

**DISCONNECTION  
POLICY  
AND  
PROCEDURES**

# BAVIAANS MUNICIPALITY

## Disconnection Policy and Procedures

Adopted by Workgroup on 19 September  
2007

### NOTE

The following rules were drafted on the basis of compliance by the municipality with sections 7 (3) (a) and section 7 (13) (a) & (b) of the Customer Care and Revenue Management By-laws which inter alia states that an account holder shall have one consolidated account/debt and that the municipality may allocate payments at its discretion.

The rules also do not replace or amend any of the prescriptions contained in the Customer Care and Revenue Management by-law and only serve as directives for the efficient execution of the by-law relating to the collection of revenue.

With effect from 1 October 2007 the following rules and procedures for disconnection/restriction of services for the collection of amounts owing to the municipality will apply.

1. The disconnection/blocking or restriction of a supply will take place in all instances where any account of an account holder reflects an arrear amount in respect of any charge or service

- charge due by the account holder or where an account holder defaults on an arrangement for the repayment of arrears;
2. Seven calendar days will be allowed after the due date of an account before any action for recovery will be instituted;
  3. Except in cases of defaults on arrangements, the minimum amount for which action for the recovery of arrears will be instituted is R300 and will be reviewed annually during December by the Municipal Manager.
  4. The CFO may deviate from this amount by increasing it but only in instances where work volumes so require and will inform the Municipal Manager and the Mayor of any such deviations and the period for which it will apply;
  5. A warning will appear on all municipal accounts to remind the account holder that late payment will result in disconnection/restriction of services, penalties and disconnection fees;
  6. Notices will be displayed in all appropriate locations informing the public of the necessity to pay for municipal services by the due dates and the consequences of non-payment and furthermore advising account holders with pre-paid electricity supplies that the municipality has the right to refuse to sell pre-paid electricity to them if they are in default with the payment of any of the other municipal service charges owing by them;
  7. All accounts that are in arrears will be charged with the relevant penalty for late payment and where appropriate, the fee for disconnection/restriction of the supply;

8. Accounts that are under query in regard to the amount owing to the municipality will be separately identified for credit control purposes and will be disconnected/restricted only for the amount that was determined as the amount payable in terms of section 7(8) & (9) of the Customer Care and Revenue Management by-laws;
9. The Senior Revenue Clerk shall maintain a system to ensure that account holders referred to above are correctly identified and certify the disconnection list for execution after having scrutinized it for any discrepancies and anomalies before any disconnections/restrictions/blockings are effected;
10. The Senior Revenue Clerk shall maintain a system that causes all call fees, penalties and interest charges to be automatically accrued to the account holder's account and implement measures that will eliminate the possibility of manual manipulation of such charges by persons not authorized to do so;
11. The person disconnecting/restricting the supply of any service to a supply address shall leave a formal notice at the premises;
12. The notice shall inform the account holder of the action taken, the full amount payable (including the additional deposit, penalties, call fees and interest) before reconnection can take place;
13. The notice shall also indicate the possibility of applying for indigence support or approaching the Finance Department to make arrangements for settlement of the arrears and the

office hours during which arrangements and or payments can be made as well as telephone numbers to phone in case of a query;

14. A different notice will be left at the premises when it is not possible to gain access to disconnect/restrict the services, containing all the information stipulated above and in addition warning the account holder of the further actions that will follow (removal of electricity cables, restriction of water) and the liability for the cost of such actions and giving the account holder 24 hours to settle all charges owing;
15. The Revenue Clerk shall maintain a system of follow-up in respect of such cases and institute further action to ensure that the desired results are eventually obtained;
16. All notices to be served on account holders relating to the above must be left in the post box or under the front door or in a place where the account holder will most likely find it;
17. In the case of pre-paid supplies all the above parameters relating to amounts owing, notices and time allowed before action is taken will apply;
18. The Revenue Clerk shall maintain a system to ensure that no irregular extensions for payment, reversal of penalties and other credit control related charges occur and ensure that any reversals of such service fees are duly motivated in writing, authorized by the CFO and eventually reported to Council for approval of write-off in appropriate cases;
19. The Revenue Clerk will maintain a system whereby all account holders that have not responded to the

disconnection/restriction of their supply of services or blocking of a pre-paid supply is followed up after 7 days and regularly thereafter to ensure that no unauthorized actions are taken by the account holder to restore the supply of services;

20. The Revenue Clerk shall maintain a system whereby all account holders that have not responded to the disconnection/restriction of their supplies are issued with final demands suitable to be used as commencing actions in the civil process for the collection of the amounts owing and shall institute such further legal action as required to obtain payment.
21. The Revenue Clerk shall maintain a system whereby a regular check is done to detect cases where inordinately low purchases of pre-paid electricity is done by a consumer with a prepaid supply and follow up on such cases to investigate the possibility of theft of electricity;
22. The Revenue Clerk shall maintain a system whereby once a month a list of supply addresses for which no account holder is registered (vacant supplies) is produced and the addresses visited to ensure no unauthorized usage of any municipal services;
23. Where a so-called "vacant supply" is found to be occupied and services being consumed the respective supplies of services will be disconnected and only reconnected after the occupant/owner has entered into an agreement to take a supply, paid all consumption charges and the required deposit

as well as any interest and charges relating to the disconnection and reconnection of the services (call fees);

24. The CFO shall have the necessary authority to in exceptional circumstances amend any of the above parameters or instructions should it be required for the improvement of the revenue collection performance of the municipality.
25. The CFO shall regularly review the preferences for the allocation of monies received by the municipality in payment of accounts to ensure the maximum cash flow benefit to the municipality.
26. The CFO shall ensure that a system is maintained whereby the payment of creditors by the municipality is regularly compared with the names of account holders indebted to the municipality in order to apply set-off in appropriate instances;
27. All existing agreements with account holders for the repayment of arrears where the account holder defaulted for any number of installments must be reviewed in terms of the new rules for the repayment of arrears and the services disconnected/restricted/blocked where appropriate.
28. The CFO shall monthly advise the Municipal Manager on the effectiveness of these rules together with activity reports of all the actions for collection of revenue taken during the period under review.

Approved by: ..... Date: .....  
Municipal Manager.

