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## INDIGENT MANAGEMENT POLICY

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### INDEX

1. PURPOSE
2. PRINCIPLES
3. QUALIFICATION CRITERIA AS INDIGENT
4. APPLICATION PROCESS PROCEDURES
5. APPLICATION OF THE POLICY
6. NON-COMPLIANCE OF HOUSEHOLDS REGISTERED AS INDIGENT
7. WITHDRAWAL OF NON-QUALIFICATION FOR INDIGENT SUBSIDY
8. RESPONSIBILITY FOR MANAGING INDIGENT REGISTER.
9. REVIEW OF POLICY



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## INDIGENT MANAGEMENT POLICY

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### 1. PURPOSE

Because of the level of unemployment and subsequent poverty in the municipal area, there are households which are unable to pay for normal municipal services.

The municipality therefore adopts this indigent management policy to ensure that these households have access to at least basic municipal service.

According to the Municipal Systems Act 2000, Section 74(3) and 75(2) stipulates that "A tariff policy may differentiate between different categories of users or debtors.

Furthermore chapter 7 section 152(b) of the constitution states that "the objective of local government is: "to ensure the provision of services to communities in a sustainable manner"

### 2. PRINCIPLES

- a. Equity
- b. Fairness
- c. Transparency
- d. Consultation and courtesy

### 3. QUALIFICATION CRITERIA AS INDIGENT:

- (a) Applicant is a resident of FTM with a SA bar coded ID Document
- (b) Combined income does not exceed R1650 per month



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## INDIGENT MANAGEMENT POLICY

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- (c) Applicant does not own more than one property
- (d) Child headed households.

### 4. APPLICATION PROCEDURES

- (a) That the prescribed application forms be used
- (b) That the screening committee consists of section 80 support committee members, relevant ward councillor and social worker if available.
- (c) That applicants be issued with reference numbers
- (d) That an indigent registration be valid for up to one year where after subsidies/ rebates will terminate.
- (e) That the indigent reapply for assistance during the ninth (9<sup>th</sup>) month of indigence and a revaluation/reassessment be done.
- (f) That successful applicant be informed in writing.
- (g) That the indigent customers be compelled to inform council about any change of their socio economic e status.
- (h) That the outstanding balance on the account of an approved indigent be written off against provision for bad debts.
- (i) For a household to qualify for a subsidy on rates, the registered indigent must be either the owner or full time occupier of the property concerned.
- (j) Registrations as indigents will be done on a continuous basis.



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## INDIGENT MANAGEMENT POLICY

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### 5. APPLICATION OF THE POLICY

**The following are key basic services offered by Fetakgomo Local Municipality**

- (a) Households with a combined income of not more than R 3500 receive a 100% subsidy on property rates,
- (b) Households with a combined income of not more than R 1650 receive 50 Kwh of free electricity per month.

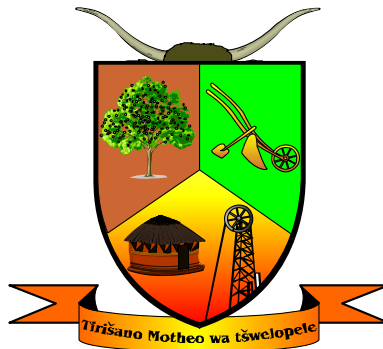
Indigent relief shall apply for a period not exceeding the financial year in which the particular household is registered as indigent.

### 6. NON-COMPLIANCE OF HOUSEHOLDS REGISTERED AS INDIGENTS

When a property owner or account holder who has registered as an indigent fails to comply with any arrangements or conditions materially relevant to the receipt of indigent relief, such person will forfeit his or her status as a registered indigent with immediate effect, and will thereafter be treated as an ordinary residential property owner or account holder for the financial year concerned.

It is the responsibility of each registered indigent to advise the municipality if such failure to comply.

It may happen that even with the introduction of the indigent policy, certain households may fall into arrears in respect of the amounts due by them.



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## INDIGENT MANAGEMENT POLICY

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The property owner or accountholder concerned will have to make immediate arrangements with the Municipal Manager to pay off these arrears owing within a reasonable time determined by the Municipal Manager in terms of the municipality's credit control and debt collection policy. If these arrangements are not made, no subsidies will be paid or free services provided, and services may be terminated in terms of the municipality's credit control and debt collection policy.

### 7. WITHDRAWAL OF AND NON-QUALIFICATION FOR INDIGENT SUBSIDY/EXIT

The relief to indigents may be withdrawn at the discretion of the municipal manager if:

- Death of account holder
- A registered indigent who qualifies for such relief fails to keep to the terms of the policy agreement or
- Any tampering with the installations of the municipality is detected.
- Upon sale of property occupied by an indigent
- When socio economic status have improved
- When the applicant is found to have lied about his/her circumstances

If a registered indigent is found to have provided fraudulent information to the municipality in regard to any material condition for registration as an indigent, such person shall immediately be removed from the register of indigents, and shall be liable to repay to the municipality with immediate effect all indigent relief received from the date of such fraudulent registration. Moreover, such person may not again be considered for indigent relief for a period extending for 2 (two) years after the financial year in which the misdemeanor is detected.



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## INDIGENT MANAGEMENT POLICY

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### **8. RESPONSIBILITY FOR MANAGING INDIGENT REGISTER.**

Indigent register will be managed in the Budget and Treasury Office and indigent policy will be applied in line with credit control and debt collection policy.

### **9. Review of the policy**

The indigent management policy shall be reviewed annually.