



**CONSUMER CARE, CREDIT CONTROL  
AND  
DEBT COLLECTION POLICY  
2025/2026**

# *PREAMBLE*

**WHEREAS** section 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 consumer care policy.*

*Section 62(1)(f)(iii) of the Local Government: Municipal Finance Management Act, No. 56 of 2003, a Municipality should adopt and implement a policy for credit control and debt collection policy.*

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

**NOW THEREFORE** the Municipal Council of Ray Nkonyeni Local Municipality adopts the policies as set out in this document.

## Table of Contents

1. DEFINITIONS .....	5
2. GENERAL OBJECTIVES .....	9
3. DUTIES AND FUNCTIONS .....	9
4. PERFORMANCE EVALUATION.....	11
5. REPORTING .....	12
CONSUMER CARE AND INDIGENT POLICY .....	13
6. OBJECTIVE .....	13
7. COMMUNICATION .....	13
8. METERING .....	13
9. ACCOUNTS AND BILLING .....	14
10. PAYMENT FACILITIES AND METHODS .....	15
11. INCENTIVES FOR PROMPT PAYMENT .....	15
12. DISPUTES, ENQUIRIES, APPEALS .....	15
CONSUMER ASSISTANCE PROGRAMMES .....	17
13. RATE REBATES.....	17
14. ARRANGEMENTS FOR SETTLEMENTS .....	17
15. INDIGENT SUBSIDY .....	17
16. ADDITIONAL SUBSIDY CATEGORIES .....	18
17. CONSUMER CATEGORIES .....	19
CREDIT CONTROL POLICY .....	19
18. SPECIFIC OBJECTIVE .....	19
19. SERVICE APPLICATION AND AGREEMENTS.....	19
20. RESPONSIBILITY FOR AMOUNTS DUE .....	21
21. CASH ALLOCATION .....	22
22. RIGHT OF ACCESS TO PREMISES.....	22
23. ENFORCEMENT MECHANISMS .....	23
24. THEFT AND FRAUD .....	23
25. CONSUMER SCREENING AND SECURITIES .....	24
26. PERSONS AND BUSINESS WHO TENDER TO THE MUNICIPALITY .....	24
27. ADMINISTRATION .....	25
DEBT COLLECTION POLICY .....	25
28. OBJECTIVE .....	25
29. PERSONAL CONTACT .....	25

30. LEGAL PROCESS/USE OF ATTORNEYS/USE OF CREDIT BUREAUS.....	26
31. REVENUE CLEARANCE CERTIFICATES/LETTERS .....	26
32. COST OF COLLECTION .....	28
33. THE PRE-PAYMENT METER SYSTEM.....	28
34. IRRECOVERABLE DEBT – BAD DEBT WRITE OFF POLICY .....	29
35. ARRANGEMENTS ON ARREARS .....	29
36.REVIEW OF POLICIES.....	31

## 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:

**“Administration fee”** - a fee to be charged on defaulting consumer’s account when the consumer appears on the cut off list for services to be terminated due to an arrear account.

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

**“Authorized Representative”** - Person or instance legally appointed by the Council to act or to fulfill a duty on its behalf.

**“Billing”**- proper formal notification (invoicing) on a statement to each customer of amounts levied for assessment rates and services and the net accumulated balance of the account.

**“By-law”**- a by-law adopted by the Council.

**“Chief Financial Officer (CFO)”** - the person appointed by council to administer its finances regardless of the designation or title attached to the post.

**“Collection charges”**- collection charges which may be recovered by the Council in terms of section 75A of the Act, and includes the cost –

To remind debtors of arrears.

For the administration fee, termination, and reconnection of services; and

All legal costs, including attorney and own client costs incurred in the recovery of arrear amounts.

**“Consolidated Account”** - a monthly account reflecting municipal service fees, charges, surcharges on fees, property rates and other municipal taxes, levies and duties and all consolidations in terms of Section 102 of the Act.

**“Consumer”** - any occupier of any property to which the municipality has agreed to supply services or already supplies services to, or failing such an occupier, then the owner of the property.

**“Council”** – The Council of Ray Nkonyeni Local Municipality.

**“Credit control and debt collection”** - means the functions relating to the collection of any monies due and payable to the Municipality.

**“Defaulter”** - a consumer who owes money to the municipality after the due date has expired.

|

**“Disconnection process”** – the process whereby disconnections of specific services are scheduled, and instructions are given to the service provider or any designated person to commence with the said disconnection.

**“Equipment”** - a building or other structure, pipe, pump, wire, cable, meter, engine or any accessories.

**“Interest”** - a charge levied on arrear amounts calculated at a rate and period as determined by council.

**“Municipality”**- Ray Nkonyeni Local Municipality.

**“Municipal account”** - shall include levies or charges in respect of the following services and taxes:

- (a) Electricity consumption.
- (b) Water consumption.
- (c) Refuse removal.
- (d) Sewerage services.
- (e) Rates.
- (f) Interest and/or surcharges.
- (g) Housing rentals and installments.
- (h) Miscellaneous and sundry charges.

**“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 includes any person acting in that position or to whom authority was delegated.

**“Municipal services”** - those services provided by the municipality, such as, inter alia the supply of water and electricity, refuse removal, sewerage treatment, and for which service 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, usufructuary, servitude holder or any other legal representative.

(c) In the case where the council are unable to establish the identity of such person, the person who is 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.

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.

(e) 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 organization.
- ii. Any provincial or national government department and/or local authority.
- iii. Any council 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.
- v. Owned by a council and which has been disposed of, but which has not been transferred to the person to whom it has been disposed of, from the date of the disposition concerned, such person; and
- vi. Owned by or under the control or management of a council while held under a lease or any express or tacit extension thereof or under any other contract or under a servitude or right analogous thereto, the person so holding the immovable property.

2. **“Policy”** - the **Consumer Care, Credit Control and Debt Collection Policy** adopted by Council.

3. **“Property”** –
- (a) Immovable property registered in the name of a person, including, in the case of a sectional title scheme, a sectional title unit registered in the name of a person.
  - (b) A right registered against immovable property in the name of a person, excluding a mortgage bond registered against the property.
  - (c) A land tenure right registered in the name of a person or granted to a person in terms of legislation; or
  - (d) Public service infrastructure.
4. **“Rateable property”** means property on which the Council is empowered to impose rates.
5. **“Service charges”** charges to a consumer for services in relation to or linked to their respective property.
6. **“Sundry charges”** a charge to a customer, not directly linked to a property.



## **2. GENERAL OBJECTIVES**

2.1 The objectives of this policy are to: -

- (a) Provide a framework within which the municipality 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 municipality are collected and used to deliver services in the best interests of the community, residents, and consumers in a financially sustainable manner.
- (c) Provide a framework for consumer care and indigent support.
- (d) Describe credit control measures and sequence of events.
- (e) Outline debt collection and credit control procedures and mechanisms; and
- (f) Set realistic targets for credit control and debt collection.

## **3. DUTIES AND FUNCTIONS**

### **3.1. Duties and Functions of Council**

- (a) To approve a budget consistent with Council's Integrated Development Plan.
- (b) To impose rates and service charges to finance the budget.
- (c) To facilitate sufficient funds to give access to basic services for the poor.
- (d) To provide for a bad debt provision, in line with the payment record of consumers as reflected in the financial statements of the municipality.
- (e) To set an improvement target for debt collection, in line with acceptable accounting ratios and resources available to the Municipal Manager.
- (f) To approve a reporting framework for consumer care, credit control and debt collection.
- (g) To consider and approve by-laws to give effect to the Council's policy.
- (h) To revise the budget should Council's targets for consumer care, credit control and debt collection not be met.
- (i) To take disciplinary and/or legal action against councilors, officials and agents who do not execute council policies and by-laws, or act improperly in terms of such policies and by-laws.
- (j) To approve a list of attorneys that will act for Council in all legal matters relating to debt collection.
- (k) To delegate the required authorities to monitor and execute the consumer care, credit control and debt collection policy and by-law to the Executive Mayor and Municipal Manager.

- (l) To provide sufficient capacity in the Municipality's Financial Department for consumer care, credit control and debt collection or alternatively to appoint a Service Provider or debt collection agent.
- (m) To assist the Municipal Manager in the execution of his duties, if and when required.
- (n) To provide funds for the training of staff.

### **3.2. Duties and functions of Councilors**

- (a) To hold regular ward meetings.
- (b) To adhere to and convey council policies to consumers and ratepayers.
- (c) To adhere to the Code of Conduct for Councilors.
- (d) To give inputs regarding indigent applications.

### **3.3. Duties and functions of Executive Committee**

- (a) To ensure that Council's budget, cash flow and targets for debt collection are met and executed in terms of the policy and relevant bylaws.
- (b) To monitor the performance of the Municipal Manager in implementing the policy and by-laws.
- (c) To review and evaluate the policy and by-laws in order to improve the efficiency of Council's consumer care, credit control and debt collection procedures, mechanisms, and processes.
- (d) To report to Council.

### **3.4. Duties and functions of the Municipal Manager**

- (a) Implementing good consumer care management systems.
- (b) To implement council's consumer care, credit control and debt collection policy.
- (c) To install and maintain appropriate accounting and credit control systems.
- (d) To bill consumers.
- (e) To demand payment on due dates.
- (f) To raise interest and collection fees for payment defaults.
- (g) To allocate payments received.
- (h) To collect outstanding debt.
- (i) To provide different payment methods.
- (j) To determine consumer care, credit control and debt collection measures.
- (k) To determine all relevant work procedures for, inter alia, public relations, arrangements, disconnections of services, summonses, attachments of assets, sales in execution, write-off of debts, sundry debtors, and legal processes.
- (l) To instruct attorneys to proceed with legal processes.
- (m) To set performance targets for staff.
- (n) To appoint staff to execute council's policy and by-laws in accordance with council's appointment policy.
- (o) To delegate certain functions to heads of departments.

- (p) To determine control procedures.
- (q) To monitor contracts with Service Providers in connection with credit control and debt collection.
- (r) To report to the Executive Mayor.

### **3.5. Duties and functions of communities, ratepayers and residents**

- (a) To fulfill certain responsibilities, as brought about by the privilege and or right to use and enjoy public facilities and municipal services.
- (b) To pay service fees, rates on property and other taxes, levies and duties imposed by the municipality on or before due date.
- (c) To obtain a duplicate account at the municipal help desk if an account is not delivered during the normal billing cycle.
- (d) (i) To notify the municipality when services are no longer required at a particular service delivery point and of address changes.  
(ii) In the event of tenants occupying properties, wherein they have applied and opened accounts for services, and the tenants subsequently abscond, the onus still remains on the owner of property to formally terminate services if the service is no longer required. Any charges raised as a result of non-termination of services will remain and debt upon the property and no new services will be allowed on the said property until all outstanding amounts are paid.
- (e) To safeguard and maintain service meters in a readable condition.
- (f) To observe the mechanisms and processes of the municipality in exercising their rights.
- (g) To allow municipal officials reasonable access to their property to execute municipal functions.
- (h) To comply with the by-laws and other legislation of the municipality.
- (i) To refrain from tampering with municipal services and property.
- (j) To maintain credit and pre-payment meters.
- (k) In terms of section 27(1A) of the Municipal Property Rates Act 6 of 2004, a person liable for a rate must furnish the municipality with an address where correspondence can be directed to.
- (l) Property owners must provide South African addresses as their domicilium citandi et executandi to which correspondence and statements are to be sent.

## **4. PERFORMANCE EVALUATION**

### **4.1. Evaluation**

The municipal council in consultation with the municipal manager must establish a mechanism to set targets for debt collection, consumer care and administrative performance, evaluate performances and take corrective actions on a regular basis to enhance credit control and debt collection.

#### **4.2. Income Collection Targets**

Council to create targets that include:

- (a) Reduction in present monthly increase in debt in line with performance agreements determined by council from time to time.

#### **4.3. Consumer Service Targets**

Council to create targets that would include:

- (a) Response time to consumer queries.
- (b) Date of first account delivery to new consumers.
- (c) Reconnection time lapse.
- (d) Meter reading cycle.

#### **4.4. Administrative Performance**

Council to create targets that will include:

- (a) Cost efficiency of debt collection.
- (b) Query and appeal periods.
- (c) Enforcement mechanism ratios.

### **5. REPORTING**

5.1. The Chief Financial Officer shall report to the Municipal Manager and the Finance and Budget Portfolio Committee in a suitable format thereby reporting to the Executive Committee as supervisory authority in terms of section 99 of the Systems Act, read with section 100(c). This report shall contain particulars on:

- (a) Cash collection statistics, showing high-level debt recovery information (numbers of consumers; enquiries; arrangements; default arrangements; growth or reduction of arrear debt). Where possible, the statistics should ideally be divided into wards, business (commerce and industry), domestic, state, institutional and other such divisions.
- (b) Performance of all areas against targets agreed to in item 4 of this policy document.

5.2. If in the opinion of the Chief Financial Officer, Council will not achieve cash receipt income equivalent of the income projected in the annual budget as approved by Council, the Chief Financial Officer will report this with motivation to the Municipal Manager who will, if he agrees with the Chief Financial Officer, immediately move for a revision of the budget according to realistically realizable income levels.

5.3. The Executive Committee as Supervisory Authority shall, at intervals of 3 months, report to Council as contemplated in section 99(c) of the Systems Act.

## **CONSUMER CARE AND INDIGENT POLICY**

### **6. OBJECTIVE**

To focus on the client's, need in a responsible and pro-active way, to enhance the payment for services and to create a positive and cooperative relationship between the persons responsible for the payment for services received, and the municipality, and where applicable, any service provider.

### **7. COMMUNICATION**

- 7.1. The municipality will, within its financial and administrative capacity, conduct an annual process of compiling and communicating its budget, which will include targets for credit control and debt collection.
- 7.2. Council's Consumer Care, Credit Control and Debt Collection Policy or relevant extracts thereof, will be available in English and Zulu (where necessary), and will be made available by general publication and on specific request, and will also be available for perusal at Council's offices.
- 7.3. Ward councilors will be required to hold regular ward meetings, at which consumer care and debt collection issues will be given prominence.
- 7.4. The press will be encouraged to give prominence to Council's Consumer Care, Credit control and Debt Collection policies, and will be invited to Council or Committee meetings where these are discussed.

### **8. METERING**

- 8.1. The municipality will endeavor, within practical and financial limits, to provide meters to every paying consumer for all services.
- 8.2. All meters will be read monthly, if at all possible. If the meter is not read monthly the council will estimate the consumption in terms of council's operational procedures and any other applicable directives.
- 8.3. Consumers may contact the municipality to communicate their meter reading, however council still reserves the right to verify the mentioned reading.
- 8.4. Consumers are entitled to request verification of meter readings and accuracy within reason but may be held liable for the cost thereof.
- 8.5. Consumers will be informed of meter replacements.
- 8.6. a) If a service is metered but it cannot be read due to financial and human resource constraints or circumstances out of the control of the municipality or its authorized

agent, and the consumer is charged for an estimated consumption the account following the reading of the metered consumption must articulate the difference between the actual consumption and the average consumption, and the resulting credit or debit adjustments.

b) In the scenario as above, the consumer may be permitted to enter into payment arrangements in exceptional circumstances, in line with Section 35 of this policy.

## **9. ACCOUNTS AND BILLING**

- 9.1. Consumers on the billing system will receive an understandable and accurate bill from the municipality, which bill will consolidate all service costs for that property.
- 9.2. Accounts will be produced in accordance with the meter reading cycle and due dates will be linked to the statement date.
- 9.3. Accounts will be rendered monthly in cycles of approximately 30 days at the address last recorded with the municipality or its authorized agent.
- 9.4. It is the consumer's responsibility to ensure that postal address and other contact details are correct.
- 9.5. It is the consumer's responsibility to make enquiries and ensure timeous payments in the event of accounts not received.
- 9.6. Settlement or due dates will be as indicated on the statement.
- 9.7. Where an account is not settled in full, any lesser amount tendered and accepted shall not be deemed to be in full and final settlement of such an account.
- 9.8. Where any payment made to the municipality or its authorized representative by negotiable instrument is later dishonored by a bank, the municipality, or its authorized agent:
  - (i) May claim the fee, as per the tariff of charges, relating to dishonored negotiable instruments against the account of the consumer.
  - (ii) Shall regard such an event as a default on payment.
  - (iii) May insist on cash payments for all future accounts.
  - (iv) The municipality or its authorized agent, if administratively possible, may issue a duplicate account or any acceptable alternative to a consumer on request, at a cost determined by Council from time to time.

## **10. PAYMENT FACILITIES AND METHODS**

- 10.1. (a) The municipality will operate and maintain suitable payment facilities, and which facilities will be accessible to all users.
- (b) The facilities available for payment currently are as follows:
- Cashiers at the relevant pay points
  - Electronic Funds transfers to the Municipality's designated bank account
  - Direct deposits into the Municipality's Designated bank account
  - EasyPay
  - Pay @
  - Debit order
  - Stop order
- (c) The above-mentioned list is not exhaustive, and the municipality reserves the right to add or remove any payment facility.
- 10.2. The municipality will at its discretion allocate a payment between service debts, and a consumer who has overdue debt may not specify that the payment is for a specific portion of the account.
- 10.3. The municipality may in terms of section 103 of the Systems Act, with the consent of a consumer, approach an employer to secure a debit or stop order arrangement.
- 10.4. The consumer will acknowledge, in the consumer agreements, that the use of consumer agents in the transmission of payments to the municipality is at the risk of the consumer.
- 10.5. All consumers will have to consider the time that is required for the monies that are paid via various banks to be reflected in the bank account of the Municipality. All debt collection action will continue until monies paid are reflected in the bank account of the municipality or if sufficient proof of payment is presented to the relevant officials by the consumer.

## **11. INCENTIVES FOR PROMPT PAYMENT**

- 11.1. During the budget process Council may encourage prompt payment and/or to reward regular payers, consider from time-to-time incentives for the prompt payment of accounts or payment by debit or stop order.
- 11.2. The cost associated with the incentive scheme, if introduced, will be reflected in annual budgets as additional expenditure.

## **12. DISPUTES, ENQUIRIES, APPEALS**

- 12.1. A customer who disputes an account must submit each dispute in writing to the person appointed by the Municipality to deal with such disputes (hereinafter referred to as "the

- Authorized Delegate”), stating the reasons for such dispute and any relevant facts, information, or representation which the Authorized Delegate should consider resolving the dispute.
- 12.2. The dispute must be submitted within thirty (30) days of the account. If a dispute is raised after this period, it will be treated as an enquiry, the account will not be suspended, and normal credit control and debt collection procedures will apply.
- 12.3. The dispute must relate to a specific amount on the account. Amounts not in dispute must be paid in full. If the amounts not in dispute remains unpaid, the normal credit control and debt collection procedures will apply.
- 12.4. Queries are not regarded as a dispute.
- 12.5. Proven tampering charges are not regarded as a dispute.
- 12.6. The Authorized Delegate or his/her nominee may hear representations from customers who dispute an account, and his/her nominee may take a decision, based on the spirit of the Policy.
- 12.7. In the interim the debtor must pay the average of the last three months accounts where such history of the account is available. Where no such history is available, the debtor must pay without prejudice of rights an estimate provided by the municipality before payment due date until the matter is resolved.
- 12.8. The relevant department will investigate and inform the debtor within one month of the outcome of the investigation.
- 12.9. Failure to make such agreed interim payment or payments will result in the consumer forming part of the normal credit control and debt collection procedures.
- 12.10. A consumer may appeal against the finding of the municipality or its authorized agent in terms of 12.8.
- 12.11. The customer has the right to appeal in terms of section 12.10 to the CFO against the decision of the Authorised Delegate within twenty-one (21) days of the consumer becoming aware of the finding. The CFO may hear representations and make a decision that is binding. The appellant must:
- i. Set out the reasons for the appeal.
  - ii. Pay any security determined for the testing of a measuring device, if applicable.
  - iii. Payment of the requisite fees to lodge any objection, appeal, or query in terms of the Municipal Property Rates Act 6 of 2004.



- 12.12. A person whose rights are affected by the decision of the CFO may appeal against that decision within 21 days of the date of notification of the decision, to the municipal manager in terms of section 62 of the Act.
- 12.13. Objections, Appeals or any queries in terms section 78 of the Municipal Property Rates Act 6 of 2004 on property valuations do not defer liability for payment of rates by the due date for payment in terms of s 50(6) of the Municipal Property Rates Act and Regulations 6 of 2004.

## **CONSUMER ASSISTANCE PROGRAMMES**

### **13. RATE REBATES**

Subject to certain criteria the municipal council may grant rate rebates annually to certain categories of ratepayers in accordance with the municipality's rates policy and by-law.

### **14. ARRANGEMENTS FOR SETTLEMENTS**

- 14.1. If the Council requires consumers with arrears to convert to a prepayment meter, and when implemented the cost of the conversion and the arrears total, will be paid off either by:
- i. Adding the debt to the arrears bill and repaying it over the agreed period; or
  - ii. Adding the debt as a surcharge to the prepaid electricity cost and repaying it with each purchase of electricity until the debt is liquidated.
- 14.2. The council reserves the right to raise the deposit requirement of debtors who seek arrangements.
- 14.3. The full amount of all rates outstanding will become due with immediate effect should any ratepayer's monthly installments become overdue for more than three months as read with section 35 of this policy.
- 14.4. All arrangements for settlements will be in accordance with the processes as envisaged by section 57 and 58 of the Magistrates Court Act 32 of 1944 or any other relevant legislation, read in conjunction with this policy.

### **15. INDIGENT SUBSIDY**

- 15.1. A basic level of services will be provided to qualifying households with a total gross income level which is below a determined amount, and according to further specified criteria as determined by Council from time to time.
- 15.2. Indigence subsidies will be funded from the equitable share contribution made from the national government's fiscus and as provided for in the municipal budget.

- 15.3. Subsidized services may include electricity, sewerage, refuse removal and assessment rates.
- 15.4. If a consumer's consumption or use of the municipal service is less than the subsidized service, the unused portion may not be accrued by the consumer and will not entitle the consumer to cash or a rebate in respect of the unused portion.
- 15.5. If a consumer's consumption or use of a municipal service is in excess of the subsidized service, the consumer will be obliged to pay for such excess consumption at the applicable service charges.
- 15.6. All consumers who qualify for an equitable share subsidy must agree, if requested, to the installation of a prepaid electricity meter and will be placed on restricted service levels in order to limit further escalation of debt.
- 15.7. Where applicable, these indigent consumers may be exonerated from a portion of their arrear debt.
- 15.8. Where a qualifying consumer's account is paid in full at the date of application, or regularly maintains a paid-up account after receiving the subsidy, the restriction on service levels will be waived.
- 15.9. An indigent consumer must immediately request de-registration by the municipality or its authorized agent if his/her circumstances have changed to the extent that he/she no longer meets the criteria.
- 15.10. An indigent consumer may at any time request de-registration.
- 15.11. A list of indigent consumers will be maintained and may be made available for review considering Protection of Personal Information Act (POPIA).
- 15.12. All of the aforementioned criteria stipulated in section 15 herein will be read in conjunction and subject to the Indigent Policy as adopted by the Council of Ray Nkonyeni Local Municipality.

## **16. ADDITIONAL SUBSIDY CATEGORIES**

- 16.1. Subject to the extent of the equitable share contribution received and affordability levels council may provide, free of charge to consumers, certain basic levels of water and electricity.
- 16.2. Further grants may be provided as determined from time to time in council's policies and by-laws.

## **17. CONSUMER CATEGORIES**

- 17.1. Consumers will be categorized according to specific classifications based on inter alia the type of entity, applicable tariffs, and risk levels.
- 17.2. Processes for credit control, debt collection and consumer care may differ from category to category, as deemed appropriate from time to time by the Municipal Manager.

## **CREDIT CONTROL POLICY**

## **18. SPECIFIC OBJECTIVE**

To implement procedures that will restrict the unauthorized use of municipal services, escalation of debt and limit municipality's risks.

## **19. SERVICE APPLICATION AND AGREEMENTS**

- 19.1. All consumers of services will be required to sign an agreement governing the supply and cost of municipal services.

Registration for services will be applied as follows:

- (a) Residential- the Municipality will endeavour to register owners only for services on their properties.

NB: Tenant registrations currently in place will continue until the tenant vacates, the account is closed or the Municipality cancels the contract of the tenant in default.

- (b) Businesses – the Municipality will continue to register tenants for services subject to the requirements as set out in the applicable registration forms.

Applications will be approved subject to:-

- (i) The furnishing of a copy of the applicants' identity document (important for debt collection)
  - (ii) The submission of a board resolution, if a business, delegating authority to the applicant and furnishing the business entity's registration number and the names of the business directors and copies of their identity documents.
  - (iii) The completion of all relevant documentation pertaining to the registration of services.
  - (iv) Copy of the lease agreement where applicable.
- 19.2. All consumers shall pay a deposit as determined from time to time by Council and which may be increased by the Chief Financial Officer in the event of non- payment.

The adjustment amount will be determined by the debtor's municipal payment record and in accordance with the relevant tariff of charges.

- 19.3. Prior to signing these agreements, consumers will be entitled to receive the policy document of the Council on request at a cost determined by Council.
- 19.4. On the signing of the agreement, consumers can insist on a copy of the agreement for their records if required.
- 19.5. Accounts must be paid by the due date as shown on the account.
- 19.6. The account must warn of the possibility of disconnection if payment is not received by the due date. And if the payment is not received by the due date as shown on the monthly account, the supply will be disconnected.
- 19.7. Disconnections are done in the morning and all reconnections are done between 13:00 to 17:00. If a customer who was disconnected the previous day and pays the next morning, reconnection will still only be done after 13.00. In cases of medical or any other proven emergencies, reconnections are done as soon as possible.
- 19.8. Restoration of services will only commence after 13h00 on working days. All restorations will be done until 19h00 on working days. Any required restoration of services after 19h00 will be done on the following working day. If the reconnection falls within the ambit of afterhours as per the tariff of charges, the consumer will be required to pay the after-hour's reconnection fee as per council's Tariff of Charges.
- 19.9. Consumers are responsible for all costs of collection and interest in the event of delayed and/or non-payment which includes an administration fee as defined within the definitions section.
- 19.10. Whenever a property is vacant or deemed to be vacant, and the meter records consumption, then the owner of the property is deemed to be liable for payment of such electricity consumed.
- 19.11. Existing consumers of services may be required to sign new agreements as determined by the Municipal Manager or authorized delegate from time to time.
- 19.12. If a consumer fails or refuses to sign a new service agreement or pay the deposit stipulated in subsection 19.1 and 19.2, the municipality may discontinue services until the necessary agreement has been signed or deposit been paid.
- 19.13. The consumer will also be held accountable for services already provided, costs incurred, and any other costs associated with the collection of service fees.

## **20. RESPONSIBILITY FOR AMOUNTS DUE**

- 20.1. In terms of Section 118 (3) of the Act an amount due for municipal service fees, surcharge on fees, property rates and other municipal taxes, levies, and duties are a charge upon the property in connection with which the amount is owing and enjoys preference over any mortgage bond registered against the property.
- 20.2. Accordingly, all such Municipal debts shall be payable by the owner of such property without prejudice to any claim which the Municipality may have against any other person.
- 20.3. The Municipality reserves the right to cancel a contract with the customer in default and register the owner only for services on the property.
- 20.4. No new services will be permitted on a property until debts on the property are paid, or suitable arrangements made to pay such debts.
- 20.5. Where the property is owned by more than one person, each such person shall be liable jointly and severally, the one paying the other to be absolved, for all Municipal debts charged on the property.
- 20.6. Except for property rates, owners shall be held jointly and severally liable, one paying the other to be absolved, with their tenants who are registered as customers, for debts on their property.
- 20.7. Refuse removal shall form part of the property debt, payable by the owner of the property.
- 20.8. For so long as a tenant or an occupier occupies a property in respect of which arrears are owing, or an agent acts for an owner in respect of whose property arrears are owing, then the Municipality may recover from such tenant, occupier, or agent such monies as are owing by the tenant, occupier, or agent to the owner, as payment of the arrears owing by such owner.
- 20.9. The Municipality may recover the amount in whole or in part despite any contractual obligation to the contrary on the tenant/occupier/agent.
- 20.10. The amount the municipality may recover from the tenant, occupier or agent is limited to the amount of the rent or other money due and payable, but not yet paid by the tenant, occupier, or agent.
- 20.11. Should the tenant, occupier and/or agent refuse to pay as above, to the Municipality, the services of the tenant, occupier and /or agent may be disconnected.

- 20.12. Directors of Companies, members of Close Corporations and Trustees of Trusts shall sign personal suretyships with the Municipality when opening service accounts.
- 20.13. Should any dispute arise as to the amount owing, the customer shall pay all amounts which are not subject to the dispute.
- 20.14. The owner of the property may be held liable for tampering with the electricity metering equipment on the property as well as charges that arise therefrom.

## **21. CASH ALLOCATION**

- 21.1. In accordance with section 102 of the Act, the Municipality may:
- a) Consolidate any separate accounts of persons liable for payments to the municipality.
  - b) Credit a payment by such a person against ANY account of that person; and
  - c) Implement any of the debt collection and credit control measures provided for in this Policy in relation to any arrears on any of the accounts of such a person.
- 21.2. Any amounts paid may be appropriate to the oldest debt first.
- 21.3. Any amount paid by the customer in excess of an existing debt may be held in credit for the customer in anticipation of future rates and fees for municipal services, and no interest will be payable on that amount, subject to Section 55 of the Act.
- 21.4. The Municipality's allocation of payment is not negotiable, and the customer may not choose which account or portion of account to pay.
- 21.5. In the instances of Revenue Clearance certificates and/or Consents to any Rescission of Judgments, the consumer's liability in totality will be verified and the said documents may be withheld until all accounts are paid.

## **22. RIGHT OF ACCESS TO PREMISES**

- 22.1. The owner and/or occupier of property is to allow an authorized representative of the municipality access at all reasonable hours to the property in order to read, inspect, install, or repair any meter or service connection for reticulation, or to disconnect, stop or restrict, or reconnect, the provision of any service.
- 22.2. The owner is responsible for all the costs associated with the relocation of a meter if satisfactory access is not possible.
- 22.3. If a person fails to comply with the provisions set out in 22.1 the municipality or its authorized representative may:
- i. By written notice requires such person to restore access at his/her own expense within a specified period.

- ii. If it is the opinion that the situation is a matter of urgency, without prior notice restore access and recover the cost from such person.

## **23. ENFORCEMENT MECHANISMS**

- 23.1. Interest will accrue on arrear amounts at a rate determined by council and will be raised after a period determined by council as a charge on all accounts.
- 23.2. The interest charges are raised on arrears which appear on the accounts, interest and or penalty as specified in the tariff of charges from time to time.
- 23.3. Amount on accounts which remain unpaid after the due date, shall attract interest irrespective of the reason for non-payment.
- 23.4. Interest shall accrue 60 days from date of account on unpaid accounts. Interest shall accrue for each completed month in respect of any arrears remaining unpaid after 60 days of the account. A part of a month shall be deemed to be a completed month on the basis that interest is charged as from the first day of the account being in arrears.
- 23.5. Payments on assessed or estimated charges, where the final amount has not been determined but which would have been due and payable had the amount been determined, shall attract interest from the date when it would have been so due and payable. For example, 60 days from date of account.
- 23.6. Consumers who are in arrears with their municipal account and who have not decided with the council will have their supply of electricity, and other municipal services, suspended, restricted or disconnected.
- 23.7. Council reserves the right to deny or restrict the sale of electricity to consumers who are in arrears with their rates or other municipal charges.
- 23.8. Upon the liquidation of arrears, the service will be reconnected as soon as conveniently possible.
- 23.9. (i) The cost of the restriction or disconnection, and the reconnection, will be determined by tariffs approved by Council, and will be payable by the consumer.  
  
(ii) If the disconnection process has commenced, an administration cost will be levied as per tariffs approved by Council and will be payable by the consumer.
- 23.10. The deposit of any defaulter will be adjusted and brought into line with relevant policies of Council.

## **24. THEFT AND FRAUD**

- 24.1. Any person (natural or juristic) found to be illegally connected or reconnected to municipal services, tampering with meters, the reticulation network or any other supply equipment or committing any unauthorized act associated with the supply of municipal services, as well as theft of and damage to Council property, will be prosecuted. Fines, per the Municipality's Tariffs of Charges, will be imposed on the affected accounts.
- 24.2. The Municipality will immediately terminate the supply of services to a consumer should such conduct as outlined above be detected.
- 24.3. The total bill owing, including interest and collection fees, assessment of unauthorized consumption, administration fees, and increased deposits as determined by the Chief Financial Officer, if applicable, will be due and payable before any reconnection can be sanctioned.
- 24.4. The Municipal Manager will maintain monitoring systems in order to identify consumers who are undertaking such illegal actions.
- 24.5. Council reserves the right to lay criminal charges and/or to take any other legal action against both vandals and thieves.

## **25. CONSUMER SCREENING AND SECURITIES**

- 25.1. All applicants for municipal services may be checked for creditworthiness including banking details and information from credit bureaus, other local authorities, trade creditors and employers. All costs associated with a credit worthiness check may be for the consumer's account.
- 25.2. Deposits will be required and may vary according to the risk. A minimum deposit will be payable equal to the largest of two months average consumption or the amount determined by Council from time to time.
- 25.3. At the discretion of the Chief Financial Officer deposits can be increased to a maximum of three months average consumption when the account falls into arrears.
- 25.4. Deposits can vary according to the creditworthiness or service or user category of the applicant.
- 25.5. The municipality will not pay any interest on deposits.
- 25.6. On the termination of the agreement the amount of the deposit, less any outstanding amount due to the municipality, will be refunded to the consumer.

## **26. PERSONS AND BUSINESS WHO TENDER TO THE MUNICIPALITY**



- 26.1. The Procurement Policy and Tender Conditions of the Municipality will include the following:
- i. When inviting tenders for the provision of services or delivery of goods, potential contractors may submit tenders subject to a condition that consideration and evaluation thereof will necessitate that the tenderer obtain from the municipality a certificate stating that all relevant municipal accounts owing by the tenderer and/or its directors, members in the case of a close corporation, 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;
  - ii. No tender will be allocated to a person/entity until all arrears are settled by the said person/entity. No further debt may accrue during contract period.
  - iii. A condition allowing the municipality to deduct any moneys owing to the Municipality from contract payments.

## **27. ADMINISTRATION**

- 27.1. In the advent of an administration error, interest or penalties will be reversed relative to the error that occurred.
- 27.2. Where adjustments are made to accounts due to the objection/appeal or review process which increases the amounts due and need to be back dated to the relevant effective date, debtors will be given the opportunity to apply to pay these amounts over a period of three months before interest will be levied.

## **DEBT COLLECTION POLICY**

### **28. OBJECTIVE**

To provide procedures and mechanisms to collect all the monies due and payable to Council arising out of the supply of services and annual/monthly levies, to ensure financial sustainability and delivery of municipal services in the interest of the community.

### **29. PERSONAL CONTACT**

Telephonic contact - officials calling on clients:

- i. Council will endeavor, within the constraints of affordability, to make personal, electronic or telephonic contact with all arrear debtors to encourage their payment, and to inform them of their arrears state, their rights (if any) to conclude arrangements or to indigence subsidies, other related matters and will provide information on how and where to access such arrangements or subsidies.

- ii. Such contact is not a right for debtors to enjoy and disconnection of services and other collection proceedings may continue in the absence of such contact for whatever reason.

### **30. LEGAL PROCESS/USE OF ATTORNEYS/USE OF CREDIT BUREAUS**

- 30.1. The Municipal Manager, or authorized delegate, may, when a debtor is in arrears, commence legal process against that debtor, which process could involve final demands, disconnections, restrictions, summonses, judgments, emolument attachment orders, garnishee orders and sales in execution of property.
- 30.2. The Municipal Manager 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 council.
- 30.3. Council will establish procedures and codes of conduct where external service providers have been appointed to collect outstanding debt.
- 30.4. All steps in the consumer care and credit control procedure will be recorded for Council's records and for the information of the debtor.
- 30.5. Individual debtor accounts are protected and are not the subject of public information. However, Council may release debtor information to credit bureaus.
- 30.6. Council may consider the cost effectiveness of the legal process and will receive reports on relevant matters.
- 30.7. Council may consider the use of agents as service providers and 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 Council might conclude with such agents or service providers; and will be closely monitored by Council.
- 30.8. Appropriate measures will be taken to inform consumers what the responsibilities of service providers will be regarding customer care, credit control and debt collection.

### **31. REVENUE CLEARANCE CERTIFICATES/LETTERS**

- i. Council will withhold the issue of the Revenue Clearance Certificates until all rates and service charges, in terms of section 118 of the Municipal Systems Act 32 of 2000, are paid in relation to the respective property, read in conjunction with section 102 of the Act and section 21.5 of this policy.
- ii. In light of the validity period of the clearance certificate as well as the practical time attached to the process of transfer, an amount equivalent to a minimum of four months

will be requested in advance except during the period when the new financial year's rate randage has not yet been set which will result in an estimated amount therefore being requested.

- iii. 31 (ii) above does not apply to accounts that are currently billed annually as per the request of the current owner.
- iv. Council may request a transferring attorney to provide a written undertaking that all outstanding debt will be paid upon the transfer of the applicable property (this scenario is as and when request is received).
  - a) In order for the undertaking to be accepted, the current annual rates or the four (4) months advance billing as well as the applicable administration fee must be paid.
  - b) If there are any exceptional circumstances wherein the seller is unable to pay the annual or advance billing, then the undertaking must include a formal undertaking to pay same, subject to the approval of the Revenue Manager.
  - c) In exceptional circumstances, subject to the property portfolio and payment record of the debtor, a revenue clearance certificate may be issued upon the applicant concluding formal arrangements on other accounts owed, subject to the subject property/account being settled in full.
- v. All relevant planning or building control processes, will be subject to the department of Planning and building control obtaining a clearance letter from treasury denoting that all amounts due and payable by the relevant applicant is up to date.
- vi. The Municipality has a right to not approve any business licenses where a customer or the registered owner, as the case may be, is in arrears with his account.
- vii. In matters relating to sectional title schemes section 31(v) above will be applied to every section within the scheme before any clearance is issued from treasury insofar as all sections will have to be up to date before a clearance is issued for any pending planning or building control processes within the scheme.
- viii. In the instance where properties are governed by a Homeowner's Association and any planning or building application is being sought within the said development which have benefit to multiple owners, all properties will have to be screened for outstanding debt and a clearance letter issued for each property.
- ix. Clearance certificates will not be issued unless all returnable documents are submitted, which include but is not limited to the following:
  - Change of ownership forms

- Notice of Termination of Electricity Supply
  - In the case of electricity accounts, a completed Service Level Agreement and the payment of the requisite Deposit and Reconnection Fee as per the relevant Tariff of Charges by the new owner or occupier. (where applicable)
- x. a) In light of the validity period of Revenue clearance certificates in terms of Section 118 of the Municipal Systems Act 32 of 2000, electricity figures will have to be estimated in advance to accommodate the validity period.
- b) When a clearance certificate is applied for, an actual reading will be done.
- c) Thereafter an estimation will be done for a minimum of four (4) months
- d) Once the transfer of the relevant property is actually affected the final reading of the meter will be done.
- e) If there is a deposit on the account it will be credited to the relevant account.
- f) If there is an outstanding balance, the final account will be sent to the seller of the property or the previous account holder and should there be a credit balance a refund will be facilitated to the seller or previous account holder.
- g) The previous owner or account holder cannot in any way rely on the revenue clearance certificate to negate liability of any amounts owed because of under estimations in the abovementioned process.
- h) If there are any pro rata allocations of liabilities or payments, the transferring attorney will have to facilitate the said calculations between the relevant parties as the Municipality will continue to bill the current account holder until the transfer of the property is finalized.
- i) Upon completion of the transfer of the property, Ray Nkonyeni Local Municipality reserves the right to terminate the supply of electricity to an ERF where there are no completed Service Level Agreements, non-payment of the required deposits and Reconnection Fees and non-submission of Notice of Termination of Electricity Supply forms from the previous owner or account holder.

## **32. COST OF COLLECTION/ENFORCEMENT**

All costs of legal process, the service of any form of Notices, including interest, service discontinuation costs and costs associated with consumer care, debt collection or credit control, wherever applicable, are for the account of the debtor.

## **33. THE PRE-PAYMENT METER SYSTEM**

The municipality will use its pre-payment system to:

- i. Link the provision of electricity by the Municipality to a “prepayment” system comprising, first, a pre-payment of electricity kWh and.
- ii. Raise and recover payments in respect of arrear municipal taxes and other municipal levies, tariffs, and duties in respect of services such as water, refuse removal, sanitation and sewage.

- iii. To enforce satisfactory arrangements with consumers in arrears by blocking access to prepayment meters.

### **34. IRRECOVERABLE DEBT – BAD DEBT WRITE OFF POLICY**

- 34.1. In terms of Councils Accounting Policy, a provision for writing off bad debt may be made in relation to service charges and other incidental charges. The recovery of rates will however be subjected to the entire legal process, up to and including the attachment of movable and immovable property.
- 34.2. Debt will only be considered as irrecoverable if it complies with one or more of the following criteria:
  - (a) All reasonable notifications and cost-effective legal avenues have been exhausted to recover a specific outstanding amount; or
  - (b) any amount equal to or less than R1000.00, or as determined by Council from time to time, will be considered too small, after having followed basic checks, to warrant further endeavors to collect it; or
  - (c) The cost to recover the debt does not warrant further action; or
  - (d) It has been proven that the debt has prescribed; or
  - (e) The debtor is untraceable or cannot be identified so as to proceed with further action; or
  - (f) The debtor has emigrated leaving no assets of value to cost-effectively recover Councils claim; or
  - (g) It is not possible to prove the debt outstanding; or
    - i. A court has ruled that the claim is not recoverable.
    - ii. The claim is subject to any order of court.
    - (iii) The claim is subject to an out of court settlement agreement.
    - iii. Council has resolved that the debt is irrecoverable; or
    - iv. If an offer of Full and Final Settlement is accepted and confirmed by council; or
  - (h) The outstanding amount is.
    - i. Due to an irreconcilable administrative error by the Municipality.
    - ii. As a result of an administration error; or
  - (i) Amounts raised, in respect of internal accounts raised in the name of the Municipality, in any previous financial year; or
  - (j) Conversion of old dormant account balances of debtors, inherited from the previous municipalities which now form part of the Municipality, and where reasonable steps have been taken to recover these debts.

### **35. ARRANGEMENTS ON ARREARS**

- 35.1. Upon the discretion of designated officials (Manager: Revenue Management, Chief Financial Officer, Municipal Manager), the municipality may accept an arrangement by the consumer to settle the arrears on an account.

35.2. The above-mentioned arrangement will be concluded in terms of section 57 or 58 of the Magistrates Courts Act 32 of 1944 and will be governed by the following guidelines.

- a. The acceptable arrangement terms will be, for all intents and purposes, a 50% capital payment of the arrear amount and subsequent payments of the balance over a 24-month period.
- b. All arrangements concluded are done under the prerequisite that all current amounts being levied are paid and kept up to date.
- c. Deviation from the established terms will only be condoned in exceptional circumstances and only approved by the designated officials.
- d. No arrangements will be made on arrears for the service of electricity unless extenuating circumstances warrant indulgence in this regard.
- e. Upon default of a concluded arrangement the consumer will be sent a notification via any communication channels (Mail/SMS/Call/Email etc.) available to the municipality as a matter of courtesy.
- f. If a consumer defaults on the concluded arrangement on two (2) occasions, there will be no option to conclude a new arrangement. The consumer is obliged to honor the arrangement as at the date of default. If the consumer fails in this regard the matter will be subject to the normal credit control and debt collection procedures.
- g. When a matter is beyond the warranty of execution stage, there will be no arrangements permitted for any outstanding amounts unless under exceptional circumstances. Any deviation from the established norm in this regard is subject to arrears being paid within a maximum of twelve (24) months. Any consideration of any arrangement in excess of 24 (twenty-four) months will be at the discretion of the Municipality in weighing the prospects of success and quantum of debt recovery if the sale of the attached goods proceeds.
- h. The administration of the arrangement will be subject to the furnishing of the following documentation:
  - Copy of identity document of owner/s
  - 3 months bank statement/Payslip (proof of income)
  - Any other documentation as may be requested to inform us of the terms of the arrangement.

35.3. (a) In lieu of the respective codes of conduct as contained in the Municipal Systems Act 32 of 2000, all Ray Nkonyeni Municipal staff and Councilors who owe the Municipality for any account, in excess of ninety (90) days, will be subject to an automatic deduction from their respective salaries within the prescribes of the relevant labour regulations.

(b) The applicable guidelines for deductions for Councilors and employees who owe the Municipality are as follows:

- Less than R10 000; Between 2 – 10 months (discretion to be used by Revenue Manager/ Chief Financial Officer dependent on outstanding

balance) but not to exceed 25% of salary amount/R2500 dependent on which is lower.

- Above R10 000 and less than R30 000 - Debt will deducted over Twelve (12) months.
- Above R30 000 and less than R40 000 – Debt will be deducted over fifteen (15) months.
- More than R40 000 and less than R46 000. Debt will be deducted over 18 months; and
- More than R 46 000 Debt will be deducted over 24 months.

***\*In addition to this calculation of the deductible outstanding amounts as per sec.***

- 35.4. a) above, the current billing will also be automatically deducted from the respective accounts to ensure that the outstanding balance does not remain stagnant/increase month to month.
- b) Automatic Deductions will only be stayed in an instance where the employee/councilor enters into a formal payment arrangement with the Municipality; and
- c) The above-mentioned formal arrangement must include the payment terms for the current billing, the excess of ninety (90) days arrears as well as any other accrued debt.

- 35.5. In exceptional circumstances, the Chief Financial Officer shall have the discretion to authorize the reinstatement of rebates/incentives retrospectively, based on the merits of the motivation of an applicant. This shall be formally documented.

## **36. REVIEW OF THE POLICIES**

The Chief financial officer shall be the custodian of the Policy and shall be responsible for the review of the policy, every year (1) as a minimum. The approval of this policy shall lie with the Municipal Executive Committee.

## **Annexure – Summary of proposed Amendments:**

### **1. Addition of clauses under section 31 (iv)**

- a) In order for the undertaking to be accepted, the current annual rates or the four (4) months advance billing as well as the applicable administration fee must be paid.
- b) If there are any exceptional circumstances wherein the seller is unable to pay the annual or advance billing, then the undertaking must include a formal undertaking to pay same, subject to the approval of the Revenue Manager.
- c) In exceptional circumstances, subject to the property portfolio and payment record of the debtor, a revenue clearance certificate may be issued upon the applicant concluding formal arrangements on other accounts owed, subject to the subject property/account being settled in full.

### **2. Addition under clause 32.**

#### **32. COST OF COLLECTION/ENFORCEMENT**

All costs of legal process, the service of any form of Notices, including interest, service discontinuation costs and costs associated with consumer care, debt collection or credit control, wherever applicable, are for the account of the debtor.

### **3. Addition of section 35.5**

35.5. In exceptional circumstances, the Chief Financial Officer shall have the discretion to authorise the reinstatement of rebates/incentives retrospectively, based on the merits for consideration. The approval of such requests shall be formally documented.