

# **NDLAMBE LOCAL MUNICIPALITY**



## **THE WRITE-OFF IRRECOVERABLE DEBT POLICY 2025/2026**

## **(1) WHEN DEBT IS IRRECOVERABLE**

- (a) Debt is regarded as irrecoverable if:
- (i) All reasonable notifications and cost-effective measures to recover a specific outstanding amount have been exhausted; and/or
  - (ii) If the amount to be recovered is too small to warrant further endeavours to collect it; and/or
  - (iii) The cost to recover the debt does not warrant further action; and/or
  - (iv) The amount outstanding is the residue after payment of a dividend in the rand from an insolvent estate; and/or
  - (v) A deceased estate has no liquid (cash) assets to cover the outstanding amount; and/or
  - (vi) It has been proven that the debt has prescribed; and/or
  - (vii) The debtor is untraceable or cannot be identified so as to proceed with further action; and/or
  - (viii) It is impossible to prove the debt outstanding; and/or
  - (ix) Recovery of the debt would cause undue hardship to the debtor and/or his/her dependents; and/or
  - (x) It would be to the advantage of the Council to affect a settlement of its claim or to waive its claim; and/or
  - (xi) The outstanding amount is due to an administrative error

## **(2) AUTHORISATION**

- (a) **Rates**
- (i) Rates are deemed to be recoverable in all instances.
  - (ii) All requests to write off debt in respect of rates must be presented as individual items by the Chief Financial Officer to Council.

- (iii) Rates items must fully contain –
- details of the property;
  - details of the outstanding amount;
  - details of the steps taken to recover the debt from previous and current owners; and
  - the reasons for the proposed write-off.
  - details of all costs incurred to recover the debt

(b) **Other debt**

(i) Schedules must be compiled and submitted to the Council for consideration with a view to writing off debt as irrecoverable.

(ii) The schedules contemplated in subparagraph 2(b) must indicate the –

- debtor's account number;
- debtor's name;
- physical address in respect of which the debt was raised;
- address;
- erf number, if applicable,
- amount per account category;
- steps taken to recover the debt; and
- reason to write off the amount.

(iii) Notwithstanding the above, Council or its authorised officials will be under no obligation to write off any particular debt and will always have the sole discretion to do so.

