

ANNEXURE "A"***Arrangements***

If a customer cannot pay his/her account with the municipality then the municipality may enter into an extended term of payment with the customer according to the applicable category of the customer. The customer must:

- i. Sign an acknowledgement of debt;
- ii. Sign a consent to judgement;
- iii. Provide a garnishee order/emolument order/stop order (if he or she is in employment);
- iv. Acknowledge that interest could be charged at the prescribed rate;
- v. Pay the current portion of the account;
- vi. Sign an acknowledgement that, if the arrangements being negotiated are later defaulted on, that no further arrangements will be possible and that disconnection of water and electricity will follow immediately, as will legal proceedings.
- vii. Acknowledge liability of all costs incurred.

CATEGORIES OF DEBTORS**DOMESTIC CONSUMERS NOT QUALIFYING AS INDIGENT**

DEBT	PAYMENT OF ARREARS (MUST SIGN AGREEMENT)
R 1,00 to R 2 500,00	10% of the outstanding debt, plus the cost of the credit control actions. The balance of the outstanding amount over a maximum of 12 months
R 2 501,00 to R 5 000,00	10% of the outstanding debt, plus the cost of the credit control actions. The balance of the outstanding amount over a maximum of 18 months
R 5 000,00 and more	10% of the outstanding debt, plus the cost of the credit control actions. The balance of the outstanding amount over a max of 24 months

The Municipality may increase the deposit for consumers (except for registered indigent and agriculture consumers) to 3 times the average monthly consumption **or** a minimum as determined annually and published in the tariff list.

The Municipal Manager or CFO may increase the period for down payment to make the payment arrangements, affordable.

The Municipal Manager or CFO may write off interest levied to encourage the consumer to honor the agreement or to make the agreement affordable. (In total or partially at the discretion of the Municipal Manager or CFO)

BUSINESS/SPORTCLUBS/CHURCHES/GUESTHOUSES

IF IN ARREARS	PAYMENT OF ARREARS (MUST SIGN AN AGREEMENT)
	<p>10% of the outstanding amount, plus the current account amount, plus the cost of credit control actions. The balance of the outstanding amount over a maximum of 12 months.</p> <p>Deposit adjusted to 3 months consumption.</p>

The Municipal Manager or CFO may increase the period for down payment to make the payment arrangements, affordable.

The Municipal Manager or CFO may write off interest levied to encourage the consumer to honor the agreement or to make the agreement affordable. (In total or partially at the discretion of the Municipal Manager or CFO)

GOVERNMENT DEPARTMENTS/SCHOOLS/HOSPITALS ETC.

IF IN ARREARS	PAYMENT OF ARREARS
	Credit control processes to be followed

PENSIONERS NOT QUALIFYING AS INDIGENT

DEBT	PAYMENT OF ARREARS (MUST SIGN AN AGREEMENT)
R 1,00 to R 2 500,00	5% of the outstanding debt, plus the cost of the credit control actions. The balance of the outstanding amount over a maximum of 18 months
R 2 501,00 to R 5 000,00	5% of the outstanding debt, plus the cost of the credit control actions. The balance of the outstanding amount over a maximum of 24 months
R 5 000,00 and more	5% of the outstanding debt, plus the cost of the credit control actions. The balance of the outstanding amount over a maximum of 24 months

The Municipal Manager or CFO may increase the period for down payment to make the payment arrangements, affordable.

The Municipal Manager or CFO may write off interest levied to encourage the consumer to honor the agreement or to make the agreement affordable. (In total or partially at the discretion of the Municipal Manager or CFO)

AGRICULTURAL CONSUMERS

DEBT	PAYMENT OF ARREARS (MUST SIGN AGREEMENT)
Any Amount	10% of the outstanding debt, plus the cost of the credit control actions. The balance of the outstanding amount over a maximum of 12 months

The Municipal Manager or CFO may increase the period for down payment to make the payment arrangements, affordable.

The Municipal Manager or CFO may write off interest levied to encourage the consumer to honor the agreement or to make the agreement affordable. (In total or partially at the discretion of the Municipal Manager or CFO)

ADMINISTRATIONS

Where a person has been placed under administration the following procedures will be follows:

1. 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.
2. The administrator is to open a new account on behalf of the debtor, with a new deposit – No account is to be opened/operated in the debtor's name as the debtor is not entitled to accumulate debt (refer section 74S of the Magistrates Courts Act 32 of 1944).
3. Until such time as this new account is opened, the debtor is to be placed on limited services levels.
4. Should there be any default on the current account – the supply of services is to be limited or terminated, and the administrator handed over for the collection of this debt.

INDIGENTS

All consumers qualifying as indigent and having remaining arrear debt after any relief has been granted will repay that debt as follows:

Over 36 months, in addition to monthly service charges, with immediate payment of the cost of the credit control action taken. Such arrangements for this category of debtor will not be free of interest, should the payment arrangement be honored the Municipality may write-off the levied interest.

No deposit adjustment can be implemented to this type of consumer.

Due to the limited processes that can be follow for the collection of outstanding debt of indigent consumers, the Municipal Manager or the CFO can extend the period for down payment of arrear accounts.

MUNICIPAL STAFF MEMBERS (Refer to Schedule 2, Section 10 of the Municipal Systems Act no 32 of 2000)

Paragraph 10 of this Code of Conduct stipulates that if any staff member of a municipality is in arrears to the municipality for rates and service charges for a period longer than 3 months, the municipality may deduct any outstanding amounts from such staff member's salary after this period.

CODE OF CONDUCT FOR COUNCILLORS

Section 6A of this code requires councillors to pay all rates, tariffs, rents and other moneys due to the municipality promptly and diligently.

The municipal manager is further required to notify the mayor of the council and the MEC for Local Government, in writing, whenever a councillor has been in arrears with any of these payments for a period exceeding 3 months.

ANNEXURE "B"

KAROO HOOGLAND MUNICIPALITY

INCOME COLLECTION TARGETS

- (i) Payment level on current accounts

Increase payment level to achieve 87% for all customers who can afford to pay;

- (ii) Recovery of arrears (accumulated before 01/01/2013)

To collect all arrears over a maximum period of three years or as adjust to a reasonable period by the municipal manager or CFO

To achieve this goal the level of recovery should be:

Within	-	6 months	-	20%
		12 months	-	20%
		18 months	-	20%
		24 months	-	20%
		36 months	-	20%

- (iii) Recovery of arrears (accumulated after 01/01/2013)

To collect all arrears over a maximum period of two years, save for those specific categories where the period is extended to three years or as adjusted to a reasonable period by the municipal manager or CFO

To achieve this goal the level of recovery should be:

Within	-	6 months	-	40%
		12 months	-	20%
		18 months	-	20%
		24 months	-	10%
		36 months	-	10%

CUSTOMER SERVICE TARGETS

- (i) Response time to customer queries: - Initial response within 10 working days.

- (ii) Resolution of Queries: - 10 working days to resolve queries and appeals.

- (iii) Date of first account delivery of new customers: - By 2nd billing cycle after date of application or occupation which event is the latest.
- (iv) Reconnection time: payment / arrangement. - within 24 hours after appropriate
- (v) Meter reading cycle: on a similar date with a maximum of 3 consecutive months estimated. - 95% of meters being read on monthly basis
- (vi) Indigent application: disapproval, as well as provision of subsidy. - By 2nd billing cycle response for approval or

ADMINISTRATIVE PERFORMANCE TARGETS

- (i) Cost efficiency of debt collection:
 - Cost of collection not to exceed the capital debt amount;
 - All reasonable steps to be taken to limit cost to Council or the customer;
 - Cost of collection is to be recovered from the defaulting customers;
 - Total cost of collection to be recovered by means of applicable credit control tariffs.
- (ii) Enforcement mechanism ratios:
 - 95% of total number of arrear customers being successfully notified / disconnected;