



CAPE WINELANDS DISTRICT
MUNICIPALITY • MUNISIPALITEIT • UMASIPALA

CAPE WINELANDS DISTRICT MUNICIPALITY CREDIT CONTROL AND DEBT COLLECTION POLICY

Item stiked through should be omitted from the policy

2 DEFINITIONS

~~2.10 "interest on overdue accounts" is based on a full month and part of a month shall be deemed to be a full month.~~

3 PRINCIPLES

- ~~Interest charges on overdue accounts will be levied from the due date if not paid by the following due date and will be calculated for a full month(s) irrespective of when payment is made. The interest charged will appear in the following month's account.~~

6 ACCOUNTS AND BILLING

- (i) soft reminders in respect of interest levies;

6.3 Arrangements

Arrangement Criteria for debtors

~~If any debtor wishes to make an arrangement for a period of not longer than six months, and will pay the first installment immediately, interest on the arrangement amount may be suspended as long as the terms of the arrangement are maintained.~~

If any debtor wishes to make an arrangement for a period of not longer than six months, and will pay the first instalment immediately, no further costs will accrue as long as the terms of the arrangement are maintained.

9 CUSTOMER ASSISTANCE PROGRAMMES

Arrangements for settlements

- (iv) ~~Acknowledge that interest will be charged at the prescribed rate;~~

10 DEBT COLLECTION POLICY

~~10.1 Interest and penalties~~

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

~~Section 97(e) of the Local Government: Municipal Systems Act, 2000 provides that a credit control and debt collection policy must provide for interest on arrears, where appropriate.~~

- ~~• The decision to waive interest in specific instances can only be taken by a decision of Council or its delegated Committee.~~

10.4 Cost of collection

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

10.5 Dishonoured payments

- Receipts issued in respect of dishonoured cheques and ACB deductions must be written back upon receipt of such notices. ~~Interest on arrears must be raised where applicable.~~ Debtors must be notified and debt recovery actions be instructed where necessary.