



# ABAQULUSI MUNICIPALITY

## Credit Control and Debt Collection Policy

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1. **PREFACE: CONSTITUTIONAL OBLIGATIONS**

The AbaQulusi Municipality, in adopting this policy on credit control and debt collection, recognises its constitutional obligations to develop the local economy and to provide acceptable services to its residents. It acknowledges that it cannot fulfill these constitutional obligations unless it exacts payment for the services which it provides and for the taxes which it legitimately levies – in full from those residents who can afford to pay, and in accordance with its indigency relief measures for those who have registered as indigents in terms of the council's approved indigency management policy.

2. **PREPARATION OF THE LIST OF DEFAULT AND INTENDED TERMINATION OR RESTRICTION OF SERVICES**

Within two to three(2-3) days after the due date for payment of municipal accounts for property rates and/or service charges, the municipal manager shall prepare for every defaulting consumer, that is, every consumer who as at the due date has not paid the monthly account in full or has not made an acceptable arrangement with the municipality for partial or late payment, a disconnection or termination list shall whereby all penalties for late ,non-payment and partial payment shall be levied. The electricity or water or both supplies shall be disconnected or terminated and the notice stating the reason for disconnection and the amount due shall be given to the defaulting consumer.

No services shall be reinstated unless the full monthly account is settled or the arrear arrangements are fulfilled as indicated in item 7 below.

3. **RECONNECTION OF TERMINATED SERVICES**

Disconnected services to defaulting consumers in terms of item 2 above shall be reconnected only when all the following conditions have been met:

- the arrear account has been paid in full, including the interest raised on such account; or an arrangement has been made with the municipality for

the payment of the arrear account, including the interest raised on such account;

- the charge(s) for the notice sent in terms of item 2 and for the reconnection of the terminated service(s), as determined by the council from time to time, have been paid in full;
- arrears have been paid as per agreement , as contemplated in item 7 below; and

#### 4. **PERIODS FOR RECONNECTIONS OR REINSTATEMENTS**

The municipality shall reconnect or reinstate terminated or restricted services within 3 (three) working days after the date on which the conditions set out in item 3,5 and 7 have been met, unless the municipality is unable to do so because of circumstances beyond the control of the municipality. In the latter event the municipality shall promptly inform the mayor of such circumstances and of any actions required to overcome the circumstances concerned.

#### 5. **ILLEGAL RECONNECTIONS (METER TAMPERING)**

- As soon as it comes to the notice of the municipality that any terminated or restricted service has been irregularly reconnected or reinstated, and/or tampered with , the municipality shall disconnect such service(s) and not reconnect or reinstate such service(s) until the conditions as mentioned below have been met.
- The **Engineering Department** or the **Contractor** responsible for the reconnections and disconnections must immediately serve the notice of tampering to the consumer stating the reasons and the findings on the meter. The other copy shall be forwarded to the Treasury Department for debiting the account of the consumer with a fine /or penalty.

- The consumer shall be required to pay the latest penalty applicable as well as the amounts payable in item 7.1 paragraph (b) and (c) before the reconnection or reinstatement of service(s) can be undertaken.
- The supply shall be removed where the consumer /or accountholder has done illegal reconnections on more than 2(two) times. The consumer shall then be liable for the total new connection, the connection costs will be payable as well as amounts mentioned in item 7.1.(a) and (b) plus the latest applicable penalty.
- The phrase “**Total New Connection**“ should be applied as if the consumer never had services before ,so it will ,actually, be like a new installation where the costs must be borne by the consumers.

*Addition of last paragraph under this item of Illegal Reconnections(Meter Tampering)*

- *When an illegal reconnection is done for more than two occasions (New Connection) on a conventional meter, such meter shall not, even after the payment of fines be re-installed, the consumer shall be obliged to change to a pre-payment meter system and comply with the requirements if item 7 if there are any arrears involved.*
- *There shall be no arrangements for the payment of fines on terms unless the consumer satisfies and meets the requirements if Item 5.1. below.*

*Addition of 5.1. under the Illegal Reconnections.*

#### **5.1. PAYMENT OF TAMPER FINES ON TERMS**

*The Credit and Debt Control and Indigent Management Policies are given the path to accommodate consumers wish to pay tamper fines on terms as part of the debt control*

*mechanism and furthermore to alleviate the plight faced by a number of households who have not enough income to allow for the payment of such fines in full.*

*The consumer must satisfy the municipality that he/she cannot afford to pay the tamper fine in full ,that is ,be in a status of being an indigent consumer but must also prove that she can be able to pay an amount of R200.00 on a monthly basis until such penalties are paid up.*

*The consumer must not be earning more than R1200.00 gross or combined income (Proof of income should be provided) and should also meet all the requirements of the indigent management policy.*

*The applicant is allowed to furnish the municipality with details of any relative who is prepared to assist in the repayment of the said amount.*

*If there is no proof at all that the applicant can afford to pay the R200.00 the municipality has no option but to decline the application at inception.*

*All the information submitted by the applicant as well as the application forms shall be used , during the application for indigent, as an additional documentation and proof that the consumer has satisfied the requirements of the agreement to pay the fines before an indigent can be approved.*

*The R200.00 is a fixed amount which is payable irrespective of the amount of fines and the services, whether a normal disconnection or removal of supply ,shall be restored.*

*The consumer must understand on application that he/she is obliged to apply for indigent support and comply with the requirements of indigent management such as the change of metering system that is control flow water and the installation of pre-payment electricity meter in case of conventional .*

*Should the consumer default on a single or one instalment ,his her services shall be disconnected but he/she will not be reconnected until the tamper fines is paid in full or even at the continuance of R200.00 payments.*

## **6. SERVICES NOT RECONNECTED OR REINSTATED AFTER FOUR WEEKS**

If services have been terminated in the case of a property in respect of which the account is in arrear, and the consumer has not paid such arrears, including the interest raised on such account, or made an acceptable arrangement with the municipality for the payment of the arrear account, including the interest raised on such account, within a period of 28 (twenty eight) calendar days after the date of termination of the service(s) concerned, the municipality shall forthwith hand such account over for collection and such further action as is deemed necessary by them to the municipality's attorneys or any debt collecting agency appointed by the council. All legal expenses incurred by the municipality shall be for the account of the defaulting consumers.

*Addition of Item 6.1. under Item 6*

### **6.1. THE HANDING –OVER OF ACCOUNTS TO THE ATTORNEYS OR DEBT COLLECTION AGENCY.**

- (a) *When the Municipal Manager is satisfied that the termination of services has not resulted in the achievement of the preliminary steps of the debt collection ,the letter of demand shall be sent to the accountholder with the details of debt(s) outstanding as well as the due date of the payment, which shall be between seven(7) and fourteen days (14).*
- (b) *A second letter shall be forwarded to the consumer if still no payment is received and this shall be a final notice to inform the consumer that the account shall be handed over to Council attorneys without further notice.*
- (c) *The account shall then be handed over to Council's attorneys for collection after all mechanisms and processed have been followed. The amount that is handed over for collection should be payable at the attorneys and only the amounts that accrues on the account after being handed over is payable at any municipal finance office.*

*(d) After this phase the enquiries regarding accumulated legal fees can be directed to the attorneys as the rate at which they charge is based on their tariff.*

## **7. ARRANGEMENTS FOR PAYMENT OF ARREAR ACCOUNTS**

In order to recover the arrears, this municipality shall allow consumers who are in arrears to enter into written agreements to pay off their arrears, based on the following conditions:

7.1. (a) Where the electricity or water or both supplies were disconnected as a result of non-payment, the electricity /water can be reconnected if he/she complies with the conditions of paragraph (b) to (f) and items 5 and fall under indigent relief category.

(b) A written agreement be entered into between the consumer and the Council to pay –off the arrears on terms. There is no maximum period but the minimum payable is R100.00 for all consumers or R50.00 in the case of indigent consumers

(c) When entering into the agreement, the consumer has to pay an initial deposit which can be determined by the amount in arrears or the current account plus the R100.00 or R50.00 in case of indigent customers.

(d) The reconnection fees in the case where a consumer 's services have been terminated or restricted, as well as a consumer deposit of R200.00 where the consumer has no deposit on the services account or where it is inadequate it must be adjusted to the current tariff of R200.00, be included in the agreement .

(e) The consumer must agree that he/she will continually pay his/her normal monthly account plus R100.00/R50.00 in terms of the agreement.

(f) Consumers who do not have service contracts as explained in item 8 below must also enter into them at the time of entering into an arrear agreements.

A copy of the agreement shall be made available to the consumer.

NB : The forms (*not completed*) may not be taken out of the municipal office.

*Changed Item numbers :*

*Change of Item 8( Service Contract ) to Item 9 and change of Item 9 (Queries by accountholders) to Item 10 and change of Item 10 (Dishonoured Cheques ) to Item 11 and the Repeal of the existing Item 11.*

*Item 8 shall be added or named as The Writing –off of irrecoverable debts.*

## **8. WRITING-OFF OF BAD DEBTS**

*Currently the municipality adopted two methods for the writing-off of doubtful debts ,namely,*

- (1) the one based on the payment made by the consumer towards the arrears(Rand for a Rand)*
- (2) and the direct writing –off of bad debts based on the period and the amount reserved for doubtful debts.*

- The first method is based on many steps to be followed before the municipality can write –off the debt as per Rand for a Rand .The consumer or occupier must have arrears and enter into a written agreement with the municipality to pay of the arrears over the specified period.*

*The determination of the initial amounts is as per Item 7(b) above.*

*The Council shall pay towards the arrear account the amount equivalent to the excess on the current account that the consumer pays towards the arrears .(i.e.if the consumer pays R100.00 towards arrears ,the Council also pays R100.00 towards arrears)*

*The consumer must pay as per agreement and as per amounts as mentioned in item 7(b) until such arrears are paid up. Should the consumer default with payment the Council shall disconnect the services and shall not contribute towards the account until the account is updated in terms of the agreement. There is no report to be submitted to EXCO for the approval under this method as it is just another form of debt collection and this method is not open throughout the year but based on the approval by the EXCO to allow consumers to apply for a Rand for Rand.*

- *The second method is just a direct writing –off of bad debts based on the period the account is outstanding and when all the mechanisms to collect have failed to materialize.*

*A list of all outstanding services (excluding rates) accounts should be prepared including the list from the Attorneys and Collection agency to determine the accounts to be written –off .The amounts written-off may not exceed the amount on the Reserves : Provision for Doubtful Debts.*

The report under this heading must be submitted to EXCO for approval before the end of each financial year.

## **9. SERVICE CONTRACT**

A service contract shall be entered into with the municipality for each property to which the municipality is expected to provide all or any of the following services:

- electricity
- water
- refuse collection
- sewerage.

Such contract shall set out the conditions on which services are provided and shall require the signatory to note the contents of the municipality's credit control and debt collection policy, a copy of which shall be provided to such signatory, as

well as the provision of the Municipal Systems Act in regard to the municipality's right of access to property.

The deposits payable on entering into a service contracts shall be determined according to the class of services and properties concerned. The deposit shall be reviewed from time to time as the deposit required from owners/occupiers represents two months average consumption.

**10. QUERIES BY ACCOUNTHOLDERS**

In the event of a consumer reasonably querying any item or items on the monthly municipal account, no action shall be taken against the consumer provided the consumer has paid by due date an amount equal to the monthly average monetary value of the three most recent unqueried accounts, and provided further such query is made in writing by the consumer or is recorded in writing by the municipal manager on behalf of the consumer on or before the due date for the payment of the relevant account. Any query raised by an accountholder in the circumstances contemplated in item 11 below shall not constitute a reasonable query for the purposes of the present paragraph.

**11. DISHONOURED CHEQUES**

If a consumer tenders a cheque which is subsequently dishonoured by the consumer's banker(s), the municipality shall – in addition to taking the steps contemplated in this policy against defaulting consumers – charge such consumer the penalty charge for dishonoured cheques, as determined by the council from time to time, and such charge shall rank equally with the costs and expenses incurred by the municipality .

<b>PROCEDURE MANUAL WITH REGARD TO POLICY</b>
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This manual is intended as a guideline and clarity regarding the performance of duties following the ambits of the policy. It is a known factor that the policy may not contain each and every step that must be followed when the actual work is executed.

This will also help any average person and other officials who might need an in-depth knowledge of how our policy works when put into practice.

The deliberations shall be given on an item to item basis and the definitions of some words which might be peculiar to some readers.

## **DEFINITIONS**

### **1. Definitions**

For the purpose of these procedures and the Amendment: Debt and Credit Control Policy, any word or expression to which a meaning has been assigned in the Act shall bear the same meaning in these procedures and Amendment : Debt and Credit Control policy and unless the context indicates otherwise –

**“account”** means any account rendered for municipal services and other sundry levies

**“act”** means the Local Government : Municipal Systems Act ,2000 (Act No.32 of 2000) and Local Government: Property Rates Act 2004 as well as the Local Government : Municipal Finance Management Act No 56 of 2003,as amended from time to time.

**“actual consumption”** means the measured consumption of any consumer.

**“average consumption “** means the average consumption of a consumer of a municipal service during a specific period ,which consumption is calculated by dividing that customer’s total measured consumption of that municipal service over the preceding three months by three;

**“agreement “** means the contractual relationship between the municipality and a consumer, whether written, deemed or implied;

**“arrears”** means any amount due ,owing and payable by a customer in respect of municipal services and/or levies not paid on the due date;

**“charges “** means the rate ,charge ,tariff ,flat rate or subsidy determined by the municipality;

**“connection”** means the point at which the consumer gains access to municipal service

**“consumer”** means a person with whom the municipality has concluded an agreement for the provision of municipal services;

**“defaulter”** means a consumer 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 is determined by the Council;

**“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 service during a specific period in the area of supply of the municipality;

**“household consumer”** 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 ;

**“tampering fee or fine”** means a fee charged for reconnection ,adjustment or by passing of a consumption meter or the siphoning of a supply of electricity or water supply to an unmetered destination, for which a fee will be determined annually;

**“reconnection fee”** means the fee charged for reconnection of electricity /water supply when the supply has been disconnected due to non-payment, for which the fee will be determined:

**“variable flow –restrictor device”** means a device that is coupled to the water connection that allows the water supply to be restricted or closed;

**“indigent customer “** means a household customer qualifying and registered with the municipality as an indigent in accordance with the Indigent Management Policy;

**“municipality”** means the AbaQulusi Municipality or its successors –in-title;

**“municipal council “** means the municipal council as referred to in section 57 of the Constitution,1996 (Act 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 Structures 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 the policy ,services provided by the municipality ,including refuse removal, water supply, sanitation, and electricity 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 lodgers 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 deceased ,or is under any form of legal disability whatsoever ,the person in whom the administration and control of such premises is vested as a 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
  - (iv) displaying a notice at appropriate offices and pay-points of the municipality
- (b) 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;

**“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.

## GUIDELINES

### 2. PREPARATION OF THE LIST OF DEFAULT AND INTENDED TERMINATION OR RESTRICTION OF SERVICES.

- (1) The due date for the AbaQulusi Municipality for the payment of services is the 9<sup>th</sup> of each month and /or if the 9<sup>th</sup> falls on a weekend or a public holiday the next working day shall be deemed the due date of payment.
- (2) Within two to three (2 -3) days after this date the finance department or the official(s) dealing with the disconnection or termination of services shall commence the preparations to cut all those consumers who as at the due date has not paid the monthly account in full, has not made any acceptable arrangement or extension and /or has not kept the agreement for the payment of arrears as per Council Policy.
- (3) The rule is that both services should be disconnected and the notice stating the reason and the amount be given to the consumer until such amount as stated thereon or as per arrear agreement has been settled in full.
- (4) A list is prepared which has the consumers to be disconnected and is kept in the office in order to make a follow up or whether the services are still terminated.
- (5) On the extension part ,no extension shall be given to consumers who are unable to pay on due date unless if it was a deposit increase, water leakage and/or if the family member of the accountholder passes away(**death certificate be attached**).No businesses and consumers who have arrear agreements shall be allowed an extension.
- (6) In practice it has been noticed that most consumers claim that they get salaries on the 15<sup>th</sup> of each month which is after the due date. In this case the consumer shall be advised to make ,on the 15<sup>th</sup> ,the payment for monthly account plus pay additional amount which might be more of the average of three months account

so that by the time the next billing is done such a consumer will be in line with the due dates.

### **3. RECONNECTION OF TERMINATED SERVICES**

Disconnected services shall be reconnected only when the following conditions have been met :-

- Full payment of the account, including late or non-payment penalties raised on the account : or payment of arrears in terms of the agreement including the late on non-payment penalties .
- The consumer must enter into a written agreement to pay –off arrears, if in arrears, and if no agreement with the municipality.

This municipality does not raise interest, per se, on the accounts but penalties are levied to all accounts which are not paid by the 9<sup>th</sup> of each month .

Such penalties are not compulsory to pay within the month of disconnection as they can be payable with next account.

### **4. PERIODS FOR RECONNECTIONS OR REINSTATEMENTS**

The reconnection within three working days under this item mean in case there is a problem in conducting the normal disconnection for a particular household.

If there is a problem that is beyond the control of the municipality ,such incident shall be promptly reported to the mayor as well as the circumstances thereon and any actions required to overcome the circumstances.

### **5. ILLEGAL RECONNECTIONS ( METER TAMPERING )**

It has become a trend that most consumers tamper or by pass the system in order to have access to services.

During the normal inspection by our Engineering Department or the Service Provider, if it is noticed that terminated service(s) has been irregularly reconnected or reinstated, and /or tampered with, the municipality shall disconnect such service(s).

The consumer shall then be fined a fee for tampering with the supply which ,in this case, shall be treated as a first offence and based on the tariff for the financial year. This fee shall be debited against the consumer account and must be payable before any reconnection(s) is done.

When the consumer is found to have tampered with the supply for the second time, the second tamper fine shall be levied and services be disconnected until all the required fees for tampers are paid. This tamper fee shall also be levied against the debtor account at an applicable tariff. The consumer must pay the latest penalty applicable ,if the first one before any re-instatement of services can be done.

The supply shall be removed where the consumer has illegally reconnected services for the third (3) time .This fee shall not be debited against the account because the debtor shall now be treated as a first time applicant ( **a new connection**)

The consumer should get the quotations from the Engineering Department and pay the applicable tariff to the vote number given.

On top of the payment of this new connection the accountholder shall be required to pay the latest penalty charged on the account ,if not paid and still comply with the requirements of item 7 of the Credit Control Policy.

In the case of conventional electricity tampering done for more than two<sup>92</sup>) occasions , such a meter shall not, even after the payment of fines ,be re-installed. The consumer shall be obliged to have the pre-payment meter installed.

Tamper fines cannot be paid in installments unless the consumer falls under item 5.1.of the Debt and Credit Control Policy.

### 5.1. PAYMENT OF TAMPER FINES ON TERMS

This item once was part of the Indigent Management Policy but became part of the Credit Control Policy after it was decided that the administration must process the indigent applications.

This item of the Policy is intended to alleviate the difficulties faced by many poor households who cannot afford to settle tamper fines in full.

The municipality has decided to allow them to pay such fines on terms but based on certain and stipulated conditions.

Consumers shall be expected to make formal applications with the municipality whereby their applications shall be screened to determine if they qualify as there is a qualification criteria.

Some of the underlying conditions are as follows :

- (a) the consumer must apply for an indigent relief support on application to settle fines on terms.
- (b) The consumer must again be in a position of being an indigent ,that may not be earning more than R1200.00 gross or combined income a month ,(Proof of income provided)
- (c) And /or if unemployed ,there must be a surety ,that is any member of the family or relative who is working and willing to assist with the payment can also furnish his/her details on the application forms ***(Proof of income provided by the surety)***
- (d) An affidavit attached confirming that the person cannot afford to pay tamper fines in full and is willing to be an indigent customer.

- (e) The consumer must agree that he/she will pay the R200.00 a month without skipping until such fines are paid up.
  
- (f) The consumer must agree that should he/she default ,services shall be terminated until the tamper fines are paid in full either a once-off payment or with the continuance of the R200.00 until they add up to a fine.

**6. SERVICES NOT RECONNECTED OR REINSTATED AFTER FOUR WEEKS.**

Services are disconnected ,on a monthly basis ,for all consumers who have not made the payment by the due date and it is expected that the consumer shall pay within four weeks of the disconnection.

After four weeks the municipality shall commence the process of taking legal actions against such debtor which shall include letters of demand informing the consumer that unless a payment is received legal actions shall be instituted.

Accounts not paid are handed over to our Attorneys or collecting agency for collection and other legal steps.

**6.1. HAND-OVER FOR COLLECTION**

The finance office should follow all the processes before the account is handed –over for collection.

If the consumer was disconnected and after a long period of four weeks there is still no payment on the account preliminary steps of the hand-over process should ensue.

It must also be noted that there those accounts which comprise rates only excluding services, in this case disconnection is not necessary but the strict monitoring of these accounts from month to month is a prerequisite.

Before the account is handed over for collection a letter of demand must have been forwarded and if there is no response within the specified date a second and a final letter must be sent.

If there is no response after the due date as per letter of demand ,the analysis of how the account accumulated shall be prepared in a spreadsheet format and other document giving rise to the account such as the copy of agreement form, copy of identity document or business documents in case of business.

Once the account is handed over ,a note shall be made on our system on the consumer account reflecting that the account was handed over ,giving the date and the amount.

All handed over amounts are payable at the Attorneys who shall thereafter forward such a payment to the municipality for the crediting of the account.

Enquiries regarding these accounts are handled by the Attorneys.

The Attorneys determine the legal fees at their rate and debit the municipality with legal costs .

The legal costs paid by the municipality to the Attorneys are collected from the consumer by debiting such amount of legal fee against the consumer account .

## **7. ARRANGEMENTS FOR PAYMENT OF ARREAR ACCOUNTS**

Most accounts are in arrears with huge amounts and with this drive consumers are encouraged to pay by allowing them to make arrangements to pay –off their arrear accounts over a certain period and to allow them, in the meantime , to gain access to municipal services.

The conditions :

- (a) A consumer must be willing to enter and sign a written agreement with the municipality to pay for such arrear account over an agreed and a certain period. The period in this case is determined by the amount in arrears as well the category of the consumer
- (b) The agreement amount per month must not be less than R100.00 for a normal consumer and not less than R50.00 for an indigent consumer.
- (c) The deposit payable on entering into an agreement must be determined by taking the current account plus the R100.00 or R50.00 or any amount above R100.00 or R50.00.
- (d) The consumer must understand that should he/she default on his/her agreement services shall be terminated until the payments are updated as per arrear agreement.

#### **8. THE WRITING-OFF OF BAD DEBTS**

The clarity given on the policy is adequate in explaining the whole process.

#### **9. SERVICE CONTRACT**

This is the agreement entered into between the municipality and the consumer which is the proof that the municipality shall provide services to the consumer and the consumer shall pay for services rendered.

Currently the AbaQulusi Municipality renders the following services :

- Electricity
- Water
- Refuse collection
- Sewerage

The deposits payable are determined by the Council from year to year and are also based on the class of services provided. For example the deposit for a house with conventional electricity shall differ from a pre-payment electricity as well as businesses do not pay the same deposits as domestic houses.

The consumer must sign the contract form ,which is obtainable at the enquiries counter , and note the conditions as set out at the back page of the form.

#### **10. QUERIES BY CONSUMERS**

In most cases consumers query some things in the municipal account and the consumer must be advised to lodge that in writing so that no action should be taken against the consumer while his/her matter is still being investigated.

The consumer shall be required to pay by due date an amount which is equal to the value of the three latest normal accounts. The consumer shall be expected to settle the account in full if after investigations it is found that the consumer is at fault or the consumption was a normal usage by the same consumer.

Dishonoured Cheques do not form part of this query.

#### **11. DISHONOURED CHEQUES**

A cheque referred to as R/D means the bank dishonoured the cheque because of numerous reasons. The municipality shall debit the consumer's account with the amount equal to the cheque as it will entail that no payment was made and add such other amounts to the account such as costs and expenses incurred by the municipality during the transactions with the bank.