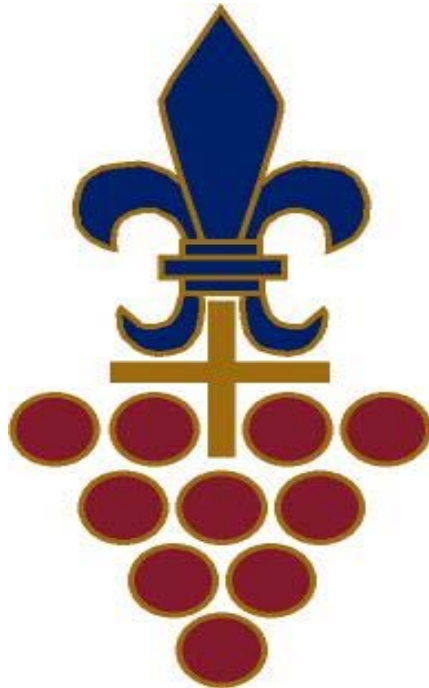


STELLENBOSCH MUNICIPALITY



**IRRECOVERABLE DEBT
POLICY**

2025/2026

REVISED



STELLENBOSCH MUNICIPALITY

IRRECOVERABLE DEBT POLICY

TABLE OF CONTENTS

PAGE

PREAMBLE	1
1. Requirements before writing-off debt	2
2. Bad Debt Recovered	2
3. Thresholds for writing-off of debt	2
4. Provision for irrecoverable debt	3
5. Rescission of Judgments	3
6. Contact of Responsible Office	3
7. Short Title	3

PREAMBLE

The Stellenbosch Municipal Council accepts and acknowledges its Constitutional duties and mandate towards the community/consumers of Stellenbosch Municipality (WC024).

Council further acknowledges that in order to deliver services in a sustainable manner, that same be managed in terms of Council's Credit Control and Debt Collection Policy having due regard of its limited financial resources and the need to manage cash flows.

Council therefore is aware of its duty to prepare financial statements that gives a true reflection of the financial position for a given period.

In order to give effect to the foregoing, the Council of Stellenbosch Municipality has adopted a policy relating to the management of irrecoverable debt as set out hereinafter.

1. Requirements before writing-off debt

All applicable actions must have been executed/implemented before any debt, owed to Stellenbosch Municipality will be considered for writing-off.

However, in special cases where all applicable actions were impossible/impractical to implement, the administration must motivate such write-off for consideration.

The irrecoverable debt of registered indigent consumers may be written-off on an annual basis by Council.

The abovementioned applicable actions are those as contained in the approved Credit Control and Debt Collection Policy of Stellenbosch Municipality.

2. Bad Debt Recovered

Bad debt recovered after having been written-off will be treated in terms of the Municipality's Accounting Policy.

The approval for the write-off of any debt does not mean that actions to recover the debt will be terminated. Conditionally, further actions may be instituted, depending on the costs involved. Should the debt be recovered, it will accordingly be recorded in the financial records of Stellenbosch Municipality.

3. Thresholds for writing-off of debt

3.1 The writing-off of debt per individual case may be considered as follows:

- (i) Above forty thousand rand (R40 000) will be effected after Council approval.
- (ii) Amounting to forty thousand rand (R40 000) and below may be effected after motivation to and approval by the Chief Financial Officer (CFO) or his/her delegate.
- (iii) Amounting to twenty-five thousand rand (R25 000) and below may be effected after motivation to and approval by the Senior Manager: Revenue and Expenditure.
- (iv) Amounting to fifteen thousand rand (R15 000) and below may be effected after motivation to and approval by the Manager Revenue.

3.2 The writing-off of any interest (or part thereof) component of debt, providing that the debt excluding the interest component, is paid in full, may be considered as follows:

- (i) Above two hundred thousand rand (R200 000) will be effected after Council approval.
- (ii) Amounting to two hundred thousand rand (R200 000) and below may be effected after motivation to and approval by the Chief Financial Officer (CFO).
- (iii) Amounting to ten thousand rand (R10 000) and below may be effected after motivation to and approval by the Senior Manager Revenue and Expenditure or Manager Revenue.

4. Provision for irrecoverable debt

Provision for bad/irrecoverable debt will be dealt with in terms of the Municipality's Accounting Policy.

5. Rescission of Judgments

Stellenbosch Municipality will consider applications for the consent to rescission of judgments, obtained by the Stellenbosch Municipality for the recovering of debt, provided that the following conditions are applicable:

- 5.1 All outstanding debt accrued on the affected account of said property have been settled in full, and
- 5.2 A period of at least five years has lapsed since the date of the applicable judgment, in the case where the Stellenbosch Municipality has written off any debt.

6. Contact of Responsible Office

The contact details for Irrecoverable Debt enquiries:

E-mail Address: enquiries.navrae@stellenbosch.gov.za

Telephone Numbers: [See Municipal Account for relevant telephone numbers](#)

Postal Address: [PO Box 17, Stellenbosch, 7601](#)

[Any Municipal Office in the jurisdiction of Stellenbosch Municipality](#)

7 Short Title

This Policy is the Irrecoverable Debt Policy of the Stellenbosch Municipality.