegated as contemplated in terms of the provisions of section 59 of the Systems Act, or a service provider appointed by the VLM.
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2. AIM AND PURPOSE

- (1) This policy constitutes the policy contemplated in terms of the provisions of section 96(b) of the Systems Act, read with the provisions of section 97 of the same Act.
- (2) This policy further provides for and gives effect to those matters set out in the provisions of section 95 of the Systems Act.
- (3) The aim and purpose of this policy is to–
 - (a) ensure that all monies due and payable to the VLM in respect of rates, fees for municipal services, surcharges on such fees, charges, tariffs, interest which has accrued on any amounts due and payable in respect of the foregoing and any collection charges in respect thereof, are collected promptly and efficiently;
 - (b) provide for credit control and debt collection procedures and mechanisms in accordance with relevant legislation;
 - (c) provide relief in respect of municipal services for indigent account holders;
 - (d) provide for the setting of realistic targets consistent with generally recognised practices and collection ratios and the estimates of

income as set out in the annual budget of the VLM less the acceptable provision for bad debt as provided in Chapter 7 of this policy;

- (e) provide for interest on arrear amounts;
- (f) provide for collection charges on the payment of any arrear amount;
- (g) provide for extension of time for the payment of arrear amounts for municipal services;
- (h) provide for the dealing with disputes declared in terms of the provisions of section 102(2) of the Systems Act, the termination of municipal services or for restrictions on the provision of municipal services when payments are in arrears;
- (i) provide for matters relating to the unauthorised consumption of municipal services, theft and/or damages; and
- (j) to enable the VLM to collect all budgeted income in order to fund its operational requirements in respect of service delivery to the local community within its municipal area.

3. TITLE AND APPLICATION

- (1) This policy is known as the Customer Care and Management, Credit Control and Debt Collection Policy of the Ventersdorp Local Municipality and is applicable to the municipal area of the VLM as determined by the Municipal Demarcation Board.
- (2) This policy revokes all previous policies, decisions and/or *ad hoc* clauses within any other policy regarding the subject matter of this policy.
- (3) This policy further applies to all monies due and payable to the VLM for-
 - (a) property rates;
 - (b) municipal services where the VLM is responsible for the rendering of accounts in relation to any 1 (one) or more of such municipal services as well as for the recovery of any and all amounts due and payable to the VLM in respect thereof, irrespective of whether such service(s) is provided by the VLM itself or on behalf of the VLM through a service provider in terms of a service delivery agreement;

- (c) interest which has or will accrue in respect of any monies due and payable, or which will become due and payable, to the VLM in respect of any rates or municipal services;
- (d) collection charges; and/or
- (e) municipal services provided through pre-paid meters as well as any fees, surcharges on fees and/or tariffs in respect thereof.

4. COMMENCEMENT AND VALIDITY

This policy shall come into full force and effect upon the acceptance hereof by the full council of the VLM by resolution.

5. RESPONSIBLE AUTHORITY

- (1) The responsible authority for the adoption and implementation of this policy is the VLM and where applicable the council of the VLM.
- (2) The Council of the VLM, as the supervisory authority in terms of the provisions of section 99 of the Systems Act, is responsible for and must-
 - (a) oversee and monitor the implementation and enforcement of this policy as well as the Customer Care and Management, Credit Control and Debt Collection By-Law of the VLM;
 - (b) oversee and monitor the performance of the municipal manager in implementing this policy and the Customer Care and Management, Credit Control and Debt Collection By-Law of the VLM;
 - (c) if and when necessary, evaluate or review this policy or the Customer Care and Management, Credit Control and Debt Collection By-Law of the VLM, in order to improve the efficiency of the credit and debt collection mechanisms, processes and/or procedures; and
 - (d) at such intervals as may be determined by the VLM report to a meeting of the council.
- (3) The municipal manager or any service provider, as the implementing authority in terms of the provisions of section 100 of the Systems Act, is responsible for and must-

- (a) implement and enforce this policy and the Customer Care and Management, Credit Control and Debt Collection By-Law of the VLM;
- (b) establish effective administrative mechanisms, processes and procedures in order to collect monies due and payable to the VLM in accordance with this policy and the Customer Care and Management, Credit Control and Debt Collection By-Law of the VLM; and
- (c) at such intervals as may be determined by the council report the prescribed particulars to a meeting of the supervisory authority referred to in sub-section (2) above.

6. GENERAL PRINCIPLES FOR CREDIT CONTROL AND DEBT COLLECTION

- (1) The administrative integrity of the VLM must be maintained in the implementation and enforcement of this policy.
- (2) All consumers must complete and sign an official application form, formally requesting the VLM to provide municipal services to such consumers. The most important rights and obligations of the consumer and the VLM must be included in the service application form as well as the terms and conditions upon which the VLM will provide the municipal services to the consumer, provided no municipal services will be rendered by the VLM to any customer if the application form is not duly completed, approved by the VLM and signed by the customer concerned and the VLM.
 - (a) The official application form must provide for, *inter alia*, the following documentation to be annexed to the application form: identification document, marriage certificate (if applicable), letter of authority from the Master of the High Court and details of all trustees in the case of a trust, proof of CIPC registration and details of all directors/members in the case of a legal entity. Any changes in respect of any information/documentation submitted to the VLM on, or annexed to, the application form, must be conveyed to the VLM within 14 (fourteen) days from such changes taking effect;

- (b) Each and every official/employee of the VLM who receives application forms on behalf of the VLM, must ensure that the application form is completed in full and that all required supporting documentation accompanies the application. The application form must further provide for the details of the employee of the VLM who accepted an application form to be included for accountability requirements.
- (3) Upon the approval of an application by the VLM, the official application form will constitute a service agreement between the customer and the VLM, which service agreement sets out the terms and conditions upon which the VLM will provide the municipal services to such customer. The municipal manager may from time to time direct that a new agreement be concluded. The credit-worthiness and other information which the VLM deems necessary in order to approve an application may be obtained and confirmed by the VLM.
- (a) Each and every application form/service agreement must be kept by the VLM in accordance with the Records Management Policy of the VLM.
- (4) A copy of the application form, conditions of services and extracts of this policy and the relevant Customer Care and Management, Credit Control and Debt Collection By-Law of the VLM, must be handed to every customer upon request. The application form must inform customers where the contents of this policy may be inspected.
- (5) Billing is to be accurate, timeous and understandable.
- (6) The customer is entitled to reasonable access to pay points and to a variety of reliable payment methods.
- (7) The customer is entitled to efficient, effective and reasonable responses to enquiries and disputes, and should suffer no disadvantage during the processing of such requests and/or disputes.
- (8) Enforcement of payment or termination of services for non-payment must be prompt and consistent.

- (a) The official application form must inform customers of possible listing with a credit bureau in the event of failure to pay for services rendered to the customer by the VLM in respect of the application.
- (9) Unauthorised consumption, connection and reconnection, the tampering with or theft of meters, service supply equipment and the reticulation network and any fraudulent activity in connection with the provision of municipal services will lead to disconnections, penalties, loss of rights and criminal prosecutions.
- (10) Incentives and disincentives may be used in collection procedures.
- (11) The collection process must be cost-effective.
- (12) The effectiveness of the implementation of this policy by the VLM will be regularly and efficiently reported and monitored.
- (13) Application forms will be used to, *inter alia*, identify the category of customers according to this policy, credit risk and to determine the relevant levels of services and deposits required.
- (14) Targets for performance in both customer service and debt collection will be set.
- (15) Consumers that meet the indigent criteria of the VLM must be identified and supported but must take note that their indigent status will be listed for ITC purposes.
- (16) The cost of the restriction or disconnection, and the reconnection, will be determined by tariffs approved by the VLM and which is payable by the customer.
- (17) Owners will be held responsible and fined for any tampering of electricity or water meters by their tenants and must monitor the meters.

CHAPTER 2: DUTIES AND FUNCTIONS

7. DUTIES AND FUNCTIONS OF THE VLM (COUNCIL)

- (1) To approve a budget consistent with the Council's Integrated Development Plan

- (2) To impose rates and service charges to finance the budget.
- (3) To facilitate sufficient funds to give access to basic services for the poor.
- (4) To provide for bad debt provision in line with the payment record of customers as reflected in the financial statements of the VLM.
- (5) To set an improvement target for debt collection in line with acceptable accounting ratios and resources available to the municipal manager.
- (6) To approve a reporting framework for customer care and management, credit control and debt collection.
- (7) To consider and approve by-laws to give effect to this policy.
- (8) To revise the budget should the targets of the VLM for customer care and management, credit control and debt collection not be met.
- (9) To take disciplinary and/or legal action against councillors, officials, employees and service providers who/which do not execute the policies and by-laws of the VLM, or act improperly in terms of such policies and by-laws.
- (10) To delegate the required authority to monitor and enforce this policy to the executive mayor, municipal manager and chief financial officer of the VLM.
- (11) To ensure sufficient capacity within the Directorate: Finance for the implementation of this policy by the VLM or to appoint a service provider to execute certain functions in terms of this policy.
- (12) To assist the municipal manager in the execution of his/her duties, if and when required.
- (13) To provide funds for the training of staff.

8. DUTIES AND FUNCTIONS OF COUNCILLORS AND EMPLOYEES

- (1) To hold regular ward meetings.
- (2) To adhere to and convey the policies of the VLM to customers and ratepayers.
- (3) To adhere to the Code of Conduct for councillors as set out in Schedule 1 as well as the Code of Conduct for Municipal Staff Members as set out in Schedule 2 to the Systems Act.
- (4) To give inputs regarding indigent applications.

- (5) To treat all customers with dignity and respect at all times.
- (6) To exercise their duties in an honest and transparent manner.

9. DUTIES AND FUNCTIONS OF THE MAYOR

- (1) To ensure that the budget of the VLM, cash flow and targets for debt collection are met and enforced in terms of this policy.
- (2) To monitor the performance of the municipal manager in the implementation and enforcement of this policy.
- (3) To review and evaluate this policy and the Customer Care and Management, Credit Control and Debt Collection By-Law of the VLM in order to improve the efficiency of the customer care and management, credit control and debt collection procedures, mechanisms and processes of the VLM.
- (4) To report to the council on the above referred to matters.

10. DUTIES AND FUNCTIONS OF THE MUNICIPAL MANAGER

- (1) To implement a good and effective customer care management system.
- (2) To implement this policy and to utilise the delegation system of the VLM as provided for in terms of the provisions of section 59 of the Systems Act to effectively and efficiently implement and enforce this policy and its related by-law.
- (3) To install and maintain an appropriate accounting and credit control system.
- (4) To bill consumers.
- (5) To demand payment on due dates.
- (6) To raise interest and collection fees for payment defaults.
- (7) To appropriate payments received.
- (8) To collect outstanding debt.
- (9) To provide different payment methods.
- (10) To determine customer care and management, credit control and debt collection measures.

- (11) To determine all relevant work procedures for, *inter alia*, public relations, arrangements, the dealing with disputes declared in terms of the provisions of section 102(2) of the Systems Act, the disconnection of services, summonses, attachments of assets, sales in execution, write-off of debts, sundry debtors and legal processes.
- (12) To instruct attorneys on the Panel of Attorneys of the VLM in terms of the Legal Services Policy of the VLM to proceed with legal processes against debtors/defaulters.
- (13) To set performance targets for staff.
- (14) To determine control and performance procedures.
- (15) To monitor the contracts with service providers in connection with credit control and debt collection as envisaged in terms of the provisions of section 116 of the MFMA.
- (16) To report to the mayor.

11. DUTIES AND FUNCTIONS OF COMMUNITIES, RATEPAYERS AND RESIDENTS

- (1) Members of the community, ratepayers and residents have the duty to comply with the provisions of sections 5(2) of the Systems Act.
- (2) To pay service fees, rates on property and/or other taxes, levies and duties imposed by the VLM on or before the due date.
- (3) To obtain a duplicate account at the help desk of the VLM if an account is not delivered during the normal billing cycle.
- (4) To notify the VLM in writing if and when services are no longer required at a particular service delivery point and of any address changes. All such notifications must be properly recorded and kept by the VLM.
- (5) To safeguard and maintain service meters in a readable condition.
- (6) To observe the mechanisms and processes of the VLM in exercising their rights.
- (7) To allow municipal officials reasonable access to their property to execute municipal functions.

- (8) To comply with the policies and by-laws and other legislation of the Council.
- (9) To refrain from tampering with municipal services, infrastructure, meters and/or property.
- (10) To comply with the obligations, duties, terms and conditions in terms of which the VLM provides municipal services.

CHAPTER 3: PERFORMANCE EVALUATION AND REPORTING

12. TARGETS AND PERFORMANCE OBJECTIVES

The council of the VLM, in consultation with the municipal manager, must establish a mechanism to set targets for debt collection, customer care and management and administrative performance, evaluate performances and take corrective actions on an regular basis to enhance credit control and debt collection.

13. INCOME AND COLLECTION TARGETS

The council of the VLM must set targets for the reduction of unpaid amounts for municipal services, the increase of payments for municipal services, the effective administration of accounts for municipal services and the collection of the amounts due in terms of such accounts on or before the due date as set out in such accounts.

14. CUSTOMER SERVICE TARGETS

The customer targets as identified are as follows:

(1)	Response time to customer queries:	initial response within 5 (five) working days.
(2)	Resolution of Queries:	45 (forty five) working days to resolve queries.
(3)	Resolution of a declared	45 (forty five) working days to resolve the

	dispute:	dispute as set out in the provisions of this policy.
(4)	Date of delivery of first account to new customers:	by second billing cycle after date of conclusion of a services agreement .
(5)	Reconnection time:	within 24 (twenty four) hours after payment/arrangement acceptable to the VLM has been made.
(6)	Meter reading cycle:	meters should be read on a monthly basis.
(7)	Indigent application:	within second billing cycle response for approval or disapproval, as well as provision of subsidy.

15. ADMINISTRATIVE PERFORMANCE

The council of the VLM must set targets for the collection of debt and the application of debt collection mechanisms, based on the following principles:

- (1) debt collection must be prompt, efficient and cost effective:
 - (a) the cost of the collection should not exceed the capital debt amount;
 - (b) the cost of the collection must be recovered from the defaulting customer; and
 - (c) reasonable steps must be taken to limit the cost of debt collection to the VLM provided that the limitation on costs for debt collection do not hamper the prompt and efficient collection of debt.
- (2) queries and disputes must be promptly addressed and disposed of;
- (3) the indiscriminate application of debt collection mechanisms; and
- (4) arrear accounts handed over to attorneys on the Panel of Attorneys or debt collection service provider appointed by the A.C

16. REPORTING

- (1) The chief financial officer shall report monthly to the municipal manager in a suitable format to enable the municipal manager to report to the executive

mayor as supervisory authority in terms of the provisions of section 99 of the Systems Act read with the provisions of section 100(c).

- (2) The report contemplated in sub-section (1) above must contain particulars on:
 - (a) debt collection statistics, showing detailed debt collection information (numbers of customers, number of enquires and disputes, arrangements for the payment of debt, the amounts due and payable to the VLM in the different stages of maturity of debt); and
 - (b) performance on all areas against targets agreed to in this policy.
- (3) If in the opinion of the chief financial officer, the VLM will not achieve cash receipt income equivalent of the income projected in the annual budget as approved by the council, the chief financial officer will report this with motivation to the municipal manager who will, if he/she agrees with the chief financial officer, immediately move for a revision of the budget according to realistically realisable income levels.
- (4) The executive mayor as supervisory authority shall, at intervals of 3 (three) months, report to the council in terms of the provisions of section 99(c) of the Systems Act.

CHAPTER 4: CUSTOMER CARE AND MANAGEMENT

17. CUSTOMER CARE AND MANAGEMENT PRINCIPLES

The VLM must manage its interaction with its customers in a responsible and proactive manner with the aim to enhance the payment for municipal services and to create a positive and co-operative relationship between the customer and the VLM, and where applicable a service provider.

18. COMMUNICATION

- (1) The VLM must, within its financial and administrative capacity, conduct an annual process of compiling and communicating its budget to the public in terms of the provisions section 22 of the MFMA.
- (2) This policy must be available in English and be made available by general publication and on specific request, and will also be available for perusal at the offices of the VLM.
- (3) Ward councillors will be required to hold regular ward meetings, at which customer care and debt collection issues must be given prominence.

19. METERING

- (1) The VLM must, within its budgetary and infrastructure constraints, provide meters to every point of delivery where municipal services are delivered to a customer.
- (2) The VLM will endeavour to read all meters on a monthly basis.
- (3) If the VLM is, for whatsoever reason and irrespective of whether it is due to the fault of the customer of the VLM, not able to read any meter, the VLM will be entitled to estimate consumption of the municipal service concerned and bill the customer in accordance with such estimate.
- (4) In instances where a customer is charged based on estimated consumption as contemplated in sub-section (3) above, the account reflecting the estimated consumption will be adjusted to reflect actual consumption once the VLM is able to obtain the actual reading of the meter concerned.
- (5) Customers are entitled to request verification of meter readings and accuracy within reason, but may be held liable for the cost thereof.
- (6) Customers will be informed of meter replacement.
- (7) The VLM may utilise a pre-payment meter system as follows:
 - (a) a customer may convert from a conventional electricity meter to a pre-payment meter upon payment to the VLM for the installation thereof and a deposit in an amount equal to the electricity usage cost of such customer for the month preceding such installation;

- (b) no pre-payment meter will be installed or activated by the VLM where there are any outstanding amount due to the VLM in respect of the account of a customer; and
- (c) customers whose/which electricity supply has been terminated or disconnected on at least 3 (three) occasions as a result of non-payment, are compelled to install a pre paid meter before any re-connection will be made.

20. ACCOUNTS AND BILLING

- (1) Customers who concluded a service agreement with the VLM and/or who are liable to pay property rates to the VLM, will receive an account at such applicable time in the billing cycle which consolidates all municipal service costs and/or property rates in respect of such property.
- (2) An account will be furnished in accordance with the applicable billing cycle and the due date for the payment of the account will be either 30 (thirty) days for a monthly billing cycle or 12 (twelve) months for an annual billing cycle, linked to the date of such account.
- (3) An account will be furnished in accordance with the applicable billing cycle at the last recorded address of the customer with the VLM or a service provider.
- (4) It is the responsibility of a customer to ensure that the postal and/or physical address of such customer and where such customer wishes to receive the account, and other contact details of the customer are correct and up to date in respect of the records of the VLM. Any incorrect or outdated information does not excuse any customer from the duty and obligation to make payment to the VLM of the amount due to the VLM by any customer.
- (5) It is the customer's responsibility to make enquiries and ensure timeous payments in the event of accounts not received and such receipt of the account is not a precondition to the duty and responsibility of a customer to effect payment thereof to the VLM.
- (6) Where an account is not paid in full, any lesser amount tendered and accepted by the VLM, shall not be deemed to be in full and final settlement of such account unless specifically stated and agreed upon between the VLM and the customer concerned to be in full and final settlement of the account.

- (7) Where any payment made to the VLM by negotiable instrument and such negotiable instrument is subsequently dishonoured by a bank, the VLM:
- (a) may recover the average bank charges incurred relating to dishonoured negotiable instruments against the account of the customer;
 - (b) shall regard such an event as a default on payment and will be entitled to utilise debt collection mechanisms as provided in this policy and to levy the relevant costs thereof against the customers account;
 - (c) may insist on cash payments for all future accounts; and
 - (d) may hand such customer over to the legal representatives of the VLM for further legal action.
- (8) A customer is entitled to request a duplicate account from the VLM at the cost of such customer.

21. REFUNDS

- (1) Any customer may apply in the prescribed manner for a refund on a credit balance on an account of such customer, provided that no other account of such customer, or an account regarding the property to which the account with the credit balance of such customer relate, are payable and/or overdue.
- (2) Refund applications will be considered, verified and processed by the VLM in terms of its internal financial and accounting procedures.
- (3) The VLM reserves the right to determine a threshold in terms of which it is entitled to decline the issuing of a refund when the cost and administrative burden associated with effecting such refund is not administratively and cost effective to the VLM.
- (4) The threshold amount referred to in sub-section (3) above is R50.00 (fifty).
- (5) The VLM will only issue a cheque as the payment method when paying a refund to a customer and no electronic payments are allowed
- (6) A credit balance in respect of the account of a customer may be utilised to set off any arrears on any other account of such customer with the VLM or

any account regarding the property to which the account with the credit balance of such customer relate, before the refund is effected.

- (7) The VLM is entitled to write back or appropriate any unclaimed money arising from a credit balance of a customer if such amount is not claimed by the customer within a period of 3 (three) years from the date upon which it became due to the customer.

22. PAYMENT FACILITIES AND METHODS

- (1) The VLM must operate and maintain suitable payment facilities which are accessible to all users.
- (2) Direct or electronic payments can be made into the bank account of the VLM, being F.N.B. The customer must state the account number allocated to the customer by the VLM as reference on the proof of payment and if payment is made in respect of more than 1 (one) account, the respective account numbers must be stated. It is important that the proof of payment, together with a breakdown of the amount paid to the VLM be faxed to the VLM at 018-2648500 without delay and four (4) business days must be allowed for processing thereof.
- (3) The VLM will, at its discretion, allocate payment towards the debt of a customer or debt related to a property of which such customer is the owner. The customer may not specify to which account or debt the payment of such customer is allocated.
- (4) The VLM may in terms of the provisions of section 103 of the Systems Act, with the written consent of a customer, approach an employer to secure a debit or stop order arrangement.
- (5) The use of an agent by a customer to effect payment of the debt of such customer as well as the timeous payment of such debt to the VLM, is at the sole risk of the customer.
- (6) Any direct deposits of monies into the bank account of the VLM, without the appropriate and correct reference details will be allocated by the VLM to an escrow account and it will remain the responsibility of the customer who made such deposit to ensure that the payment is allocated to the account of the customer.

- (7) It will be within the sole discretion of the VLM whether or not to accept a cheque.

23. SECURITY

- (1) The VLM may require the payment of a deposit in respect of an account of a customer which may vary according to the credit risk of such customer.
- (2) The VLM may implement the paying of deposits by either a minimum deposit payable in the amount equal to twice the amount of the average monthly consumption calculated for a period of 3 (three) months immediately preceding the payment of the deposit, or prescribe a minimum amount to be determined annually by the VLM in terms of its Tariff Schedule.
- (3) The municipal manager may increase a deposit payable to a maximum amount equal to 3 (three) times of the average monthly consumption in respect of arrear accounts.
- (4) The municipal manager may direct that a deposit may be payable by a customer in 2 (two) equal instalments if the circumstances are justifiable.
- (5) The VLM will not pay any interest to customers on the deposits made by such customers.
- (6) Upon the termination of the agreement between the VLM and a customer, the deposit of a customer, less any outstanding amount due to the VLM, will be refunded to the customer.

24. PAYMENT REMINDERS

- (1) The VLM will, without any obligation to do so, endeavour to within its financial and administrative capacity remind customers either personally, electronically or telephonically to pay the accounts of such customers and/or inform such customers of any matter regarding the status, or other, of the account.
- (2) The failure by the VLM to inform a customer of any matter in terms of subsection (1) does not detract any right of the VLM to enforce the provisions of this policy whatsoever.

25. INCENTIVES FOR PROMPT PAYMENT

- (1) During the budget process the VLM may, in order to encourage prompt payment by customers and/or to reward regular payments made by customers or payments made by means of debit or stop orders, consider incentives to such customers from time to time.
- (2) If a customer is prepared to pay off the capital amount of an outstanding debt in 1 (one) payment, the VLM may on the request of such customer write back interest or a portion of such interest charged on the outstanding debt. The granting of any such request will be within the sole discretion of the VLM.

26. ENQUIRIES, DISPUTES AND SERVICE COMPLAINTS

- (1) The VLM will, within its administrative and financial ability, establish:
 - (a) a central office to deal with and address enquiries, disputes and/or service complaints received from customers;
 - (b) a centralized database dealing with enquiries, disputes and/or service complaints received from customers, in order to effectively address such enquiries, disputes and/or service complaints;
 - (c) appropriate training for employees of the VLM dealing with the public to enhance communications and service delivery; and
 - (d) a communication mechanism to provide feedback on the application of the policies on customer care and management, credit control and debt collection or other issues of concern to the municipal manager, executive mayor and/or council.
- (2) If a customer is convinced that his or her account is inaccurate, he or she may lodge a query or a section 102(2) dispute, in terms of the Systems Act with the VLM for investigation of such account, and where necessary the relevant corrections will be effected.
- (3) In the interim, whilst the VLM is addressing a query or dealing with the section 102(2) dispute, the customer remains liable to pay to the VLM the average of the last 3 (three) months accounts where the history of the customer's account is available. Where no such history is available, the customer remains liable for the payment of an estimated amount as

prescribed by the VLM, the payment for which the customer will be liable until the matter has been resolved, at which time the account will be adjusted to reflect the actual usage instead of such estimate.

- (4) A query raised by a customer must be raised and addressed by the VLM as follows:
- (a) the customer must address the query in writing to the office of the chief financial officer of the VLM;
 - (b) the office of the chief financial officer will refer such query to the responsible directorate suitable to address the query;
 - (c) the directorate to which a query has been referred must investigate such query and report the outcome thereof in writing to the office of the chief financial officer; and
 - (d) the office of the chief financial officer will communicate the outcome of the investigations to the customer and effect the necessary adjustments to the account of such customer, if required.
- (5) A dispute declared by a customer in terms of the provisions of section 102(2) of the Systems Act, must be declared and dealt with as follows:
- (a) a customer who wishes to declare a dispute in terms of the provisions of section 102(2) of the Systems Act, must declare such dispute in writing to the office of the municipal manager of the VLM and the written declaration of the dispute must contain and set out the following:
 - (i) the account number to which the dispute relates;
 - (ii) the specific amount(s) to which the dispute relates;
 - (iii) a detailed description of the dispute and the grounds upon which and the reasons why the dispute is being declared;
 - (iv) the redress requested by the customer;
 - (v) the signature of the customer/ account holder of the account to which the dispute relates, or, if the dispute is being declared by a person other than the holder of the account to which the dispute relates, a power of attorney by the account

holder authorizing such other person to declare the dispute must accompany the written declaration of the dispute;

- (b) a customer who declares a dispute will only be entitled to the protection afforded to the customer in terms of the provisions of section 102(2) of the Systems Act if the dispute is declared as provided in terms of paragraph (a) above;
- (c) the office of the municipal manager will refer the dispute to the office of the director: corporate services, who will investigate the dispute and make a finding on the outcome thereof as to the redress, if any, to be afforded to the customer who declared the dispute;
- (d) the office of the director: corporate services must communicate the finding to the office of the municipal manager who, in turn, must communicate the finding of the director: corporate services to the customer who declared the dispute;
- (e) an appeal against the finding of the director: corporate services may be lodged by the customer who declared the dispute in accordance with the provisions therefore in paragraph (f) below;
- (f) an appeal lodged against the finding of the director: corporate services in respect of a dispute declared by a customer, must:
 - (i) be lodged in writing with the office of the municipal manager and comply *mutatis mutandis* to the provisions of paragraph (a) above;
 - (ii) be lodged within a period of 7 (seven) days after the date on which the finding was dispatched to the customer by the office of the municipal manager; and
 - (iii) be decided on by the municipal manager of the VLM who may be assisted by an attorney of the Panel of Attorneys of the VLM and who must decide the outcome of the appeal and communicate the decision on the outcome of the appeal to the customer who lodged the appeal;
- (g) the decision made by the municipal manager on the appeal lodged by the customer who declared the dispute against the finding of the

director: corporate services, will be final and binding on the parties and constitutes the disposal and end of the declared dispute;

(h) where a dispute has been declared and such dispute has been dealt with as set out in paragraphs (a) to (g) above, the subject matter of the dispute is disposed of and the customer who declared the dispute may not declare a further dispute on the same subject matter, or any part thereof.

(6) The declaring of a dispute as contemplated in sub-section (5) above, does not excuse the customer from paying the amount due in terms of the account or suspends the liability of the customer to make payments to the VLM of any disputed amounts. If the finding of the director: corporate services, or the municipal manager in the event of an appeal, indicate that an adjustment of the account is warranted, the customer will receive a credit on his/her/its account, if applicable.

27. ARRANGEMENTS, EXTENSIONS AND CATEGORIES OF DEBTORS

(1) If a customer is not able to make payment in the amount due to the VLM in respect of the account of the customer, the VLM may, in its sole discretion, grant an extension of the period in terms of which payment of the account must be made by the customer, or make an arrangement for the payment of the debt, taking into account the applicable categories of debtors and the arrangements applicable to each category, which are as follows:

(a) Owners of Residential Property:

OWNERS OF RESIDENTIAL PROPERTY	
DEBT	PAYMENT
R0.00 to R1 000.00:	50% of the outstanding debt must be paid by the customer immediately as a down payment and the balance of the outstanding amount must be paid in monthly installments within a period of 3 (three) months or sooner.
R1 001.00 to R3 000.00:	30% of the outstanding debt must be paid by the customer immediately as a down payment and the

	balance of the outstanding amount must be paid in monthly installments within a period of 6 (six) months or sooner.
R3 001.00 to R5 000.00:	20% of the outstanding debt must be paid by the customer immediately as down payment and the balance of the outstanding amount must be paid in monthly installments within a period of 12 (twelve) months or sooner.
R5 001.00 to R8 000.00:	20% of the outstanding debt must be paid by the customer immediately as a down payment and the balance of the outstanding amount must be paid in monthly installments within a period of 18 (eighteen) months or sooner.

(b) Owners of Business, Commercial, Industrial and/or Mining Property:

OWNERS OF BUSINESSES, COMMERCIAL, INDUSTRIAL AND/OR MINING PROPERTY	
DEBT	PAYMENT
R0.00 – R5 000.00	No arrangement is allowed for this amount and the full outstanding amount must be paid by the customer.
R5 001.00 – R20 000.00	50 % of the outstanding debt together with the account for the month in which the arrangement is made must be paid by the customer immediately as a down payment and the balance of the outstanding amount must be paid in monthly installments within a period of 3 (three) months or sooner.
R20 001.00 – R100 000.00	30 % of the outstanding debt together with the account for the month in which the arrangement is made must be paid by the customer immediately as a down payment and the balance of the outstanding amount must be paid in monthly installments within a period of 6 (six) months or sooner.
R100 001.00 +	20 % of the outstanding debt together with the account for the month in which the arrangement is made must be paid by the customer immediately as a down payment

	and the balance of the outstanding amount must be paid in monthly installments within a period of 18 (eighteen) months or sooner.
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- (c) Education, State-owned or Organ of State-owned and/or Public Service Infrastructure property:

EDUCATION, STATE-OWNED OR ORGAN OF STATE-OWNED AND/OR PUBLIC SERVICE INFRASTRUCTURE PROPERTY	
DEFAULT	PAYMENT
First default in any 12 (twelve) month cycle:	2 (two) weeks' notice must be given to the debtor and no arrangements will be granted.
Second default in any 12 (twelve) month cycle:	48 (forty eight) hours notice, all outstanding amounts to be paid in full.
Third default in any 12 (twelve) month cycle:	Proceed with legal action against customer.

- (d) Sporting Bodies and/or Cultural Institutions:

SPORTING BODIES	
DEFAULT	PAYMENT
All debts:	50% of the outstanding debt together with the account for the month in which the arrangement is made must be paid by the customer immediately as a down payment and the balance of the outstanding amount must be paid in monthly installments within a period of 3 (three) months or sooner.

- (e) Owners of property used for Religious Purposes, Public Benefit Organisations, Welfare Organisations, Charitable Institutions, Animal Welfare, Museums, Libraries, Art Galleries and Botanical Gardens, Youth Development Organizations:

OWNERS OF PROPERTY USED FOR RELIGIOUS PURPOSES, PUBLIC BENEFIT ORGANISATIONS, WELFARE ORGANISATIONS, CHARITABLE
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INSTITUTIONS, ANIMAL WELFARE, MUSEUMS, LIBRARIES, ART GALLERIES AND BOTANICAL GARDENS, YOUTH DEVELOPMENT ORGANIZATIONS AND/OR CULTURAL INSTITUTIONS

DEFAULT	PAYMENT
All debts:	10% of the outstanding debt together with the account for the month in which the arrangement is made must be paid by the customer immediately as a down payment and the balance of the outstanding amount must be paid in monthly installments within a period of 6 (six) months or sooner.

- (f) Retired, Disabled and/or Indigent persons (as referred to in this policy):

RETIRED, DISABLED AND/OR INDIGENT PERSONS	
DEFAULT	PAYMENT
All debts:	A social assessment must be made to determine the amount that can be afforded by such debtors for the outstanding debt plus the current amount and the recoverability thereof.
	An affordable arrangement must be negotiated and paid, together with the current amount, on a monthly basis before the due date.
	Arrangements for this category of debtors will be free of interest should the payment arrangement be maintained regularly.
	Debtors who qualify and become registered as indigent persons may apply to the VLM to have their arrear payments written off only once during ownership/occupation of the property. A basic level relief will be provided to persons who qualify therefore in terms of the provisions of the Indigent Relief Policy of the VLM.

- (g) Debtors under administration:

DEBTORS UNDER ADMINISTRATION:

DEFAULT	PAYMENT
All debts:	The debt as at the date of the administration court order will be placed on hold and collected in terms of the court order by the administrator's dividend.
	The administrator must open a new account on behalf of the debtor and pay a deposit - no account is to be opened/operated in the debtor's name as the debtor is not entitled to accumulate debt (refer to the provisions of section 74S of the Magistrate's Courts Act, Act 32 of 1944).
	Until such time as the new account has been opened the debtor is to be placed on a limited services level. The customer will be compelled to install a prepaid electricity meter, should one not already be in place, whereafter the VLM will be entitled to recover the cost of the basic services by means of purchases made on the prepaid meter.
	Should there be any default on the current account the supply of services is to be limited or terminated in the discretion of the VLM and the administrator handed over for the collection of this debt.

(h) Councillors and Employees of the VLM:

COUNCILLORS AND EMPLOYEES OF THE VLM:

DEFAULT	PAYMENT
All debts:	In accordance with the provisions of item 12A of Schedule 1 to the Systems Act a councillor may not be in arrears in respect of his/her property rates and/or service charges for a period longer than 3 (three) months.
	In accordance with the provisions of Item 10 of Schedule 2 to the Systems Act an employee of the VLM may not be in arrears in terms of hi/her property rates and/or service charges for a period longer than 3 (three) months

	and the VLM may deduct any arrear amounts from the salary of such an employee after this period, which deduction may not exceed more than 25% of the gross salary of the employee.
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(i) New Tenants (owner in arrears):

NEW TENANTS (OWNER IN ARREARS):	
DEFAULT	PAYMENT
All debts:	Where an owner of a property is in arrears and a new tenant is to occupy such property, the new tenant may agree with the VLM in writing to pay the arrear account up to date by utilising a portion of the rental payable to such owner.
	If an amount due for rates levied in respect of a property is unpaid by the owner of the property after the date determined in terms of the Municipal Property Rates Act, Act 6 of 2004, the VLM may recover the whole amount, or any part thereof, from a tenant or occupier of such property, despite any contractual obligation to the contrary on the tenant or occupier, provided that such tenant or occupier may be entitled to deduct the amount recovered from the rental payable to the owner.

- (2) The following provisions will apply to the granting of an extension of the period for the payment of a debt by the VLM to a debtor:
- (a) a customer may apply for extension of time for payment of his/he/its account by completing the applicable application form therefore;
 - (b) a customer is entitled to apply for the deferment of payment of 50% of the account of such customer until the 15th day of the following month, provided that no customer may be granted a deferment of payment for more than 3 (three) times in any given year;
 - (c) a customer who/which is unable to pay his/her/its account by the due date for payment may apply (before such date) for an extension until the 30th day of the month in which the amount is due and payable to

the VLM. In case of the aforementioned the supply of municipal services shall only be discontinued if the customer do not pay the full account by the 30th day of the month in question, provided further that such extension may not be granted more than 3 (three) times in any given year;

- (d) no extension may be granted to any customer who/which has been handed over for administration or debt collection in respect of the account due;
- (e) pre-paid electricity may not be supplied to customers who have not paid their account or made arrangements for the payment of the arrear account;
- (f) an extension for payment granted by the VLM in terms of this policy, is subject to the customer signing an acknowledgment of debt in respect of the arrear amount due to the VLM;
- (g) Additional Subsidy Categories: subject to the extent of the equitable share contribution received and affordability levels, the VLM may provide to owners of residential property the basic level of 6kl basic water free of charge and further grants may be provided as determined from time to time by the VLM.

(3) In dealing with arrangements or extensions for the payment of debt, the following provisions will apply:

- (a) with regard to persons registered with the VLM as indigents in terms of the Indigent Relief Policy of the VLM and in the event of it being found that false information or documentation has been provided to the VLM in the process of registering a person as an indigent person, the following will apply:
 - (i) indigent support to such person will be stopped immediately;
 - (ii) the recipient may be liable for the repayment of all indigent support received for the period involved which amount will be debited against the account of the customer;
 - (iii) normal credit control procedures in accordance with this policy will apply; and

- (iv) criminal charges may be instituted against the account holder for supplying false information.
- (b) any breach of an arrangement granted to a debtor by the VLM will terminate with immediate effect and the full outstanding amount of the account of such debtor will become due and payable immediately;
- (c) debtors who/which have been handed over to an attorney will not be granted any arrangement in terms of this policy by the VLM;
- (d) the VLM may at any time deviate from the arrangement guidelines provided in this policy, but only upon the written recommendation from the chief financial officer to do so, which recommendation must be approved in writing by the municipal manager;
- (e) the VLM is entitled to require a customer to comply with any or all of the following requirements in the event of an arrangement being granted:
 - (i) sign an acknowledgement of debt;
 - (ii) sign a consent to judgement;
 - (iii) provide a garnishee order/emolument order/stop order, if the customer is employed;
 - (iv) acknowledge that interest will be charged at the prescribed rate should the arrangement be dishonoured;
 - (v) pay the current portion and the proposed arrangement amount in respect of the account;
 - (vi) sign an acknowledgement that, if the arrangement being negotiated is later defaulted on that no further arrangements will be possible and the disconnection/restriction of water and electricity will follow immediately, as will legal proceedings;
 - (vii) acknowledge liability of all costs incurred; and
 - (viii) prove levels of income and make reasonable payment of arrears based on the ability to pay.

28. TERMINATION, RESTRICTION AND RE-CONNECTION OF THE PROVISION OF SERVICES

- (1) The VLM may terminate, suspend, restrict and/or disconnect the provision of services to a debtor where the account of such debtor is in arrears and no arrangement has been made with the VLM as provided in this policy.
- (2) The VLM will not execute the right contemplated in sub-section (1) above on a Saturday, Sunday or public holiday, except where special circumstances require the same to be done and the VLM will not re-connect the services of a debtor on a Saturday, Sunday or public holiday where the debtor concerned has not paid the outstanding debt of the services in full or made an arrangement with the VLM for such payment as provided in this policy before 12h00 on a working day which immediately precedes a Saturday or public holiday.
- (3) Terminated, suspended, restricted and/or disconnected services of a debtor will be re-connected by the VLM as soon as reasonably possible upon the debtor paying the outstanding debt in full or making an arrangement for such payment as provided in this policy.
- (4) The costs of any termination, suspension, restriction and/or disconnection of services and the re-connection thereof, if applicable, is payable to the VLM by the debtor concerned.
- (5) The VLM may terminate, suspend, restrict and/or disconnect the services of a customer who fails or refuses to comply with the provisions of this policy after written demand to do so have been sent to the customer and the customer has failed to comply within the period provided in such notice.
- (6) Interest may be raised as a charge on all accounts which are not paid on or before the due date thereof.

CHAPTER 5: CATEGORIES

29. CATEGORIES OF RATEPAYERS

- (1) In terms of the Rates Policy and By-Law of the VLM there are the following categories of ratepayers of the VLM:
- (a) Owners of residential property;
 - (b) Property owned by the VLM;
 - (c) Property owned by public benefit organisations:
 - (i) State or Organ of State owned Health Care Institutions;
 - (ii) Welfare Institutions;
 - (iii) Educational Institutions;
 - (iv) Charitable Institutions;
 - (v) Sporting Bodies;
 - (vi) Cultural Institutions;
 - (vii) Museums, Libraries, Art Galleries and Botanical Gardens;
 - (viii) Youth Development Organizations; and
 - (ix) Animal Welfare;
 - (d) Owners of property used for Religious purposes.
- (2) The ratepayers set out in sub-section (1) above are liable for the payment of property rates to the VLM in respect of the respective properties.

30. CATEGORIES OF MUNICIPAL SERVICES AND TAXES

Tariffs are payable by the local community to the VLM for the provision of the following services:

- (a) Trading Services:
 - (i) electricity;
 - (ii) water; and
 - (iii) sewerage;
- (b) Economic Services:
 - (i) refuse removal; and
 - (ii) recreational resorts;

- (c) Community Services:
- (i) building control;
 - (ii) cemeteries;
 - (iii) child care facilities;
 - (iv) control of public nuisances;
 - (v) fire fighting and emergency assistance;
 - (vi) fixed billboards and display of advertisements in public places;
 - (vii) licensing and control of undertakings that sell food to the public;
 - (viii) licensing of dogs;
 - (ix) local amenities;
 - (x) local sport facilities;
 - (xi) local tourism;
 - (xii) municipal parks and recreation;
 - (xiii) municipal planning;
 - (xiv) municipal public works, only in respect of the needs of municipalities in the discharge of their responsibilities and to administer functions specially assigned to them under the Constitution or any other law;
 - (xv) municipal roads;
 - (xvi) pounds;
 - (xvii) public places;
 - (xviii) storm-water management systems in built-up areas;
 - (xix) street lighting;
 - (xx) street trading;
 - (xxi) trading regulations; and
 - (xxii) traffic;
- (d) Subsidized Services:

- (i) health and clinics;
- (ii) libraries and museums; and
- (iii) proclaimed roads.

CHAPTER 6: PROVISION FOR AND IRRECOVERABLE BAD DEBT

31. PROVISION FOR BAD DEBT

- (1) The VLM must ensure that there is an acceptable provision for bad debt.
- (2) The annual provision for bad debt shall be provided for as follows:
 - (a) 90% of all outstanding debts which are unpaid for a period of 90 (ninety) days or more, based on the estimated age analysis of the financial year end of which the financial statements are drawn up for; and
 - (b) 50% for 60 days based on the estimated age analysis of the financial year end of which the financial statements are drawn up for.
- (3) Provision for bad debt is provided for in respect of the following services:
 - (a) Basic water;
 - (b) Basic electricity;
 - (c) Water;
 - (d) Electricity;
 - (e) Sewerage;
 - (g) Refuse removal;
 - (h) Property rates; and
 - (i) Sundry debtors.
- (4) The chief financial officer must keep record of all provisions in accordance with general recognized accounting practices.

- (5) The chief financial officer must report to the municipal manager in a prescribed form and must review and adjust the provisions with the adjustment budget.

32. IRRECOVERABLE BAD DEBT

- (1) Debt will only be considered as irrecoverable if it complies with the following criteria:
- (a) all reasonable notices and legal-avenues have been exhausted to recover a specific outstanding amount;
 - (b) an amount less than or equal to R500.00 (five hundred), will, after a verification of the correctness of the amount, be written off by the VLM, provided a summary of all such write-offs are reported to council by the municipal manager at least once per semester;
 - (c) the costs involved in order to recover the outstanding amount in relation to the amount outstanding, does not warrant further action;
 - (d) the amount outstanding is the residue after payment of a dividend in the rand from an insolvent estate;
 - (i) where there is a risk of a contribution;
 - (ii) no dividend will accrue to creditors;
 - (e) a deceased estate has no liquid assets to cover the outstanding amount following the final distribution of the estate;
 - (i) where the estate has not been reported to the Master and there are no assets of value to attach;
 - (f) the debt has prescribed;
 - (g) the debtor is untraceable or cannot be identified in order to proceed with further action;
 - (i) the debtor has emigrated leaving no assets of value and it is not cost-effectively to pursue the claim further;
 - (h) it is not possible to quantify or prove the outstanding debt;
 - (i) a court has ruled that the claim is not recoverable;
 - (i) the outstanding amount is due to an irreconcilable administrative error by the VLM;
 - (j) expenditure incurred, in respect of internal accounts in the name of the VLM, in any previous financial year;

- (k) if an offer is made to the VLM in full and final settlement of a debt, which offer is not for the entire amount of such debt but which is accepted in writing by the municipal manager;
- (l) all arrears may be written off to bad debts where the VLM-
 - (i) expropriates any property; or
 - (ii) purchases any property;
- (m) all arrears may be written off to bad debts where a property has been forfeited to the State in terms of the Prevention of Organized Crime Act, Act 121 of 1998; or
 - (i) where the occupants have been evicted from Council, Provincial or State-owned properties due to criminal activities;
- (n) where a customer has applied for and been granted with a grant due to the indigent status of such person, and all outstanding amounts in respect of the property of such customer (excluding capital debt of home ownership units) up to the date upon which the indigent status has been granted will be written off by the VLM. Such a write off by the VLM will be allowed only once for a specific customer and where such customer has lost his/her indigent status due to his/her financial recovery, such customer will immediately be subject to the provisions of this policy should the account again fall into arrears;
- (o) where a Public Benefit Organisation qualify in terms of section 10 of the Rates Policy of the VLM to be granted an exemption from the payment of property rates, such Public Benefit Organisation will, with effect from the date of qualification, have its arrears in respect of its account, if any, written off, and:
 - (i) such a write off will only be granted once to a Public Benefit Organisation subject to the condition that a pre-payment electrical meter must be installed, if applicable;
 - (ii) should any tampering with or bypassing of the water and electricity meters be discovered, any arrears written-off, in terms hereof will become payable with immediate effect and any other action as per any legislation or policy which applies to the tampering and/or bypassing will be instituted; and

- (iii) should the VLM become aware that the organisation does not function as a Public Benefit Organisation for whatsoever reason within 3 (three) years after the arrear amounts has been written-off by the VLM, the arrears will become payable with immediate effect.
- (2) Any request for a write off of a debt above an amount of R500.00 (five hundred) must be submitted to council for approval together with documentation indicating the applicable account number, the debtors full details, full details of the property description and physical address in respect of the debt, the outstanding amount as well as a motivation for the requested write-off. The request must be compiled and submitted to council for approval by way of a resolution as an irrecoverable debt write off.
- (3) Notwithstanding the contents of sub-sections (1) and (2) above, the VLM is under no obligation to write-off any particular debt and any approval of a write-off of an outstanding amount remains within the sole discretion of the VLM, unless specifically provided otherwise by legislation or an order of court.
- (4) The VLM is entitled to reverse any amount it has written-off upon it being discovered that a debtor has misled (whether intentional or by negligence) the VLM in terms of any information, documentation or representation made by such debtor in order to receive the write-off.
- (5) The VLM is entitled to immediately effect the reversal of any write-off against the account of a debtor contemplated in sub-section (4) above.
- (6) The VLM will write-back any amount previously written-off by it on behalf of a debtor where the account of such debtor, at any time, reflects a credit balance and the debtor has requested a refund from the VLM in respect thereof.

CHAPTER 7: GENERAL PROVISIONS

33. RIGHT OF ACCESS TO PREMISES

- (1) In terms of the provisions of section 101 of the Systems Act a duly authorised representative of the VLM or of a service provider, must be given access to property by the occupant and/or tenant of the property at all reasonable hours to read, inspect, install or repair any meter or service connection for reticulation, or to terminate, suspend, stop, restrict and/or disconnect the provision of any service.
- (2) Where access to a meter on a property is not possible, the VLM may-
 - (a) by written notice require the owner of such property to restore access at his/her own expense within a specified period; and
 - (b) where access to such meter is required as a matter of urgency or in an emergency, the VLM may without prior notice restore access to the meter and recover the costs in respect thereof from the owner of the property.
- (3) An owner of a property to which access to the meter is not possible and who fails or refuses to provide access to the duly authorised representative of the VLM will be liable for the costs in respect of the relocation of the meter.

34. UNAUTHORISED ACTIVITIES

- (1) Any person who/which is illegally connected to services, tampers with meters, the reticulation network or any other equipment for the provision of services, and/or any person who/which commits any unauthorised activity, theft of or damage to any infrastructure or equipment of the VLM in respect of the provision of services, will be prosecuted.
- (2) An owner of a property will be held liable and fined for any tampering of meters by the tenants of the owner.
- (3) The provision of services to any property will be terminated immediately upon the VLM becoming aware of any unauthorised activity in respect thereof as contemplated in this section.

- (4) Any person who/which commits any unauthorised activity, must pay the entire amount owed to the VLM, including interest thereon and any collection fees, assessment of unauthorised consumption, discontinuation and/or reconnection fees, or any deposit determined by the municipal manager, if applicable, before a re-connection of services will be effected.
- (5) The municipal manager must implement a monitoring system in order to identify customers who/which commit unauthorised activity.
- (6) The VLM reserves the right to lay criminal charges and/or to take any other legal action against any person who commits an unauthorised activity.
- (7) The VLM will reward any whistle blower who reports unauthorised activity to the VLM in terms of the Protected Disclosure and Prevention and combating of Corrupt Activities Policy of the VLM.

35. PROCEEDINGS IN RESPECT OF LEGAL PROCESSES, USE OF ATTORNEYS, USE OF CREDIT BUREAUS AND/OR DEBT COLLECTORS

- (1) The municipal manager may, when a debtor fails or refuses to make payment to the VLM of outstanding amounts due to the VLM in respect of this policy, commence legal proceedings against such debtor, which includes, but is not limited to, a final letter of demand, a termination, restriction, suspension or disconnection of services, the issuing of summons, obtaining judgement, garnishee orders and/or a sale in execution of property.
- (2) The chief financial officer must exercise strict control over this process and must require regular progress reports from attorneys, debt collectors and/or other parties concerned.
- (3) The VLM must ensure that the terms, conditions, duties and obligations of any service providers appointed by the VLM to collect outstanding debts are sufficiently documented in the agreement concluded with such service providers.
- (4) All procedures provided for in this policy must be recorded for record purposes.
- (5) The accounts of debtors are not public information and will not be disclosed by the VLM to any person other than a credit bureau if required.

- (6) The VLM must endeavour to utilise the most cost-effective debt collection avenues available to it depending on the circumstances of each case.
- (7) Upon the account of a debtor being handed over to an attorney or other person for the collection of the outstanding amount on the account, any and all arrangements may only be made directly with such attorneys or other person. Each and every councillor, official and employee of the VLM must ensure compliance with this provision.
- (8) In terms of the provisions of section 103 of the Systems Act the VLM may:
 - (a) with the consent of a debtor, enter into an agreement with the employer of the debtor in order to deduct from the salary or wages of such debtor-
 - (i) any outstanding amounts due to the VLM in terms of this policy; and
 - (ii) such regular monthly amounts as may be agreed upon;
 - (b) provide special incentives for-
 - (i) employers to enter into such agreements; and
 - (ii) debtors to consent to such agreements.
- (9) All costs in respect of the debt collection process is payable by the debtor concerned.

36. ABANDONMENT OF CLAIMS

- (1) The municipal manager must ensure that all avenues in respect of the collection of outstanding amounts on accounts are exhausted.
- (2) Notwithstanding sub-section (1) above, the VLM may abandon any debt collection process in the following circumstances:
 - (a) upon the sequestration or insolvency of the debtor concerned;
 - (b) where the costs for the recovery of an outstanding account will exceed the amount due to the VLM in respect of the account; and
 - (c) where an offer for the full and final settlement of a debt is made to the VLM and the municipal manager, supported by a motivation therefore, accepts the settlement.

- (3) The municipal manager must maintain a complete record of all abandoned accounts together with the reasons for the abandonment and must report to council thereon annually.

37. CLEARANCE CERTIFICATES

- (1) In terms of the provisions of section 118 of the Systems Act a registrar of deeds may not register the transfer of property situated within the municipal area of the VLM unless a prescribed certificate issued by the VLM has been produced to the registrar, which certificate certifies that all amounts which became due for municipal services in connection with such property, surcharges on fees, property rates and other municipal taxes, levies and duties during the 2 (two) years preceding the date of application for such certificate, have been fully paid.
- (2) The VLM will withhold the issuing of the certificate contemplated in sub-section (1) above until all payments concerned have been made to the VLM.

38. TENANT ACCOUNTS

- (1) It is the policy of the VLM to phase out existing accounts of tenants.
- (2) Notwithstanding sub-section (1) the VLM may at its sole discretion register an account for a tenant if it deems necessary and if the circumstances justify the same to be done.

39. BY-LAW TO GIVE EFFECT TO THIS POLICY

The VLM must adopt a By-Law to give effect to the implementation and enforcement of this policy.

Tel. No. (h):	Company/close corporation: full name/s	Registered owner's details (full name/s and ID/registration number):										
Cell No.:												
Fax No.:	Registration no:	Tenant's details (full name/s and ID/registration number):										
E-Mail:												
2. SPOUSE	Registered Address:	C: DISCONTINUATION OF SERVICES										
Matrimonial property system: <input type="checkbox"/> In community of Property <input type="checkbox"/> Out of community of Property with Accrual <input type="checkbox"/> Out of community of Property without Accrual		Address at which service is to be discontinued										
Surname:												
Full Names:	Trading Name:											
ID Number:												
Tel No. (w):	VAT Registration no:											
Tel. No. (h):												
Cell No.:	Responsible Person:	KINDLY DISCONTINUE THE:										
Fax No.:		<input type="checkbox"/> Electricity <input type="checkbox"/> Water <input type="checkbox"/> Sewerage <input type="checkbox"/> Refuse										
E-Mail:	Position Held:											
3. PREVIOUS RESIDENTIAL ADDRESS	ID Number:	AT THE ABOVE ADDRESS AS ON: D D M M C C Y Y <table border="1" style="display: inline-table; vertical-align: middle;"> <tr> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> </tr> </table> AND REFUND DEPOSIT, LESS ANY AMOUNT OWING TO THE VENTERSDORP LOCAL MUNICIPALITY:										
Street Address:	Business Tel No.:											
	Responsible Person's Cell No.:											
	8. POSTAL DELIVERY INFORMATION											
Town:	Postal address:	Postal Address:										
Termination date:	Town: Postal Code:											

4. VEHICLE DETAILS	9. METER READINGS – For office use only		Bank Details:
Registration Number:	Application		Bank:
Make:	E	Readings:	Branch:
	W		Account number:
REFER TO REVERSE FOR CONDITIONS OF AGREEMENT	Discontinuation		Date:
	E	Readings	Signature:
	W		
D: TERMS & CONDITIONS OF AGREEMENT			
Documents to be produced/submitted: 1. Certified Copy of Identification Document must be produced and annexed to this application, together with the documentation referred to in section 6(2)(a) of the Customer Care and Management, Credit Control and Debt Collection Policy of the VLM. 2. In case of Tenant; Copy of Lease Agreement or Letter from Owner must be submitted 3. In case of Close Corporation: (i) Ck 2 Document Submitted (ii) Resolution Submitted (iii) Certified Copy of ID of representative 4. In case of Company: (i) Company Articles of Incorporation Submitted		Waiver The Customer hereby expressly renounces the benefits of the non reason or profound cause of the existence of the debt, the cases where there is a element of bookkeeping or accounting calculation is involved, the revision of accounts, no value recorded and, if there is more than one debtor, the debtor is jointly or separately liable for the debt or the creditor obtains the right to first act against the guarantor before the main debtor is excused. I also agree to the terms contained in the Customer Care and Management, Credit Control and Debt Collection Policy and By-Law of the VLM. Domicilium The Customer chooses as the address where notices must be delivered, the address indicated as street address on the front page of this agreement. The VLM chooses its address as provided in the definition of the 'Ventersdorp Local Municipality' in its Customer Care and	
3 Page			

- (ii) Resolution Submitted
- (iii) Certified Copy of ID of representative

5. In case of Trust:

- (i) Copy of Letter of Authority from the Master of the High Court
- (ii) Certified Copy of ID of Trustee/s

* The Ventersdorp Local Municipality must be informed of any changes in respect of any of the above

Definitions

The headings of the clauses in this Agreement are for the purpose of convenience and reference only and shall not be used in the interpretation of nor modify nor amplify the terms of this Agreement nor any clause hereof.

“Customer” shall mean the person indicated as “applicant” on the front page of this agreement irrespective of whether he/she/it or any other person/entity actually consumed or used the service or not.

“Domicilium” shall mean the chosen address where notices must be delivered.

Authorization

I guarantee that I am the duly authorized representative of the Applicant to apply for the supply of this/these services and to sign the application form and this agreement. I hereby admit that I am liable, and hold myself bound to for

Management, Credit Control and Debt Collection Policy and By-Law.

Notices

Every notice to be given by one party to the other in terms of this Agreement shall be in writing and shall be delivered by hand, or posted by prepaid registered post, in which case it shall be deemed to have been given and such other party shall be deemed to have been informed of the contents of the notice on the 5th (fifth) business day after such posting.

Change of Address and or Information

The Customer expressly undertake to inform the VLM within 14 (fourteen) days after such occurrence -

1. of any change of any address indicated on the front page of this agreement.
2. of the change of any particulars or personal circumstances indicated on the front page of this agreement,

in terms of section 6(2)(a) of the Customer Care and Management, Credit Control and Debt Collection Policy of the VLM.

Discontinuation of Service

The Customer specifically agrees to inform the VLM immediately and in writing when the service/s provided by the VLM is no longer required and

the due and proper payment of any amounts due to the VLM and which arises as a result of the supply and provision of the services by the VLM, should it be found that I signed this agreement without proper authorization.

Conditions for the Supply and Provision

1. The supply and provision of and payment for the service/s shall be subject to and governed by the Law of SA, Policies and By-Laws of the VLM adopted and amended from time to time by the VLM.
2. For purpose of this agreement I specifically acknowledge that I/we read and understand the contents of the relevant Policies and By-Laws (specifically the Customer Care & Management, Credit Control & Debt Collection Policy) which were made available to me by the VLM upon my reasonable request, alternatively-
3. That I/we was/were afforded the opportunity to read and study the applicable Policies and By-Laws of the VLM, but expressly waived the right to do so and understand the consequences of my decision.

Jurisdiction

Without prejudice to the rights of the VLM to, within its discretion, institute proceedings in any other court with jurisdiction, the Customer hereby consent in terms of Section 45 of the Magistrate Courts Act, Act 32 of 1944, to the VLM taking legal action for the enforcement of any rights under or arising from this agreement in a Magistrates Court which has jurisdiction in terms of the

specifically accept responsibility for the payment of services consumed as a result of any failure to inform the VLM that such service/s is no longer required.

General

All Customers are informed that any default in the payment of services may result in the Customer being listed with the Credit Bureau and/or Judgment be obtained against such Customer. Listings with the Credit Bureau may prevent any institution providing such customer with credit or other relates services.

A copy of the Customer Care and Management, Credit Control and Debt Collection Policy and By-Law of the VLM is available for inspection during office hours at [redacted], or on the website of the VLM.

A copy of this application form may be requested by Customers.

Details of Official/Employee of the VLM in terms of section 6(2)(b) of the Customer Care and Management, Credit Control and Debt Collection Policy of the VLM

I, _____, in my capacity as _____, hereby confirm that I assisted the Customer concerned to complete this application form and explained the contents and implications to the Customer to his/her satisfaction and I have checked the application form for completeness and compliance.

Comment [e6]: VLM to please provide office/department

provisions of Section 28(1) of such Act, or other applicable section/s, notwithstanding the above, the parties has the right to approach the applicable Supreme Court.

Payment for services

The Customer undertakes to pay for services consumed before or on the date indicated on the monthly statement issued by the VLM to the Customer at the postal address provided by the Customer in this agreement.

Direct Payments

Direct payments or electronic payments can be made into the bank account of the Ventersdorp Local Municipality, [redacted]. The Customer must state the account number as reference on the deposit slip, together with a breakdown of the amount be faxed to the VLM at [redacted] as soon as possible. Four (4) business days must be allowed for processing of payments by the VLM. Customers are urged to keep all proof of payments made to the VLM.

Signature

Date

Comment [U4]: VLM to please provide banking details.

Comment [e5]: VLM to please provide.