PART 4
SUMMARY OF CHANGES TO POLICIES

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The complete detailed policies are available on the municipal website – www.stevetshwetelm.gov.za/finance/budget related policies 2025/2026 for public scrutiny.

Amendments to policies are written in red ink (example).

2. New policies

Retention Policy

3. Amended existing policies

3.1 Tariff Policy

13. WATER LEAK ADJUSTMENT

The responsibility of the municipality:

The adjustment to the account for water leaks will be adjusted for the portion more than the average usage per month over a *maximum* six (6) month period.

3.2 Credit Control By-Laws

4. APPLICATIONS FOR PROVISIONS OF MUNICIPAL SERVICES

4.10 An applicant for the provision of municipal services in respect of immovable property shall be required to pay a prescribed deposit prior to the provision of any municipal services. *Lessees of business premises may be allowed to provide an official bank guarantee of not less than twenty thousand rand (R~~2~~252 0 000,00).*

3.3 Property Rates Policy

8. LIABILITY FOR RATES

8.11 The purchaser of property from the municipality becomes liable for property rates as from *the date of purchase* irrespective of signing of the deed of sale of the date of registration of transfer of ownership.

13. REBATES, EXEMPTIONS AND REDUCTIONS

The council of the municipality may grant exemptions, rebates and reductions in recognition of section 15(2) of the act:

13.1.3 *Child-headed households*

Child-headed households may be granted a 100% rebate, subject to the following:

The applicant:

(b) The pensioner application form is completed with assistance by the appointed legal guardian and social welfare document included

13.1.4 Pensioners

Pensioners may be granted a further rebate on the residential tariff for property owners subject to the following:

The applicant must apply annually:

(f) The combined income from all sources (including the spouses of the owner) may not exceed **R*18 680.00*** per month.

(j) The bank verification form has to be stamped by banks within the MP313 area as per qualification criteria

(n) The rebates to be granted will be based in respect of the combined income of the preceding three (3) months average monthly earnings from date of application:

Average monthly earnings per month

Rebate

R0	*to*	*R 4 670,00 (state pension x2)*	*100%*
R 4 670,01	*to*	*R 9 340,00*	*70%*
R 9 340,01	*to*	*R14 010,00*	*50%*
R14010 ,01	*to*	*R18 680,00*	*20%*

(o) the rebate will lapse upon:

(i) death of the applicant;
(ii) alienation of the property;
(iii) when the applicant ceases to reside permanently on the property; and

(iv) the combined income from all sources exceeds ***R18 680.00*** per month.

(p) That applicants that are 80 years *or turning 80 years during the financial year have to submit a completed application form* ~~and older~~ *to* ~~*automatically*~~ receive a 100% rebate ~~if application for pensioners rebate submitted~~ and *all properties in the consumers name* ~~the accounts~~ are fully up to date / have entered into an acknowledgement of debt agreement for arrears

(q) Water leakages for pensioner rebates to be rebated utilising the water leakage tariffs

(r) Pensioners who tampered with electricity will be removed from the pensioners scheme for a minimum period of twelve (12) months

(s) Pensioners with second or more tampering offence with electricity will be removed from the Pensioners scheme for a minimum period of twenty four (24) months

13.1.5 *Disability grantees/medically boarded*

Disability grantees, medically boarded persons may receive a rebate on the residential tariff rate for property owners subject to the following:

The applicant must:

(h) The rebate to be granted will be based in respect of the combined preceding three (3) months average monthly earnings:

R0	*to R 4 670,00*	*(state pension x2)*	*100%*
R 4 670,01	*to R 9 340,00*		*70%*
R 9 340,01	*to R14 010,00*		*50%*
R14 010,01	*to R18 680,00*		*20%*

13.1.9 Rebates on special industry

To ensure sustainability of industry which employ local individuals permanently, a rebate of 15% on the industrial rate subject to specific conditions of sale:

- *Proof of such be submitted to Council annually by 30 June, should no submission be made the rebate will be forfeited*

3.4 Free Basic Service Indigent Support Policy

6. CRITERIA FOR QUALIFICATION FOR INDIGENT SUPPORT

6.2 Indigent relief will be granted to a household where*:*

(i) The registered indigent household must be willing to accept the installation of pre-paid electricity meters by the municipality

(j) Refusal to accept installation of these meters will result in the indigency status being revoked

6.8 Indigent relief will not be granted where the owner, partner or account holder:

(c) Owns more than one (1) property ~~*unless the owner or account holder was relocated from the farm to the proclaimed township by the mining company and after conducting the assets survey found to be the head of more than 1 (one) household / house*~~

6.9 Additional supporting documentation that may be requested during the application process *include amongst others*:

(g) *STLM executor form*

9. CHILD-HEADED HOUSEHOLDS

9.1 Support may be given to child-headed households for as long as the unfortunate situation exists. Child-headed households will be treated as special cases subject to the following conditions:

(a) The indigent application form is completed with assistance by the appointed legal guardian *and social welfare document included*;

10.2 Re-evaluation

~~*(a) Regular physical inspections will be carried out by the electrical department at the premises of each of the registered indigents to ensure that the supply installations and supply limitation are intact to prevent illegal electricity connections.*~~

10.3 De-listment of indigent support

(h) Indigents with second or more tampering offence with electricity will be removed from the indigent scheme for a minimum period of twenty four (24) months.

10.7 Indigent Register review

Annually ~~*Every third (3rd) financial year*~~ the entire register will be reviewed. This process will resume in January of the preceding financial year and finalized before the commencement of the new financial year.

3.4 Methodology- Impairment of Receivables Policy

1 DEFINITIONS & ABBREVIATIONS

"amortised cost of financial assets / liabilities" means the cost of the financial asset/liability is spread over the asset's useful life, reflecting the time value of money.

"credit risk" means the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

"effective interest method" means a method of calculating the amortised cost of a financial asset / liability and of allocating the interest income or interest expense over the relevant period.

2. PURPOSE

- To ensure that *accurate and* sufficient allowance is made for the impairment of receivables in the financial statements;

- *To promote the effective and efficient management of consumer receivables within STLM in compliance with GRAP*

5. METHODOLOGY

5.2 Evidence of impairment

Any one of the following events is considered to provide objective evidence that a receivable account or group of receivable accounts could be impaired.

- ***It is probable that the debtor will enter*** ~~***A receivable that have been placed under or applied for***~~ liquidation**,** ~~**or**~~ sequestration or **other financial restructuring**;
- ***Significant financial difficulty of the debtor which may be***

evidenced by an application for debt counselling, business rescue or an equivalent;

3.6 Credit Control Debt Collection Policy

PART 2: ACCOUNTS MANAGEMENT
12. RESPONSIBILITY FOR AMOUNTS DUE

12.11.5 Accounts that have an outstanding balance due and owing after payment of clearance figures in terms of Section 118 (1) of the MSA; may be handed over to Council's debt collectors / attorneys for collection

PART 3: TERMINATION OF SERVICES FOR ACCOUNTS IN ARREAR

18. **ARREAR ACCOUNTS**

18.9.6 when an electrical meter is bridged by the municipality for any reason, no upfront payment of 50% will be enforced however the total outstanding arrear amount on the property and the penalty charges are payable within 12 months.

PART 4: DEBT REPAYMENT ARRANGEMENTS

20. GENERAL PRINCIPLES

20.6 Pensioners rebate recipients

20.6.1 Pensioner rebate applicants 80 years or turning 80 years during the financial year qualify for the rebate only if all properties in the consumers name are fully up to date or they have entered into an acknowledgement of debt agreement for arrear accounts

3.7 Petty Cash Policy

5. APPROVED LIST OF PETTY CASH PURCHASES

5.6 A claim for reimbursement of petty cash must be submitted to the Petty Cash Official within a reasonable timeframe of five (05) working days as and when own funds were utilized for items in need as per par 5.1 and 5.2.

6. SAFEGUARDING

6.4 The chief accountant expenditure and salaries or Assistant Director Expenditure & Salaries is responsible to keep a key register of keys allocated or transferred to the relevant delegated official.

7. TRANSFER OF PETTY CASH BINS AND KEYS

7.2 The chief accountant expenditure and salaries or Assistant Director Expenditure & Salaries will be responsible to record the transfer of the bin, bank card with card pin as well as the transfer of the keys in the appropriate register and also ensure that the officials sign the register.

7.3 For proper segregation of duties, the following:

(b) The accountant expenditure or Assistant Director Expenditure & Salaries is responsible to place the petty cash bin in the official safe in the presence of the holder of the petty cash bin; and

7.6 The assistant director expenditure and salaries office, the chief accountant expenditure and salaries and/or accountant expenditure are the only officials who will be in possession of the combination to the safe.

8. OTHER

8.1 Petty Cash will only be reimbursed by the Expenditure Office and the maximum amount allocated for petty cash for the 2025/2026 financial year will be as follows:

8.1.1 Expenditure office: R 26 000.00 (R 15 000.00 and R 11 000.00 per bin)

14. GENERAL ADMINISTRATION

14.1 Petty cash will ONLY be reimbursed from Mondays to Thursdays. (between 14h00 until 16h00).

3.8 Supply Chain Management Policy

PART 2: ACQUISITION MANAGEMENT

16. SYSTEM OF ACQUISITION MANAGEMENT

16.7 Panels, electronic database, framework agreements, term contracts and as and when contracts (this aligns and will support the measures to promote local suppliers and SMMEs and must be read together with clause 43 of this policy).

17.7.4 Rotation of service providers appointed in panel contracts **(Shall be dealt with in detail on the Methodology for a fair allocation of works on a Panel of Service Providers)**

17.7.4.1 Service providers appointed as panels in all the contracts of the municipality will be rotated for opportunities through the Supply chain department's database that will be created for each contract.

17.7.4.2 The rotation will be made based on an expenditure spent basis. Thresholds will be set, and after those thresholds have been reached then a new threshold will be set.

17.7.4.3 Allocations for expenditure will be made as per preferential points obtained by the panel contractors.

27. BID SPECIFICATION COMMITTEES

27.2Specifications for bidding

(h) must indicate each specific goal for which points may be awarded in terms of the points system set out in the Preferential Procurement Regulations, 2022 and as set out in this policy:
(iii) 20 and 10 specific goals points may be awarded as per below minimum as per each tender's requirements

- Race 30%
- ~~Gender~~ Women 30%
- Disability 30%
- ~~RDP~~ Youth 10%

Points shall be awarded in proportion to ownership (share)

42. PERFORMANCE MANAGEMENT

42.2 CONTRACT ADMINISTRATION

42.2.1 Contract administration includes all administrative duties associated with a contract that has arisen through one of the acquisition/procurement processes described in this policy.

42.2.2 All contracts must be administered by a contract manager, who will be an internal official assigned to ensure the effective administration of the contract. The contract manager will typically be the internal project manager assigned to the project as a whole but may also be a cost centre owner or other responsible official.

42.2.3 A contract manager must be assigned to each contract and, where possible, should be involved from the earliest stages of the acquisition process.

42.2.4

42.2.5 The contract manager's duties and powers shall be governed by the conditions of contract and the general law.

42.2.6 In administering a contract, the contract manager will be required to form opinions and make decisions which, while in the Municipality's best interests, must be fair to all parties concerned.

42.2.7 Departmental Heads (Directors) shall be responsible for ensuring that contract managers:

42.2.8 are assigned to all contracts within the Department Head's area of responsibility;

42.2.9 are adequately trained so that they can exercise the necessary level of responsibility in the performance of their duties.

42.2.10 The contract manager shall:ensure that all the necessary formalities in signing up the contract and/or issuing the purchase order(s) are adhered to;

42.2.11 ensure that contracts related to the procurement of goods and services are captured on the Municipality's accounting system in the form of a price schedule;

42.2.12 ensure that all original contract documentation is lodged with the Supply Chain Management Department for record purposes;

42.2.13 monitor the performance of the contractor in order to ensure that all of the terms and conditions of the contract are met;

42.2.14 where necessary, take appropriate action where a contractor is underperforming or is in default or breach of the contract;

42.2.15 where appropriate, authorise payments due in terms of the contract by processing payment certificates (if applicable), and ensuring that the necessary Service Entry Sheets or Goods Received Notes are captured on the Municipality's accounting system;

42.2.16 manage contract variation or change procedures;

42.2.17 administer disputes where necessary, in terms of this policy and the applicable Conditions of Contract;

42.2.18 conduct, as appropriate, post contract reviews; maintain adequate records (paper and/or electronic) in sufficient detail on an appropriate contract file to provide an audit trail;

act with care and diligence and observe all accounting and legal requirements.

60. REPORTING OBLIGATIONS

60.2 AD HOC REPORTING

Table 5

REPORTING OBLIGATION

60.6 **REPORTING TO NATIONAL TREASURY**

60.6.2 **REPORT TO THE DTI**

~~(a) Steve Tshwete Local Municipality shall, within five (5) working days after the award of a contract that is in excess of R10-million, submit details of such a contract to the NIPP section of the DTI.~~

4 Unchanged policies & By-laws

- Borrowing policy
- Budget policy
- Asset management policy
- Blacklisting policy
- Contractor development policy
- Cost containment policy
- Funding & reserves policy
- Investment of surplus funds policy

- Impairment of Debtors write-off policy
- Methodology – classification treatment of land policy
- Methodology – impairment assessment of useful lives
- Unauthorised Irregular & Wasteful Expenditure
- Unclaimed Deposit policy
- Pay Day policy
- Short term risk and liabilities policy
- Credit control by-law
- Customer care and revenue management by-law
- Property Rates by-law
- Budget Virement policy
- Investment Of Surplus Funds Policy