



MANGAUNG

LOCAL MUNICIPALITY
PLAASLIKE MUNISIPALITEIT
LEKGOTLA LA MOTSE

DEBT COLLECTION POLICY

Approved by Council on 27 November 2003 under item 51A5

DEBT COLLECTION POLICY

1. RATES AND SANITATION

1.1 PROPERTY CATEGORY : BUSINESSES AND ALL BONDED PROPERTIES

Steps to be effected by our own collections section

- 1 Deed search - check account for anomalies
 - 2 Contact the client by telephone where possible - businesses only
 - 3 Reminder to be sent by ordinary mail giving the client 10 working days to respond
 - 4 Final demand to be sent by ordinary mail giving the client 15 working days to respond and send a list of all final demands issued to the relevant ward councillor
 - 5 Trace if necessary, obtain names of trustees etc
 - 6 Consider publishing names of client in the press (Legality to be investigated)
 - 7 Advise bond holder
 - 8 Instruction to attorney and send a list of all instructions issued to the relevant ward councillor
- Steps to be effected by attorney**
- 9 Summons
 - 10 Judgement
 - 11 Garnishee if possible or attach any rentals
 - 12 Attach moveable assets
 - 13 Attach fixed property
 - 14 Negotiate with bond holder
 - 15 Arrange sale date and advertise
 - 16 Sale in execution

The client is at liberty at any point in the process to enter into an agreement

AGREEMENT CONDITIONS

Businesses : 50% down payment, balance over 6 months together with current accruals
Other Bonded Properties : Current accruals plus at least R 50 over 72 months.

1.2 PROPERTY CATEGORY : FREEHOLD RESIDENTIAL PROPERTIES OF HIGH VALUE

Steps to be effected by our own collections section

- 1 Deed search - check account for anomalies
- 2 Reminder to be sent by ordinary mail giving the client 10 working days to respond

- 3 Final demand to be sent by ordinary mail giving the client 15 working days to respond and send a list of all final demands issued to the relevant ward councillor
- 4 Trace if necessary
- 5 Instruction to attorney and send a list of all instructions issued to the relevant ward councillor

Steps to be effected by attorney

- 6 Summons
- 7 Judgement
- 8 Garnishee if possible or attach any rentals
- 9 Attach moveable assets
- 10 Attach fixed property
- 11 Arrange sale date and advertise
- 12 Sale in execution

The client is at liberty at any point in the process to enter into an agreement

AGREEMENT CONDITIONS

Current accruals plus at least R 50 over 72 months.

Only one agreement may be entered into

1.3 PROPERTY CATEGORY : FREEHOLD RESIDENTIAL PROPERTIES OF LOW VALUE

Steps to be effected by our own collections section

- 1 Deed search - check account for anomalies
- 2 Reminder to be sent by ordinary mail giving the client 10 working days to respond
- 3 Final demand to be sent by ordinary mail giving the client 15 working days to respond and send a list of all final demands issued to the relevant ward councillor
- 4 Trace if necessary
- 5 Instruction to attorney and send a list of all instructions issued to the relevant ward councillor

Steps to be effected by attorney

- 6 Summons
- 7 Judgement
- 8 Garnishee if possible or attach any rentals
- 9 Attach moveable assets
- 10 Attach fixed property and investigate the feasibility of sale in execution

11 Dependant on the outcome of step 10, arrange sale date, advertise and proceed with sale in execution

The client is at liberty at any point in the process to enter into an agreement

AGREEMENT CONDITIONS

Current accruals plus at least R 50 over 72 months.

Only one agreement may be entered into

1.4 PROPERTY CATEGORY : PERMIT RESIDENTIAL PROPERTIES

Steps to be effected by our own collections section

- 1 Reminder to be sent by ordinary mail giving the client 10 working days to respond
- 2 Final demand to be sent by ordinary mail giving the client 15 working days to respond and send a list of all final demands issued to the relevant ward councillor
- 3 Trace if necessary
- 4 Instruction to attorney and send a list of all instructions issued to the relevant ward councillor

Steps to be effected by attorney

- 5 Summons
- 6 Judgement
- 7 Garnishee if possible or attach any rentals
- 8 Attach moveable assets

The client is at liberty at any point in the process to enter into an agreement

AGREEMENT CONDITIONS

Current accruals plus at least R 50 over 72 months.

Only one agreement may be entered into

1.5 PROPERTY CATEGORY : SECTIONAL TITLE SCHEMES

Steps to be effected by our own collections section

- 1 Deed search - check account for anomalies
- 2 Reminder to be sent to the Body Corporate and each owner by ordinary mail giving the client 10 working days to respond
- 3 Final demand to be sent to the Body Corporate by ordinary mail giving the client 15 working days to respond and send a list of all final demands issued to the relevant ward councillor
- 4 Advise bond holders
- 5 Instruction to attorney and send a list of all instructions issued to the relevant ward councillor

Steps to be effected by attorney

- 6 Summons
- 7 Judgement
- 8 Join owners as co-defendants
- 9 Attach fixed property
- 10 Negotiate with bond holders
- 11 Arrange sale date and advertise
- 12 Sale in execution

The client is at liberty at any point in the process to enter into an agreement

AGREEMENT CONDITIONS

Current accruals plus at least R 50 over 72 months.

Only one agreement may be entered into

Note : While sectional title scheme properties are valued as a whole, agreements with individual owners will not be considered. Only an agreement with the body corporate will be valid and must be accompanied by a resolution taken by the trustees of the scheme.

2. SUNDRY DEBTORS

Steps to be effected by our own collections section

- 1 Debtor to be telephoned if possible
- 2 Reminder to be sent by ordinary mail giving the client 10 working days to respond
- 3 Final Demand to be sent by ordinary mail giving the client 15 working days to respond and send a list of all final demands issued to the relevant ward councillor
- 4 Instruction to attorney and send a list of all instructions issued to the relevant ward councillor

Steps to be effected by attorney

- 5 Summons
- 6 Judgement
- 7 Garnishee if possible
- 8 Attach moveable assets, if any
- 9 Attach fixed assets, if any
- 10 Sale in execution

The client is at liberty at any point in the process to enter into an agreement

AGREEMENT CONDITIONS

Current accruals plus at least R 50 over 72 months.

Only one agreement may be entered into

3. RENT**Steps to be effected by our own collections section**

- 1 Reminder to be sent by ordinary mail giving the client 10 working days to respond
- 2 Second reminder to be sent by ordinary mail once arrears are in excess of barrier amount of R 500,00 giving the client 10 working days to respond
- 3 Final Demand to be sent by ordinary mail giving the client 15 working days to respond and send a list of all final demands issued to the relevant ward councillor
- 4 Instruction to attorney and send a list of all instructions issued to the relevant ward councillor

Steps to be effected by attorney

- 5 No 3 Summons (including rental interdict)
- 6 Eviction

The client is at liberty at any point in the process to enter into an agreement

AGREEMENT CONDITIONS

At least two months rent as down payment plus current accruals plus at least R 50 over 72 months.

Only one agreement may be entered into

4. WATER**Steps to be effected by our own collections section**

- 1 Disc water meter and hand deliver a comprehensive notice of explanation as to why the water has been disced together with the steps to be taken in order to remedy the situation and simultaneously send a list of all premises disced to the relevant ward councillor
- 2 Final Demand to be sent by ordinary mail or hand delivered according to situation of premises giving the client 15 working days to respond and send a list of all final demands to the relevant ward councillor
- 3 Instruction to attorney and send a list of all instructions issued to the relevant ward councillor
- 4 If premises are rented, send a letter by ordinary mail to the owner of the property advising him that should collection steps from the tenant not be successful, that Council will hold such owner responsible for the amount due

Steps to be effected by attorney

- 5 Summons
- 6 Judgement
- 7 Garnishee if possible or attach any rentals

- 8 Attach moveable assets
- 9 Attach fixed property if possible
- 10 Negotiate with bond holder, if any
- 11 Arrange sale date and advertise depending on property category - see rates steps
- 12 Sale in execution

The client is at liberty at any point in the process to enter into an agreement

AGREEMENT CONDITIONS

See water agreement conditions overleaf

Only one agreement may be entered into

5. ELECTRICITY

Steps to be effected by our own collections section

- 1 Disconnect electricity meter or pole according to circumstances and hand deliver a comprehensive notice of explanation as to why the supply has been disconnected together with the steps to be taken in order to remedy the situation and simultaneously send a list of all premises disconnected to the relevant ward councillor
- 2 Final Demand to be sent by ordinary mail or hand delivered according to situation of premises giving the client 15 working days to respond and send a list of all final demands issued to the relevant ward councillor
- 3 Instruction to attorney and send a list of all instructions issued to the relevant ward councillor
- 4 If premises are rented, send a letter by ordinary mail to the owner of the property advising him that should collection steps from the tenant not be successful, that Council will hold such owner responsible for the amount due

Steps to be effected by attorney

- 5 Summons
- 6 Judgement
- 7 Garnishee if possible or attach any rentals
- 8 Attach moveable assets
- 9 Attach fixed property if possible
- 10 Negotiate with bond holder, if any
- 11 Arrange sale date and advertise depending on property category - see rates steps
- 12 Sale in execution

The client is at liberty at any point in the process to enter into an agreement

AGREEMENT CONDITIONS

See electricity agreement conditions overleaf

Only one agreement may be entered into

6. MUNICIPAL STAFF : ALL ARREAR DEBTS**6.1 RATES, SANITATION AND RENT**

In addition to steps applicable to the relevant category of debtors to which an employee belong an agreement will be entered into with the Council to deduct the amounts from his/her salary in line with the Systems Act.

6.2 WATER AND ELECTRICITY

In addition to steps applicable to the relevant category of debtors to which an employee belong an agreement will be entered into with the Council to deduct the amounts from his/her salary in line with the Systems Act

Note : A system similar to the ACB system is being investigated so that current accruals in respect of electricity and water are deducted from employees salaries on a monthly basis. This is necessary because accruals are not the same each month.

7. COUNCILLORS : ALL ARREAR DEBTS

A letter should be sent to the speaker, advising him of the arrear amounts and categories concerned requesting him to take the appropriate steps in line with Code of Conduct for Councillors.