



VHEMBE DISTRICT MUNICIPALITY

CREDIT CONTROL AND DEBT COLLECTION POLICY

2020/2021 FINANCIAL YEAR

P R E A M B L E

WHEREAS sections 95 & 96 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) requires a municipality to adopt, maintain and implement a credit control-, debt collection and customer care policy;

AND WHEREAS section 97 of the Systems Act prescribes what such policy must provide for;

AND WHERAS section 64 of the Local Government: Municipal Finance Management Act (Act 56 of 2003) defines the Management of Revenue of a municipality;

NOW THEREFORE the **VHEMBE DISTRICT MUNICIPALITY** **ad o p t s** the **Policies as set out in this document.**

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CREDIT CONTROL AND DEBT COLLECTION POLICIES

1. DEFINITIONS

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

“Accounting officer”- means the Municipal Manager appointed in terms of section 82 of the Municipal Structures Act and being the head of administration and accounting officer in terms of section 55 of the Municipal Systems Act.

“Authorized Representative” – a person or instance legally appointed by the Vhembe District Municipality as WSP;

“Basic Sanitation” - the minimum standard for basic sanitation services is:

- (a) the provision of appropriate health and hygiene education;
- (b) a toilet which is safe, reliable, environmentally sound, easy to keep clean, provides privacy and protection against the weather, well ventilated, keeps smells to a minimum and prevents the entry and exit of flies and other disease-carrying pests;

“Basic water supply” - the minimum standard for basic water supply services is:

- (a) the provision appropriate education in respect of effective water use; and
- (b) a minimum quantity of potable water per person per day or per month per household as determined by National Government;

“customer” - any occupier of any property to which the WSP has agreed to supply services or already supplies services to, or failing such an occupier, then the owner of the property;

“defaulter” - a person who owes money to the water and sanitation service provider after the due date has expired;

“equipment”- a building or other structure, pipe, pump, wire, cable, meter, engine or any accessories;

“Finance Management Act” - the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003);

“Head Financial Services” - the person appointed by the VDM to administer its finances in terms of section 80(2) (a) of the Finance Management Act;

“interest” - a charge levied with the same legal priority as service fees and calculated at a rate determined by the VDM from time to time on arrear monies;

“Local Municipality” means a municipality that shares municipal executive and legislative authority in its area with a District Municipality within whose area it falls, and which is described in section 155(1) of the Constitution as a category B municipality and act as a Water Services Provider for the Water Services Authority namely the Vhembe District Municipality;

“L.S.E.D.” – means Local Social and Economical Development;

“municipal account” - an account rendered specifying water and sanitation charges for services provided by the local municipality.

“Municipal Manager” - the person appointed as Municipal Manager in terms of section 82 of the Local Government: Structures Act, 1998, (Act 117 of 1998) and include any person

acting in that position or to whom authority was delegated;

“municipal services” - those services provided by the Local Municipality, such as, the supply of water, sewerage removal and treatment for which services charges are levied;

“occupier” - 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 VDM is 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 a lease agreement in excess of 30 years was entered into, then the lessee;

(e) regarding:

(i) a portion of land allotted on a sectional title plan and which is registered in terms of the Sectional Title Act, 1986 (Act 95 van 1986), without limiting it to the developer or managing body to the communal property;

(ii) a portion as defined in the Sectional Title Act, the person in whose name that portion is registered in terms of a “sectional title, including the legally appointed representative of such person;

(f) any legal entity including but not limited to :

(i) a company registered in terms of the Companies Act, 1973 (Act 61 of 1973), a trust *inter vivos*, trust *mortis causa*, a closed corporation registered in terms of the Close Corporation Act, 1984 (Act 69 of 1984), and any voluntary organisation;

(ii) any provincial or national government department, local authority;

(iii) any organization or management body established in terms of any legal framework applicable to the Republic of South Africa; and

(iv) any embassy or other foreign entity.

“*property*” - any portion of land, of which the boundaries are determined, within the jurisdiction of the VDM;

“*Structures Act*”- means the Local Government: Municipal Structures Act, Act 117 of 1998;

“*Systems Act*” - the Local Government Systems Act, 2000 (Act No 32 of 2000) as amended from time to time;

“*V D M*” - the Vhembe District Municipality;

“*Water services*” –means water supply and provision of sanitation services;

2. GENERAL OBJECTIVES

- (1) The objectives of this policy are to:
 - (a) provide a framework within which the VDM can exercise its executive and legislative authority with regard to credit control and debt collection;
 - (b) ensure that all monies due and payable to the VDM are collected and used to deliver water services in the best interests of the community, residents and consumers and in a financially sustainable manner;
 - (c) provide a framework for customer care;
 - (d) describe credit control measures and sequence of events;
 - (e) outline debt collection procedures and mechanisms; and
 - (f) set realistic targets for debt collection;

3. PRINCIPLES

- (1) The administrative integrity of the VDM must be maintained at all costs. The democratically elected Councillors are responsible for policy-making, while it is the responsibility of the Municipal Manager to ensure the execution of these policies.
- (2) All customers must complete an official application form, formally requesting the VDM to connect them to service supply lines. Existing customers may be required to complete new application forms from time to time, as determined by the Municipal Manager.
- (3) A copy of the application form, conditions of services and extracts of the VDM customer care, credit control and debt collection policy and by-laws must be handed to every customer on request at such fees as may be prescribed.
- (4) Billing is to be accurate, timeous and understandable.
- (5) The customer is entitled to reasonable access to pay points and to a variety of reliable payment methods.
- (6) The customer is entitled to an efficient, effective and reasonable response to appeals, and should suffer no disadvantage during the processing of a reasonable appeal.

- (7) Enforcement of payment must be prompt, consistent and effective.
- (8) Unauthorized 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 water and sanitation services will lead to disconnections, penalties, loss of rights and criminal prosecutions.
- (9) Incentives and disincentives may be used in collection procedures.
- (10) The collection process must be cost-effective.
- (11) Application forms will be used to, *inter alia*, categorise customers according to credit risk and to determine relevant levels of services and deposits required.
- (12) Targets for performance in both customer service and debt collection will be set and pursued and remedies implemented for non-performance.
- (13) Where practically possible the debt collection and customer care policies would be handled independently of each other and the organisational structure will reflect the separate functions.
- (14) The principle of providing services in lieu of payment for arrear accounts is supported.

4. DUTIES AND FUNCTIONS

Duties and Functions of the V D M

- (1) To approve a budget consistent with the needs of communities and the different categories of consumers.
- (2) To impose and determine tariffs to finance the water and sanitation budget.
- (3) To facilitate sufficient funds to give access to basic water and sanitation services for the poor in terms of the Indigent policy.
- (4) To provide for a bad debt provision, in line with the payment record of the community and other consumers as reflected in the financial statements of the VDM.

- (5) To set an improvement target for debt collection, in line with acceptable accounting ratios and the ability of the Implementing Authority.
- (6) To approve a reporting framework for customer care, credit control and debt collection.
- (7) To approve and maintain by-laws to give effect to this policy of the VDM.
- (8) To monitor the performance of the Municipal Manager regarding customer care, credit control and debt collection.
- (9) To revise the budget should targets for customer care, credit control and debt collection not be met.
- (10) To take disciplinary and/or legal action against VDM councillors, officials and agents who do not execute policies and by-laws, or act improperly in terms of such policies.
- (11) To approve the list of attorneys who act in all legal matters relating to debt collection appointed by the VDM.
- (12) To provide sufficient capacity in the Financial Department to give effect to customer care, credit control and debt collection policy and bylaws in terms of the provisions of Chapters 8 and 10 of the Finance Management Act.

Duties and functions of the Municipal Manager

- (13) To implement and promote the V D M customer care, credit control and debt collection policy.
- (14) To install and maintain an appropriate accounting system in terms of Chapters 8 and 10 of the Finance Management Act.
- (15) To demand payment on due dates.
- (16) To raise penalties for defaults.
- (17) To collect outstanding debt.
- (18) To provide different payment methods.
- (19) To determine customer care, credit control and debt collection measures.

- (20) To determine all relevant work procedures for, inter alia, public relations, education, arrangements, disconnections of services, summonses, attachments of assets, sales in execution, write-off of debts, sundry debtors and legal processes.
- (21) To report all legal processes to the VDM (i.e. attachment and sale in execution of assets, emolument attachment orders etc.).
- (22) To set performance targets for staff.
- (23) To appoint staff to execute the VDM water and sanitation policy and by-laws.
- (24) To delegate certain functions to heads of departments.
- (25) To determine control procedures.

Duties and functions of communities and consumers

- (26) To fulfil certain responsibilities, as brought about by the privilege and or right to use and enjoy public facilities and water and sanitation services.
- (27) To pay tariffs levies and duties imposed by the VDM before due date.
- (28) To allow municipal officials reasonable access to their property to execute their functions
- (29) To comply with the by-laws and other legislation of the VDM
- (30) To refrain from tampering with water and sanitation services and property.

Duties and functions of Councillors

- (31) To hold regular ward meetings;
- (32) To adhere to and convey policies to residents and consumers;
- (33) To adhere to the Municipal Code of Conduct for Councillors.

5. PERFORMANCE EVALUATION

- (1) The VDM must establish a mechanism to set targets for debt collection, customer care and administrative performance, evaluate and take corrective actions on a regular basis to enhance credit control and debt collection.

6. REPORTING

- (1) The Municipal Manager shall report monthly to the VDM Council in a prescribed format determined by the Finance Management Act in accordance with Chapters 8 and 10 and sections 99 and 100(c) of the Systems Act. This report shall contain particulars on:
 - (a) Cash collection statistics, showing high-level debt recovery information (numbers of customers; enquires; arrangements; default arrangements; growth or reduction of arrear debt). Where possible, the statistics should ideally be divided into Wards, business, commerce, industry, domestic, state, institutional and other such divisions.
 - (b) Performance of all areas against targets agreed to in item 5(3) above of this policy document.
- (2) If in the opinion of the Municipal Manager the VDM will not achieve cash receipt income equivalent of the income projected in the annual budget as approved, he must report this with motivation to the VDM and recommend for a revision of the budget according to realistically achievable income levels.

8. CREDIT CONTROL POLICY

(1) OBJECTIVE

To implement procedures which ensure the collection of debt, meeting of service targets and the prevention of escalation in arrear debt. To facilitate financial assistance and basic services for the community's poor and provide incentives for prompt payment as well as ensuring limited risk levels by means of effective management tools.

Service application and agreements

- (2) All customers of water and sanitation services will be required to sign an agreement governing the supply and cost of the services. Owners may allow a tenant to sign a separate agreement with the VDM, which the VDM may at its own discretion accept or reject. On default by a tenant, the owner will be the debtor of last resort.
- (3) Prior to signing these agreements, customers will be entitled to receive the policy document of the VDM on request at a cost charged by the VDM.
- (4) On the signing of the agreement, customers will receive a copy of the agreement for their records.
- (5) Customers are responsible for costs of collection, interest and penalties in the event of delayed and/or non-payment.

- (6) Existing customers of water and sanitation services will be required to sign new agreements as determined by the Municipal Manager from time to time.

Councillor and municipal staff arrears

- (1) Staff arrears will be dealt with in terms of item 10 of schedule 2 of the System Act, and in terms of any procedures, method or action referred to in this policy. Notwithstanding any other procedure, method or action that may be taken in terms of this policy, the Municipal Manager shall deduct any outstanding amount from such staff members salary or remuneration after three (3) month period referred to in item 10 of schedule 2 to the System Act has elapsed, or
 - Notwithstanding sub-item 5 (1) the Municipal Manager shall deduct any outstanding amount from such staff members salary or remuneration after a period of not less than two (2) months from due date thereof.
- (2) In accordance with schedule 1 item 12A of the System Act, a councillor of the Municipality may not be more than three (3) months in arrears for the municipal service fees. Notwithstanding any other procedure, method or action that may be taken in terms of this policy, the Municipal Manager shall deduct any outstanding amount from such councillor's remuneration after three (3) month period has elapsed, or
 - Notwithstanding sub-item 5 (2) the Municipal Manager shall deduct any outstanding amount from such councillor's remuneration after a period of not more than two (2) months from the due date therefore.
- (3) At the sole discretion of the Municipal Manager and after complying with sub-items (1) and (2), deduct any amount owing to the Municipality by any Councillor or staff member from such councillors or staff member's remuneration or salary.

- (4) The Municipal Manager shall deduct, by agreement, from any Councillors or staff member's remuneration or salary any amount pertaining to arrears accrued at a property where they are residing even if they are not the property owners.

Right of access to premises

- (7) The owner and or occupier of property is obliged to allow an authorised representative of the VDM access at all reasonable hours to the property in order to read, inspect, install or repair any meter or service connection for reticulation, restrict, or reconnect, the provision of water and sanitation service.
- (8) The owner is responsible for the cost of relocating a meter if satisfactory access is not possible.
- (9) If a consumer fails to comply with the conditions laid down the VDM may:
- (a) By written notice require such consumer to restore access at his/her own expense within a specified period.
 - (b) If it is a matter of urgency access can be restored without prior notice and the cost can be recovered from such consumer

Theft and fraud

- (10) Any person (natural or juristic) found to be illegally connected or reconnected to water and sanitation services, tampering with meters, the reticulation network or any other supply equipment or committing any unauthorised act associated with the supply thereof as well as theft of and damage to the VDM property, will be prosecuted and/or liable for penalties as determined by council from time to time.
- (11) The VDM will immediately terminate the supply of services to a customer should such conduct as outlined above, be detected.
- (12) The total amount outstanding including penalties, assessment for unauthorised consumption, discontinuation and reconnection fees,

and increased deposits, if applicable, will be due and payable before any reconnection can be sanctioned.

- (13) The VDM will maintain monitoring systems in order to identify customers who are undertaking such illegal actions.
- (14) The VDM reserves the right to lay criminal charges and/or to take any other legal action against both vandals and thieves.
- (15) Any consumer failing to provide information or providing false information to the VDM may face immediate disconnection and/or legal action.

Persons and Business who tender to the VDM

- (16) The Procurement Policy and Bids Conditions of the VDM will include the following:
 - (a) When inviting bids for the provision of services or delivery of goods, potential contractors may submit bids subject to a condition that consideration and evaluation thereof will necessitate that the bidder obtain from the VDM a certificate stating that all relevant accounts in regard to water and sanitation owing by the tenderer and/or its directors, owners or partners have been paid or that suitable arrangements (which include the right to set off in the event of non-compliance) have been made for payment of any arrears.
 - (b) No bidder will be allocated to a person/contractor until a suitable arrangement for the repayment of arrears, has been made. No further debt may accrue during contract period.
 - (c) A condition allowing the VDM to deduct any moneys owing to the VDM from contract payments.

Collection procedures.

- (17) The following procedures will be followed on collection of all outstanding amounts.

- a) An account will be issued at the end each month, stating all fees owed to the District Municipality.
- b) Interest will be charged on all overdue accounts that are older than 30 days at prime interest rate.
- c) A letter to remind a consumer or property owner that he/she is in arrears with his account will be sent to account holder 30 days after the issuing of statement. (The reminder letters will be sent to specific area on a rotation basis. That will be followed by letter of demand).
- d) A letter of demand will be sent to every property owner or consumer who has received a reminder letter and the account is still in arrears while no payment agreement/arrangement has been entered to, 14 days after the issuing of reminder letter (The demand letters will be sent to a specific area on a rotation basis. That will be followed by hand over to debt collectors).
- e) After sending demand letters, the following step to be taken is handing over to the debt collector appointed by the council of Vhembe District Municipality.
 - The handing over of defaulters is the beginning of a legal process and payments for arrears can be made to the relevant agent appointed by Council.
 - It is important that defaulters be handed over to debt collectors when the credit control section was unsuccessful with the collection process Defaulters who do not respond to the debt collection letters will be handed over to Council's Attorneys for collection.
 - All agents should be supplied with a copy of credit control measures. Clear instructions to agents and other arrangements should be explained for customers' benefit.
 - The liability for the costs of legal action and other credit control actions should as far as is legally possible be for the account of the debtor.

- After the expiry of debt collection service provider's term of contract the accounts that are already issued with demand letters will be handed over to the new service provider without repeating the issuing of demand letters provided they have not as yet signed a payment agreement with the previous service provider.
- f) The next step if debt collection is unsuccessful in respect of non-indigent customers it will be the termination of service and in respect of indigent customers it will be restriction of the provision of service when payment is in arrears.

Interest Charges

(18) Accounts in arrears will accrue interest at prime rate interest rate.

Interest will be calculated on a monthly basis.

- Where applicable interest charges on arrears will be frozen subject to the rescheduled debt arrangement being honoured.

Settlement of Accounts

(19) Vhembe District Municipality will remove all interest charged on arrears consumer accounts when settlement of account is done.

Cost of collection

(20) All costs of legal process, including interest, penalties, service discontinuation costs and legal costs associated with customer care or credit control, where ever applicable, are for the account of the debtor and should reflect at least the cost of the particular action.

(20) A customer with arrears incurred after 1 July 2003 who opts for the pre-payment system, will be required to repay all arrears in full before any amount is allocated to present consumption. If the amount outstanding is large and/or the customer's ability to pay is limited because of low income and/or cash flow problems, 50% of all monies offered for purchase will be allocated towards the arrears before any credit for

consumption is given.

i. DEBT COLLECTION POLICY

OBJECTIVE

- (1) *To provide procedures and mechanisms to collect all the monies due and payable to the VDM arising from the supply of water and sanitation services in order to ensure financial sustainability and delivery of such services in the interest of the community.*

Personal contact

- (2) Telephonic contact, agents calling on clients:
- (a) The VDM will endeavour, within the constraints of affordability, to make personal or telephonic and any other communication system contact with all arrear debtors to encourage their payment, and to inform them of their arrears state, their rights in terms of this policy to conclude arrangements or to indigence subsidies, other related matters and will provide information on how and where to access such arrangements or subsidies.
 - (b) Such contact and notification does not prevent the VDM to disconnect the water service any other collection proceedings may continue in the absence of such contact..

Interruption of service

- (3) The restrictions of services will happen in terms of the agreement between the VDM and the customer.
- (4) The cost of the reconnection, will be determined by tariffs approved by the VDM and will be payable by the customer.

Legal Process/Use of attorneys/Use of credit bureaus

- (5) The VDM may, when a debtor is in arrears, commence legal process against that debtor, which process could involve final demands, summonses, court trials, judgments, garnishee orders and/or sales in execution of property.
- (6) The VDM will exercise strict control over this process, to ensure accuracy and legality within it, and will require regular reports on progress from outside parties, be they attorneys or any other collection agents appointed by the VDM.
- (7) The VDM will establish procedures and codes of conduct with these outside parties.
- (8) Garnishee orders, in the case of employed debtors, are preferred to sales in execution, but both are part of the VDM's system of debt collection procedures.
- (9) All steps in the customer care and credit control procedure will be recorded in VDM records and for the information of the debtor.
- (10) All costs of this process will be for the account of the debtor.
- (11) Individual debtor accounts are protected and are not the subject of public information. However the VDM may release debtor information to credit bureaus. This release will be in writing or by electronic means.
- (12) The VDM may consider the cost effectiveness of the legal process, and will receive reports on relevant matters, including cost effectiveness.
- (13) VDM may consider the use of agents as innovative debt collection methods and products. Cost effectiveness, the willingness of agents to work under appropriate codes of conduct and the success of such agents and products will be part of the agreement the VDM might conclude with such agents; and will be closely monitored.
- (14) Customers will be informed of the powers and duties of such agents and their responsibilities including their responsibility to observe agreed codes of conduct.

- (15) Any agreement concluded with an agent, 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.

Rates clearance

- (16) On the sale of any property in the municipal jurisdiction of the VDM transfer of any property will be withheld until a rates clearance certificate, contemplated in section 118 of the Systems Act, has been submitted indicating that all rates and service charges have been paid.

Abandonment of Claims

- (17) The Municipal Manager must ensure that all avenues are utilised to collect the debt in regard to water services rendered by the VDM.
- (18) There are some circumstances that allow for the valid termination of debt collection procedures as contemplated in section 109(2) of the Systems Act, such as:
- a. The insolvency of the debtor, whose estate has insufficient funds.
 - b. A balance being too small to recover, for economic reasons considering the cost of recovery.
- (19) The VDM will maintain audit trails in such an instance, and document the reasons for the abandonment of the action or claim in respect of the debt.

10. SHORT TITLE

This policy shall be known as the Vhembe District Municipality's water and sanitation customer care, credit control and debt collection policy.

Arrangements with Customers

- 1(1) If a customer cannot pay his/her account with the VDM then the VDM may enter into an extended term of payment not exceeding 24 months with the customer. The customer must:
- (b) Sign an acknowledgement of debt;
 - (c) Sign a consent to judgment;
 - (d) Provide a garnishee order/emolument order/stop order (if he or she is in employment);
 - (e) Acknowledge that interest will be charged at the prescribed rate;
 - (f) Pay the current portion of the account in cash;
 - (g) Acknowledge liability of all costs incurred.

The following arrangements can be entered into:

2(1) *Payment arrangement for Residential accounts*

- Those who come for arrangements will have to immediately pay at least 10% of the arrear amount, and the balance payable in at least 24 monthly installments.
- If a consumer fails to comply with an agreement for the payment of arrears in installments entered into, account will be handed over to our debt collectors without further notice or correspondence.
- Payment agreement entered with the consumer or owner of the account that is in arrears will be for a maximum period of 24 month, to enable suspension of interest charged as an incentive.
- **It should be noted that, to have payment arrangement does not exempt the consumer from the responsibility to ensure that the current account has been paid on a monthly basis.**

(2). Non-Residentials

- All customers irrespective of amount in arrears are to be targeted.

- Those that come for arrangements will have to immediately pay an amount of at least 20% of the arrear amount, and the balance payable in at least 24 monthly instalments.
- If a consumer fails to comply with an agreement for the payment of arrears in instalments entered into, account will be handed over to our debt collectors without further notice or correspondence.
- Payment agreement entered with the owner of the account that is in arrears will be for a maximum period of 24 month, to enable suspension of interest charged as an incentive.

(3). Payments arrangement that requires approval of the Municipal Manager

- Any payment arrangement falling outside the above proposed arrangements will implement with specific approval of the Municipal Manager.

For Business

- Those who come for arrangements will have to immediately pay at least 20% of the arrear amount, and the balance payable in at least 24 monthly installments.
- If a consumer fails to comply with an agreement for the payment of arrears in installments entered into, account will be handed over to our debt collectors without further notice or correspondence.
- Payment agreement entered with the consumer or owner of the account that is in arrears will be for a maximum period of 24 month, to enable suspension of interest charged as an incentive.
- **It should be noted that, to have payment arrangement does not exempt the consumer from the responsibility to ensure that the current account has been paid on a monthly basis.**

Business

- 3(a) 1st default in financial year: 25% of outstanding amount plus current Account. Balance over maximum of 3 months.
Deposit adjusted to 3 months consumption.
- (b) 2nd default in financial year: Full outstanding plus current account.
No arrangements.
Deposit adjusted to 3 months consumption.
- (c) 3rd default in financial year: Deposit adjusted to 3 months consumption.
Weekly cash payments based on consumption plus contribution to increased deposit.

Government Departments

- 4.(a) 1st default in financial year: 3 weeks' notice – no arrangements
Deposit adjusted to 3 months consumption.
- (b) 2nd default in financial year: 2 weeks' notice – no arrangements
Deposit adjusted to 3 months consumption.
- (c) 3rd default in financial year: 48 hour notice.
Deposit adjusted to 3 months consumption.

Administrations

- 6(1) Where a person has been placed under administration the following procedures will be follows:
- (a) 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.
 - (b) 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).
 - (c) Until such time as this new account is opened, the debtor is to be placed on limited services levels. The consumer will be compelled to install a prepaid water meter, should one not already be in place. The VDM will be entitled to recover the cost of the basic water and sanitation services by means of purchases made on the prepaid meter.
 - (d) 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.

Indigent

- 7(1) 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.