

PART 4
**SUMMARY OF
CHANGES TO
POLICIES**

1. **SUMMARY OF CHANGES TO POLICIES**

The complete detailed policies are available on the municipal website – www.stevetshwetelm.gov.za for public scrutiny.

1.1 Asset management policy

Minor cosmetic changes to text and content of policy to be in line with new organizational structure title changes.

1.2 Blacklisting policy

The main amendments to the existing policy are:

- (a) Deletion of the definition “*complainant*” which has been incorporated under “*applicant*”.
- (b) Paragraph 14.1 – replacement of wording “*the rules of conduct are based ...*” with “*a member’s conduct at the meeting must however not infringe on the rights of others*”.
- (c) Minor cosmetic changes to text and content of policy to be in line with new organizational structure title changes.

1.3 Borrowing policy

Unchanged.

1.4 Budget policy

Minor cosmetic changes to text and content of policy to be in line with new organizational structure title changes.

1.5 Credit control and debt collection policy

The main amendments to the existing policy are:

- (a) Inclusion of definition for “*state owned and regulated companies*”.
- (b) Increase of R100,00 under paragraph 4.1.6 to R200,00.
- (c) Amendment of R2 000,00 to R1 500,00 in paragraph 4.1.8, 4.2.6, 4.4.5 and 4.5.

- (d) Inclusion of the process to be followed for government accounts and regulated companies under paragraph 4.1.11.
- (e) Inclusion of paragraph 4.6 to provide for the process to be followed with arrear councillor and municipal officials accounts.
- (f) Minor cosmetic changes to text and content of policy to be in line with new organizational structure title changes.

1.5 Free basic services and indigent support policy

The main amendments to the existing policy are:

- (a) Inclusion of paragraph 6.1(c) where a property owner or applicant must declare that he/she is unemployed.
- (b) Inclusion of paragraph 6.1(d) to allow consumers who reside in Eskom towns to participate in the indigent scheme subject to certain conditions.
- (c) Inclusion of paragraph 6.2(e) that if a property owner or applicant is employed no indigent relief be granted.
- (d) Inclusion under paragraph 7.1 (last bullet) to allow indigent support if more than one electricity meter exists on a property.
- (e) Inclusion of last paragraph under point 11 to delist an indigent if more than 600 units of electricity are used for three consecutive months.
- (f) Minor cosmetic changes to text and content of policy to be in line with new organizational structure title changes.

1.6 Funding and reserves policy

Unchanged.

1.7 Impairment of debtors and write-off policy

The main amendments to the existing policy are:

- (a) Amendment of name of policy to be more precise.

- (b) Amendment of layout of policy to be in line with other policies.
- (c) Deletion of “*preamble*” and “*vision*”.
- (d) Amendment of introduction under paragraph 1.
- (e) Inclusion of new objectives under paragraph 2.
- (f) Cosmetic changes to wording under paragraph 5.
- (g) Inclusion of paragraph 6.3 to allow for the attachment of proceeds from sold property for debt older than two (2) years.
- (h) Amendment of the impairment methodologies under point 10.1 and inclusion of housing rental debtors under point 10.4.
- (i) Minor cosmetic changes to text and content of policy to be in line with new organizational structure title changes.

1.8 Investment of surplus funds policy

Minor cosmetic changes to text and content of policy to be in line with new organizational structure title changes.

1.9 Petty cash policy

Minor cosmetic changes to text and content of policy to be in line with new organizational structure title changes.

1.10 Property rates policy

The main amendments to the existing policy are:

- (a) Paragraph 12.3 – rates for mining activities – amended rate as if zoned industrial to be a 1:4 ratio in relation to residential properties.
- (b) Paragraph 12.7 – eco-tourism and game farms – amendment of 1:2 ratio to 1:1,5 as a result of the increased property valuations.
- (c) Paragraph 12.10 – illegal use – amended rate as if zoned business to be a 1:3,25 ratio in relation to residential

property. This is a penalty category which include both residential and business.

- (d) Paragraph 12.16 – amendment of 1:2,5 ratio to 1:2,2 as a result of increased property valuations.
- (e) Increase pensioners combined income under paragraph 13.1.4(e) from R120 000,00 to R126 000,00.
- (f) Amend monthly earnings per month under paragraph 13.1.4(h) from R2 400,00 to R2 520,00 and R10 000,00 to R10 500,00. The same applies to paragraph 13.1.5(h).
- (g) Minor cosmetic changes to text and content of policy to be in line with new organizational structure title changes.

1.11 Short term risks and liabilities policy

Minor cosmetic changes to text and content of policy to be in line with new organizational structure title changes.

1.12 Supply chain management policy

The main amendments to the existing policy are:

- (a) Inclusion of paragraphs 24.3 to 24.6 to regulate the process on communication with bidders during the evaluation process.
- (b) Amendment of paragraph 31.4(a) with correct paragraph numbers.
- (c) Minor cosmetic changes to text and content of policy to be in line with new organizational structure title changes.

1.13 Tariff policy

The main amendments to the existing policy are:

- (a) Inclusion of a definition for “*lifeline*” consumers.
- (b) Inclusion of paragraph 8.14, 9.15. 10.11 and 11.14 on the effective date tariffs are to be implemented.
- (c) The amendment of fifteen (15) persons to twenty (20) persons in paragraph 9.9 on which fixed monthly charge will be determined.

- (d) The amendment of five (5) persons to ten (10) persons in paragraph 9.10 on which the fixed monthly charge will be determined and the inclusion of the criteria to qualify for this tariff.
- (e) The inclusion of paragraph 9.11 to allow for a stepped tariff where water is exclusively used in the final product.
- (f) The amendment of paragraph 10.2 and inclusion of paragraph 10.3 to allow for a separate refuse tariff for second dwellings.
- (g) The deletion of paragraph 11.5 as no fixed charge is applicable to non-residential electricity consumers in terms of the new proposed structure.
- (h) The inclusion of paragraph 11.8 to allow for a separate electricity tariff structure for schools and welfare organizations.
- (i) The inclusion of point 14 to allow for the correction of accounts incorrectly levied.
- (j) Minor cosmetic changes to text and content of policy to be in line with new organizational structure title changes.

1.14 Travelling and subsistence policy

The main amendments to the existing policy are:

- (a) Deletion of second bullet under 3.4 which was duplicated.
- (b) Amendment of paragraph 4.1.1 and 4.1.2 to allow for official journeys outside the Middelburg boundaries and deletion of first 500 kilometers travelled per month as per Council resolution.
- (c) Inclusion of paragraph 4.4.2 to reimburse councillors receiving a transport allowance for journeys to official municipal events outside the Middelburg boundaries.
- (d) Increase of R1 700,00 to R1 800,00 under paragraph 5.2.1.
- (e) Increase of R3 000,00 to R3 200,00 under paragraph 5.2.2.

- (f) Increase of maximum amount of R285,00 per day to R319,00 per day under paragraph 5.3.1.
- (g) Increase of daily allowance of R190,00 to R210,00 under paragraph 5.4.
- (h) Amendment of incidental cost of R85,00 to R98,00 under paragraph 5.5.
- (i) Amendment of R285,00 under paragraph 5.5.2 to R319,00.
- (j) Inclusion of paragraph 9.10 to allow for the recovery of costs from delegates where additional costs are incurred by the municipality.
- (k) Minor cosmetic changes to text and content of policy to be in line with new organizational structure title changes.

1.15 Unclaimed monies policy

This is a newly developed policy.

The objective of the policy is to provide a framework on how to deal with unknown or unclaimed monies in the municipal bank account.

The complete policy is included in the report for public scrutiny.

UNCLAIMED MONIES POLICY

NEW 1 JULY 2013



**STEVE TSHWETE
LOCAL MUNICIPALITY
MP313**

DEFINITIONS

“*Council*” means a municipal Council established in section 18 of the Municipal Structures Act and referred to in section 157(1) of the Constitution.

“*Creditor*” means a person to whom money is owed to by the municipality.

“*Customer*” means any person comprising:

- (a) resident of the municipality;
- (b) ratepayer of the municipality;
- (c) any civic organization involved in the municipality; and/or
- (d) any visitor or other people who make use of services or facilities provided by the municipality.

“*primary bank account*” means a bank account referred to in section 8(1) of the Municipal Finance Management Act.

“*Register*” means the official register kept to receipt all unclaimed deposits.

“*Municipality*” means the Steve Tshwete Local Municipality established in terms of section 155 of the Constitution.

1. **INTRODUCTION**

Unclaimed monies are a challenge faced by the municipality where monies are deposited into the municipal primary bank account or payable which cannot be identified nor are claimed by any creditor of the municipality. Monies are unclaimed for various reasons and commonly arise amongst other things from the following:

- Monies deposited into the municipal primary bank account without any reference or documentary proof.
- Amounts/deposits payable to consumers or creditors which were either not claimed or banked.
- Creditors/consumers are unaware of their legal right to the monies.
- Creditors/consumers direct deposits are untraceable.
- Deposits paid for utilization of facilities not claimed by customer.

2. **OBJECTIVES OF THE POLICY**

The objectives of the policy are to:

- To provide a framework on how to deal with unknown or unclaimed monies in the municipal bank account.
- To reduce the liability of the municipality.
- To provide guidelines to identify unknown monies in the municipal bank account.

3. **LEGISLATIVE FRAMEWORK**

Local Government Municipal Finance Act, Act 56 of 2003.

4. **IDENTIFICATION OF UNCLAIMED MONIES**

- 4.1 An unclaimed direct deposit is any amount of money legally paid into the municipal primary bank account without any reference or documentary proof on how the monies should be allocated and that remains unclaimed for a period of three (3) months.

- 4.2 Unclaimed monies are any amount of money legally payable to a creditor and that are not claimed or banked within a period of three (3) months.
- 4.3 An unclaimed deposit is any amount of money legally paid by a customer as security for municipal services for the use of facilities which are not claimed within a period of three (3) months.

5. **REGISTER OF UNCLAIMED MONEY**

- 5.1 After all process are exhausted to identify the unallocated monies and the period as mentioned in paragraph 4 has expired all unclaimed monies will be receipted in a register kept by the municipality.
- 5.2 The register will be maintained and updated regularly and be kept for a period of five (5) years.
- 5.3 After the unclaimed monies are deposited in the register any person can claim the monies within a period of five (5) years from date the monies were deposited or become unclaimed subject to that documentary proof is provided by the cashier to claim the monies.
- 5.4 The value of unclaimed monies and/or direct deposits will be recognized as a liability in the financial statements of the municipality.

6. **UNCLAIMED MONEY TO BE PAID AS PUBLIC REVENUE**

- 6.1 Should unclaimed monies not be claimed within a period of five (5) years the monies will be written off from the register and be receipted as revenue in that financial year.
- 6.2 The following process must be followed before any monies are receipted as revenue:
 - (i) The register will be advertised in the media in terms of section 21A of the Systems Act, Act 32 of 2000 that it will lie open for public inspection.
 - (ii) Such register must lie open for a period of four (4) months.
 - (iii) The register will be made available for inspection of the main municipal buildings.
 - (iv) The prescribed form must be completed with documentary proof should any monies be claimed by a customer or creditor.

- (v) After the four (4) months period a report will be submitted to Council on the unclaimed monies to be written off from the register and be transfer to general revenue.

7. **REVIEW**

This policy will be reviewed annually to ensure that it complies with changes in applicable legislation and the operating requirements of the municipality.

8. **SHORT TITLE**

This policy shall be called the Unclaimed Deposits Policy of the Steve Tshwete Local Municipality.