

DANNHAUSER MUNICIPALITY



CUSTOMER CARE, CREDIT CONTROL AND DEBT COLLECTION POLICY FOR 2025/26

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1. DEFINITIONS

For the purpose of this Policy, the wording or any expression used has the same meaning as contained in the Act, except where clearly indicated otherwise and means the following:

“Act” the local government: Municipality System Act, 2000 (Act no 32 of 2000) as amended from time to time.

“Authorised Representative” the person or institution legally appointed by the Council to act or to fulfil a duty on its behalf.

“CFO” Chief financial Officer is the person appointed by the Council to administer finances.

“Council” is the Municipal Council of Dannhauser Local Municipality.

“Customer” is any occupier or owner of any property to which the Municipality has agreed to supply services or already supplies services to, or failing such an occupier, the owner of the property.

“Defaulter” is a person who owes money to Municipality after the due date has expired.

“Equipment” is a building or other structure, pipe, pump, wire, cable, meter, engine or any accessories.

“Interest” is a charge levied with the same legal priority as service fees and calculated at a rate determined by Council from time to time on arrear monies.

“Municipality” for the purpose of this Policy it means Dannhauser Local Municipality.

“Municipal account” is an account rendered specifying charges for service provided by the Municipality or any authorised and contracted service provider or assessment rates levies.

“Occupier” is any person who occupies any property or part thereof, without taking cognisance of the title in which he or she occupies the property.

“Owner” –

- a) The person in whose name the property is legally vested.
- b) In the case where the person in whose name the property is vested, is insolvent or deceased, or is disqualified in terms of any legal action, the person who is responsible for administration or control of the property as curator, trustee,

executor, administrator, legal manager, liquidator or any other legal representative.

- c) In the case where the Council are unable to establish the identity of such person, the person who are entitled to derive benefit from the property or any buildings thereon.
- d) In the case of lease agreement in excess of 30 years was entered into, then the lessee.

“Property “is any portion of land, of which the boundaries are determined, within the jurisdiction of the Municipality.

2. PRINCIPLES

2.1 In the execution of customer care, credit control and debt collection policy the Municipality will apply the following principles:

- a) The administrative integrity of the Municipality will be to maintain all costs meaning that democratically elected Councillors are responsible for the adoption of the policy, while the Municipal Manager must execute this Policy.
- b) Changes to legislation, by-laws and policies may require existing customers to complete new application forms.
- c) A copy of the application form, conditions of service and extracts of the customer care, credit control and debt collection policy and by-laws must be amended to every customer on request at such fees as may be prescribed.
- d) Billing is to be accurate, timeous and understandable.
- e) The customer is entitled to:
 - i) Reasonable access to pay points.
 - ii) A variety of reliable payment methods.
 - iii) An efficient, effective and reasonable response to appeals, and should not suffer any disadvantage during the processing of such an appeal.
- g) Enforcement of payments must be prompt, consistent and effective.
- h) Incentives and disincentives may be used in collection procedures.
- i) The collection process must be cost effective.
- j) The Accounting Officer must report the customer care, credit control and debt collection performance results, regularly and efficiently to Council.
- k) Application forms will be used to, inter alia, categorise customers according to credit risk and to determine relevant levels of services and deposits required.
- l) Targets for performance in both customer services, credit control and debt collection will be set and pursued, and remedies implemented for non-performance.

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- m) Where practically possible customer care, credit control and debt collection should be handled independently, and the organisational structure will reflect the separate functions.

3. DUTIES AND FUNCTIONS

3.1 The following duties and functions are assigned to the under mentioned role-players relating to the management, control and implementation of customer care, credit collection and debt collection.

3.1.1 Duties and functions of Council

- a) To approve a budget consistent with the needs of communities, rates payers and residents.
- b) To impose service charges, rates on property and other taxes, levies and duties to finance the budget.
- c) To source and provide sufficient funds to give access to basic services for the poor.
- d) To provide for bad debt provision, in line with the payment record of the community, ratepayers and residents, as reflected in the financial statements of the Municipality.
- e) To set improvement targets for customer care, credit control and debt collection, in line with acceptable standards and the ability of the Municipal Manager.
- f) To approve a reporting framework for customers, care, credit control and debt collection.
- g) To consider and approve a by-law to give effect to the policy.
- h) To establish a supervisory authority to monitor the performance of the Municipal Manager and Executive Committee regarding to customer care, credit control and debt collection.
- i) To revise the budget should the targets for customer care, credit control and debt collection not be met.
- j) To take disciplinary and legal action against Councillors, officials and agents who do not execute this policy and by law or act improperly in terms thereof.
- k) To delegate the required authorities to monitor and execute the customer care, credit control and debt collection policy to the Accounting Officer and service providers respectively.

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- l) To provide sufficient capacity in the finance directorate to execute customer care, credit control and debt collection or alternatively appoint service provider, debt collection agents.
 - m) To provide funds for the training of staff.

3.1.2 Duties and function of the Executive Committee

- a) To ensure that the budget, cash flow and targets for customer care, credit control and debt collection are met and executed in terms of the policy and relevant by-laws.
- b) To monitor the performance of the Municipal Manager in the implementing the policy and by-law.
- c) To review and evaluate the policy and by-law in order to improve the efficiency of customer care, credit control and debt collection procedures, mechanisms and processes.
- d) To report to Council.

3.1.3 Duties and function of the Municipal Manager

- a) To implement a customer care management system
- b) To implement the customer care, credit control and debt collection policy and by-law.
- c) To install and maintain an appropriate accounting system.
- d) To bill customers
- e) To demand payments on due date.
- f) To raise penalties for defaulters
- g) To appropriate payments received.
- h) To collect outstanding debt.
- i) To provide different payment methods.
- j) To determine customer care, credit control and debt collection measures.
- k) To determine relevant work procedures for public relations, reminders, final demands, arrangements, and disconnections of service, summonses, judgments and write-off of debts.
- l) To instruct attorneys to proceed with the execution of judgments obtained.
- m) To set performance targets for staff.
- n) To appoint staff to execute the policy and by-law
- o) To delegate certain functions to heads of departments
- p) To determine control procedures.

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- q) To monitor contracts with service providers in connection with credit control and debt collection.
 - r) To report to the Council.

3.1.4 Duties and function of communities, ratepayers, and residents

- a) To fulfil certain responsibilities, as brought about by the privilege and right to use and enjoy public facilities and Municipal services
- b) To pay rates on property and other taxes, levies and duties imposed by the Municipality on or before the due date.
- c) To observe the mechanisms and processes of the Municipality in exercising their rights.
- d) To allow Municipal officials reasonable access to their property to execute Municipal functions.
- e) To comply with the policy and by-laws and other legislations related to customer care, credit control and debt collection.
- f) To refrain from tampering with Municipal service and property.
- g) To report to the municipality in terms of Section 27 should they not received rates and or refuse accounts for property owned within the borders of Dannhauser Local Municipality

3.1.5 Duties and function of ward Councillors and Political parties

- a) To hold regular ward meetings
- b) To adhere to and convey the policy and by-laws to customers, residents and ratepayers.
- c) To adhere to the code of conduct for Councillors

4. PERFORMANCE EVALUATION

The Municipal Council will create a mechanism wherein the following targets can be assessed, evaluated and whereby remedial steps can be taken.

4.1 Income collection targets

The Municipal Council will create targets that will include the reduction in the monthly increase of debt in line with the performance agreements for officials

4.2 Customer service targets.

The Municipal Council will create income collection targets that will include:

- a) Response time to customer queries.
- b) Date of first account delivery to new customers.

4.3 Administrative performances

The Municipal Council will create income collection targets that will include:

- a) Cost efficiency of debt collection.
- b) Query and appeal periods.
- c) Enforcement mechanism ratios.

5. REPORTING

5.1 The CFO shall report monthly to the Municipal Manager in a suitable format to enable him/her to report to the Accounting officer as supervisory authority in terms of Section 99 of the Act, read in conjunction with section 100(c).

5.2 This report stated in paragraph 5.1 above will include:

- a) Cash flow information for the capital and operating accounts, and combined situation showing Council's actual performance against its cash flow budget.
- b) Cash collection statistics, showing high level debt recovery information (number of customers, enquires, default arrangements, growth or reduction of arrear debtors, ideally divided into wards, business)
- c) Performance of all areas against targets agreed to in this Policy.
- d) Report to Council ongoing income and expenditure statements, comparing both billed income and cash receipt income against ongoing expenditure in both the capital and operating accounts.

5.3 If in the opinion of the CFO, The Municipality will not achieve its projected cash receipt income as per the annual budget as approved by Council, the CFO will report this with motivation to the Municipal Manager who will, if he agrees with the CFO immediately move for a revision of the budget according to realistically realisable income levels.

6. TREASURY STRUCTURES

Council shall receive every quarter a report from the CFO, if necessary, after consultation with suitable consultants on the manpower and systems requirements of treasury which requirements take into account Council's agreed targets of customer care, credit control and debt collection, and after considering this report, Council will within reason vote such resources as are necessary to ensure that treasury has the staffing and structures to meet Council's targets in this regard or to outsource the service.

7. CUSTOMER CARE SECTION

7.1. OBJECTIVES

7.1.1 The objective of the customer care section is to focus on the client's needs in a responsible and pro-active way to create a positive and cooperative relationship between customers responsible for the payment of services received from the Municipality and where applicable, any service provider.

7.1.2 To facilitate financial assistance and basic services for the community's poor.

7.1.3 To define a manageable customer care framework to ensure loyalty and participation of consumers into the objectives of the Municipality.

7.1.4 To encourage those not paying, to do so in the interest of sustainable services delivery.

7.1.5 To restore and promote the culture of paying for services rendered and used.

7.2 CUSTOMER CARE

Customer Care is a comprehensive approach that provides seamless coordination between all departments of the Municipality. Promoting awareness amongst employees to become more consumer orientated. To provide a good, efficient service, communicating this to a customer or consumer which in turn would achieve a higher customer satisfaction.

This awareness should also make it much easier to manage revenue for services rendered and elevate Revenue protection to a whole new level.

7.3 MUNICIPALITY AIM

7.3.1 It is the Municipality's aim that whenever customers have contact with the Municipality, they will consistently experience standards of service excellence. The Municipality must ensure that the human rights principles set out in our National Constitution, the eight Batho Pele (People First) principles that aim to transform public service delivery as well as "getting it right the first time" are experienced whenever customers access the Municipal services.

7.3.2 In this way the Municipality will display commitment to the principle of Customer First and ensure that service excellence is an integral part of the planning and delivery of all Municipal services to its people.

7.4 BATHO PELE PRINCIPLES

7.4.1 The name Batho Pele means “People First” and the eight principles set out in it are the foundation of our Government’s approach to guide all interaction between Government institutions and the public.

a) Consultation

Citizens should be consulted about the level and quality of the public services they receive and, wherever possible, should be given a choice about the services that are offered.

b) Service standards

Citizens should be told what level and quality of public services they will receive so that they are aware of what to expect.

c) Access

All citizens should have equitable access to the services to which they are entitled.

d) Courtesy

Citizens should be treated with courtesy and consideration.

e) Information

Citizens should be given full, accurate information about the public services they are entitled to receive.

f) Openness and transparency

Citizens should be given full, accurate information about the public services they are entitled to receive.

g) Redress

If the promised standard of service is not delivered citizens should be offered an apology, a full explanation and a speedy and effective remedy; and when complaints are made, citizens should receive a sympathetic, positive response.

h) Value for Money

Public services should be provided economically and efficiently in order to give citizens the best possible value for money.

7.5 COMMUNICATION AND FEEDBACK

7.5.1 The Municipality will, within its financial and administrative capacity, conduct an annual process of compiling its budget which will include:

- a) A first budget meeting during the budget process, wherein Council will consider budget priorities, principles and a budget framework.
- b) Public meetings will then be called to invite at least the following: political parties, ratepayers and civil organisations, chambers of business and organised labour, general public and other interested parties, at which the budgets priorities, principles and framework will be outlined and debated.
- c) Need identification workshops will be conducted in all wards as part of the IDP review process, the objects of which will be:
 - i) To identify all the needs of the wards that is legitimately in the area of responsibility of the council.
 - ii) To involve the community in prioritising these needs
 - iii) To involve the community in Council's planning and to provide the community with much basic information as to what Council does and what other levels of government do.
 - iv) To inform the community of the levels of payment and non-payment in that ward, and to devise strategies in that regard.
- d) A technical workshop which will agree the results of the first budget meeting, the public meetings and the need identification workshops with Council's integrated development plan (IDP).
- e) Thereafter Council's draft capital and operating budgets, informed by the above processes, will be tabled by the Mayor by no later than 31 March of every year.
- f) Thereafter a final budget will be considered by Council for approval before or on 31 May of every year.

7.5.2 Councillors will Endeavour to distribute a regular newsletter, which will give prominence to customer care and related issues.

7.5.3 Ward Councillors will be required to hold regular ward meetings, at which customer care and related issues will be given prominence.

7.5.4 The press will be encouraged to give prominence to customer care and related issues and will be invited to Council or Committee meetings where these matters are discussed.

7.5.5 Council's customer care, credit control and debt collection policy will be made available by general publication and on specific request and will also

be available at Council's cash collection points and the municipal Websites.

7.6. HANDLING OF COMPLAINTS

7.6.1 Within its financial and administrative capacity the Municipality will establish:

- a) Central complaints/feedback office;
- b) A centralised complaints database to enhance co-ordination of complaints, their speedy resolution and effective communication with customers;
- c) Appropriate training for officials dealing with the public to enhance communications and service delivery; and
- d) A communication mechanism to give feedback on service, debt and customer care and related issues.

7.7. ACCOUNTS AND BILLING

7.7.1 Customers will receive an understandable and accurate bill from the Municipality which will consolidate all levy charges for that property.

7.7.2 Accounts will be rendered monthly in cycles of approximately 30 days at the address last recorded with the Municipality or its authorised agent.

7.7.3 It is the customer's responsibility to ensure that postal address and other contact details are correct.

7.7.4 It is the customer's responsibility to ensure timeous payment in the event of accounts not received.

7.7.4 Settlement or due dates will be as indicated on the statement.

7.7.5 Where an account is not settled in full, any lesser amount tendered and accepted shall not be deemed to be in full and final settlement of such an account.

7.7.6 The Municipality or its authorised agent must if administratively possible issue a duplicate account to a customer on request, at a cost as determined by Council.

7.8 PAYMENTS FACILITIES AND METHODS

7.8.1 The Municipality will operate and maintain suitable and accessible banking and cash payment facilities to all users.

7.8.2 The Municipality will at its discretion allocate payments between service debts and debtors may not specify that payments are for specific portions of the account.

7.8.3 With the consent of a customer the Municipality may in terms of section 103 of the Municipal System Act, approach an employer to secure a debit or stop order arrangement.

7.8.4 The Municipality may provide for special incentives as contemplated in section 103 of the Municipal System Act.

7.9 ENQUIRIES APPEALS AND SERVICE COMPLAINTS

7.9.1 If a customer is convinced that his or her account is inaccurate, he or she can lodge a query with the Municipality to investigate and adjust the account if found valid.

7.9.2 In the interim the debtor must pay an amount equal to the average of the last three month's payments where such history of the account is available. Where such history is unavailable, the debtors must pay an estimated amount as calculated by the Municipality until the matter is resolved.

7.9.3 The relevant department will investigate the query lodged and inform the debtors within the period of one month.

7.9.4 Failure to make interim payments will subject the customer to the normal credit control and debt collection procedures.

7.9.5 A customer may appeal against the finding of the Municipality in terms of section 62 of the Systems Act.

7.9.6 An appeal in terms of Section 62 of the Systems Act must be made and lodged in writing with the Municipality within 21 days after the notification of such findings has been received and must:

- a) Set out a statement of appeal together with the reasons for the appeal.
- b) Set out the relief required.
- c) Provide copies of supporting documents if any.

7.10 CUSTOMER CATEGORIES

7.10.1 Customers will be categorised according to specific classification based on their type of entity and applicable tariffs and risk level.

10.2 Processes for credit control, debt collection and customer care may differ from category to category, as deemed appropriate from time to time by the Municipal Manager.

7.11. PRIORITY CUSTOMER MANAGEMENT

7.11.1 Certain customers will be classified as priority customers based on criteria determined by the Municipal Manager

7.11.2 A priority customer liaison officer may be appointed to take care of priority customers.

7.11.3 The envisaged priority liaison officer will be responsible for the ongoing management of the customers so classified and will perform tasks such as the review

of monthly accounts to ensure accuracy, the monitoring of prompt settlement of accounts and response to queries.

7.12. CUSTOMER ASSISTANCE PROGRAMMES

7.12.1 Rates rebates

- a) Properties used exclusively for residential purposes may be granted a rebated rate determined annually by Council at its discretion through its property rating policy.
- b) A rates rebate may be granted to social pensioners, or the receiver of a state disability grant as determined by Council from time to time. To qualify for the concession, the following criteria will apply: Application must be made each year. The applicant must be:
 - (i) the registered owner of the property,
 - (ii) should not sub-let any portion of the dwelling or take in boarders and the property must be used solely for residential purposes.
 - (iii) The applicant should not own any other property.
 - (iv) The property must be readily accessible to Municipal staff for the purpose of carrying out of inspections

7.12.2 Arrangements for settlements

- (1) a) If a customer cannot pay his/her current account (prior to handing over) with the Municipality, then the Municipality may enter into an extended term of payment with the customer.
 - b) In order to enter into an arrangement, the customer must:
 - i) Sign an acknowledgement of debt.
 - ii) Sign consent to judgment.
 - iii) Provide a garnishee order/emolument order/stop order (if he or she is in employment).
 - iv) Acknowledges that interest will be charged at the prescribed rate.
- (2) In case of a settlement offer made by a customer for outstanding balances from 1 July 2024 to 30 June 2025 the same documents listed in paragraph 7.12.2(1)(b) above have to be completed and annexure have to be attached. Council will reserve the right to consider a 50% write off original outstanding amount by means of a council resolution. Criteria around this consideration will be measured as follows:
 - a) 100% payable within 30 days of the council resolution

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- b) If the balance of the outstanding account is settled within 60 days of the first payment the applicant will qualify for a 100% reversal of interest.
 - c) If the balance of the outstanding account is settled 90 days of the first payment the applicant will qualify for a 50% reversal of interest.
 - d) No interest levied after 30 June 2022 will be considered for reversal on any outstanding account as per above.
 - e) Current rates levied should be kept up to date during this period of agreement.
 - f) Should the applicant fail to meet the payment obligation the applicant will forfeit the right to the penalty write off in total.
- (3) If a customer has already been issued with a final demand and wishes to enter into an arrangement to settle the outstanding debt then the Municipality may enter into an extended term of payment with the customer, subject to the debtor:
- i. paying 50% of the handed over amount due upfront,
 - ii. signing an acknowledgement of debt for the remaining hand over amount,
 - iii. Entering into a settlement agreement to pay over the remaining hand over amount on terms agreed to with the Municipal manager and in any event by no later than 12 months from date of entering into agreement,
 - iv. Signing a consent to judgment in the event of a default,
 - v. Provide a garnishee order/emolument order/stop order (if he or she is in employment).
 - vi. Acknowledges that interest will be charged at the prescribed rate.
- (4) in both scenarios where an arrangement is entered into, the customer/ debtor will be required to continue to pay the current portion of the account.
- (5) If customer can't afford to pay the outstanding balance with a valid reason, the municipality may write-off 50% of the outstanding balance at the date of application for incentive. Should the customer wish to pay the 50% off within the months of the incentive, the outstanding balance that will be considered to form part of the 50% incentive is the balance on the customer statement printed when the form is signed. The balance accumulated thereafter will not form part of the incentive. 50% must be paid by the customer within 12 months after the approval of incentive, should the customer fail to pay on the agreed time, the 50% will not be written off.

7.12.3 Indigent subsidy

Customers may apply for an indigent subsidy on the conditions as stipulated in the Municipality's Indigent Policy.

7.12.4 Rates by instalments

A customer will pay the property rates account monthly over 12 months with the first payment due on or before 31 July 2025 and the final instalment due on or before 31 July 2026.

8. CREDIT CONTROL SECTION

8.1 OBJECTIVE

8.1.1 The objective of credit control is to ensure that all money due and payable to Municipality in respect of rates, rentals, surcharges on search fees, charges, tariffs, penalties interest which has accrued on any amounts due and payable in respect of the foregoing and any collection charges are collected efficiently and promptly;

8.1.2 The objectives of the credit control are to implement procedures that will ensure the prevention of escalation in arrear debt; and

8.1.3 Limited risk by employing effective management tools.

8.2. SERVICE APPLICATION AND AGREEMENTS

8.2.1 All customers of services will be required to sign an agreement governing the supply and cost of Municipal services.

8.2.2 Prior to signing these agreements, customers will be entitled to receive the policy document of the Municipality on request at a cost determined by Council.

8.2.3 On the signing of the agreement, customers will receive a copy of the agreement for their records.

8.2.4 Customers are responsible for cost of collection, interest and penalties in the event of delayed and non-payment. All collection charges in the event of a debt collector appointed will be charged to the account holder at full cost to Council.

8.2.5 Existing customers of service will be required to sign new agreements as determined by the Municipal Manager from time to time.

8.2.6 All applications for municipal services may be subjected to a credit check or search. This search may be conducted at time as approved by the Chief Financial Officer.

8.2.7 If an applicant for municipal service is an existing customer of the Municipality in respect of any other municipal service and such customer has an outstanding amount that is due and payable to the Municipality:

- a) The arrears must be paid; or
- b) An agreement for payment or arrears must be concluded with the Municipality before an application for services can be approved.

8.3 PERSONAL CONTACT

8.3.1 Within the constraints of affordability, Council will try to notify customers of their arrears' situation by telephonic contact or by delivering of final demand notices.

8.3.2 During the contact, customers will be informed of their rights and obligations in terms of this Policy including making arrangements and applying for indigent support.

8.3.3 Such contact is not a right and disconnection of service and other collection proceedings may continue in the absence of such contact.

8.4 RATES CLEARANCE

On the sale, transfer, Valuation certificate, building plans approval applications, subdivision, rezoning, consolidation, and encroachment of any property in the Municipal jurisdiction, the Municipality will be entitled to withhold the issuing of a rates clearance certificate up until all rates, services and consumption charges as well as interest and penalties are paid in full as contemplated in section 118 of the Municipal Systems Act 2000.

If an owner of properties wants to sell his or her property it is a standard norm that before a transfer can be finalised, he/she has to pay all outstanding rates on the said property to be sold.

If the owner has multiple properties before any transfer, he/she has to be up to date with rates on all his/her properties within the jurisdiction of Dannhauser Municipality.

8.5 INTEREST

Interest on all overdue will be raised as a charge on all accounts not paid by the due date in accordance with applicable legislation.

9. DEBT COLLECTION SECTION

9.1 OBJECTIVE

The objective of the debt collection section is to provide procedures and mechanisms to collect all the monies due and payable to the Municipality arising out of the supply of services and annual levies, in order to ensure financial sustainability and delivery of Municipal services in the interest of the community.

9.2 LEGAL PROCESS/USE OF ATTORNEYS/USES OF CREDIT BUREAUS

9.2.1 The Council may, when all other credit control actions have been exhausted, commence legal process against debtors which process could involve the issue of summonses and obtaining judgments against defaulters.

9.2.2 The Council will establish procedures and codes of conduct with these outside parties.

9.2.3 The Council will establish procedures and codes of conduct with these outside parties.

9.2.4 Garnishee orders, in the case of employed debtors, are preferred to sales in execution but both mechanisms are part of the Council's system of debt collection.

9.2.5 All steps in credit control and debt collection procedures will be recorded for the Council's records and for the information of the debtors.

9.2.6 Individual Debtor account information is protected and not the subject of public information.

9.2.7 The Municipality may release debtor's information to credit bureaus.

9.2.8 Council may consider the cost effectiveness of the legal process, and will receive reports on relevant matters, including cost effectiveness.

9.2.9 Council may make use of agents as service providers and innovative debts collection methods and product.

9.2.10 Customers will be informed of the powers and duties of such agents or service providers and their responsibilities including their responsibility to observe agreed codes of conduct.

9.2.11 Any agreement concluded with an agent, services provider or product vendor shall include a clause whereby breaches of the code of conduct by the agent or vendor will constitute a breach of the contract.

9.3. COST OF COLLECTION

All costs associated with credit control and debts collection including interest, penalties, service discontinuation costs and legal costs are for the account of the debtor and should reflect at least the cost of the particular action.

9.4 ENFORCEMENT MECHANISMS

9.4.1 Interest and Penalties

9.4.2 Interest will be raised as a charge on all accounts not paid by the due date in accordance with Section 97 of Municipal System Act 2000.

9.4.3 Personal Contact

9.4.4 Telephonic Contact

9.4.5 Agents calling on clients

9.4.6 Council will try within the constraints of affordability, to make personal or telephonic contact with all arrear debtors to encourage their payment and to inform them of their arrears state, and their rights to conclude arrangements or to indigent subsidies, and other related matters, and will provide information on how and where to access such arrangements or subsidies.

9.4.7 The Municipality shall maintain a schedule of debtors with large amounts outstanding.

9.5 ABANDONMENT OF CLAIMS

9.5.1 The Municipal Manager must ensure that all avenues are utilised to collect the Municipality debt.

9.5.2 The valid termination of debt collection procedures as contemplated in section 109(2) of the Municipal System Act 2000, may be considered under the following circumstances:

- a) The insolvency of the debtors, whose estate has insufficient funds.
- b) A balance being too small to recover for economic reasons, considering the cost of recovery.
- c) Where the Municipality deems that a customer or groups of customers are unable to pay for services rendered.

9.5.3 The Municipality must maintain audit trails in such instance, and document the reasons for the abandonment of the actions or claims in respect of the debt.

9.6 UNCOLLECTABLE ARREARS.

9.6.1 The effective implementation of this Policy also implies a realistic review of the Municipality's debtor's book at the conclusion of each financial year. The Municipal Manager shall as soon as possible after 30 June each financial year present to the Council a report indicating the amount of the arrears which it is believed is uncollectable, together with the reasons for this conclusion.

9.6.2 The Council shall then approve the write off of such arrears if it is satisfied with the reasons provided.

10. COMPLIANCE AND ENFORCEMENT

10.1 Violation of or non-compliance with this Policy may give a just cause of disciplinary steps to be taken.

10.2 It will be the responsibility of Accounting Officer to enforce compliance with this Policy.

11. EFFECTIVE DATE

The Policy shall come to effect upon approval by Council of Dannhauser Municipality.

12. POLICY ADOPTION

This Policy has been considered and approved by the Council of **DANNHAUSER LOCAL MUNICIPALITY** on this day of2025 and will be implemented as from 1 July 2025.