

EMAKHAZENI LOCAL MUNICIPALITY



UNCLAIMED MONIES POLICY

APPROVED BY COUNCIL ON: 30 MAY 2017

IMPLEMENTATION DATE: 01 JULY 2017
COUNCIL RESOLUTION NO: 29/05/2017

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1 INTRODUCTION

1.1 Vision and value statement

It is the vision of Council to "be a developmental local municipality striving to accelerate provision of quality services to the satisfaction of our communities.

Council is committed to its mission to improve the quality of life of its citizens by providing accelerated services and creation of conducive environment for economic growth through good governance, innovation and integrated planning.

The Values of the Council are:

Consultation
Service Standards
Access
Courtesy
Information
Transparency
Redress
Value for money
Responsiveness

1.2 Vision

A developmental local municipality striving to accelerate provision of quality services to the satisfaction of our communities

1.3 Mission

Emakhazeni Local Municipality exist to improve the quality of life of its citizens by providing accelerated services and creation of conducive environment for economic growth through good governance, innovation and integrated planning

2 DEFINITIONS

"Council" means a municipal council of Emakhazeni Local Municipality.

"Creditor" means a person or entity to whom money is owed to by the municipality.

"Customer" means:

- a. resident of the municipality;
- b. ratepayer of the municipality;
- c. any civic organization involved in the municipality; and/or
- d. any visitor or other people who make use of services or facilities provided by the municipality.

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"Unclaimed monies" means:

- a) unclaimed direct deposit
- b) unclaimed sundry deposit

"Primary bank account" means a bank account referred to in section 8(1) of the Municipal Finance Management Act.

"Register" means the official register kept to record all unclaimed deposits.

"Municipality" means the Emakhazeni Local Municipality established in terms of section 155 of the Constitution.

3 OBJECTIVES OF THE POLICY

The objectives of the policy are to:

- a. To provide a framework on how to account for unknown or unclaimed monies in the municipal bank account.
- b. To provide guidelines to identify unknown monies in the municipal bank account.

4 LEGISLATIVE FRAMEWORK

Local Government Municipal Finance Act, Act 56 of 2003.

5 IDENTIFICATION OF UNCLAIMED MONEY

- 5.1 An unclaimed direct deposit is any amount of money paid into the municipal primary bank account without any reference or documentary proof on how the deposit should be allocated and that remains unclaimed for a period more than 30 days.
- 5.2 An unclaimed sundry deposit is any amount of money legally paid by a customer as security for municipal services for the use of facilities which are not claimed within a period of 3 months.

6 UNCLAIMED MONEY REGISTER

- 6.1 All monies that remain unclaimed after period of 30 days shall be recorded in a register kept by the municipality.
- 6.2 All monies that are recorded in the unclaimed money register shall be receipted as unclaimed money to the relevant suspense vote on the financial system at each financial year end.
- 6.3 The relevant customer or creditor can claim, for allocation to the relevant account or payment, the monies recorded in the register within a period of five (5) years from date the monies were deposited or become unclaimed subject to submission of relevant documentary proof.
- 6.4 The total amount of unclaimed monies and/or direct deposits will be recognized as a liability in the financial statements of the municipality

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7 RECOGNITION OF UNCLAIMED MONEY AS REVENUE

- 7.1 Any monies that remain unclaimed after a period of five (5) years from the date of receipt shall be nominated for unclaimed money to be recognised as revenue.
- 7.2 The following process shall be followed before any monies are recognised as revenue:
- a. A notice shall be published in the media in terms of section 21A of the Systems Act, Act 32 of 2000 informing the customers and creditors that the register for unclaimed monies shall lie upon for inspection at the municipal offices.
 - b. Such a notice shall also be published on the municipal website.
 - c. Such register in regard to the notice (as mentioned above) must lie open for a period of four (4) months.
- 7.3 Once the notice period of the register has lapsed, then the receipts/deposits shall be removed from the unclaimed money register and recognised as sundry revenue in the financial statements.

8 REVIEW OF POLICY

This policy shall be implemented at a date set by council and shall be reviewed when necessary or at least every 3 years to ensure that it is in line with the municipality's strategic objectives and with legislation.

9 ANNEXURES

- 9.1 Unclaimed money register template

10 IMPLEMENTATION

This Unclaimed Money Policy will be adopted and implemented at the start of the financial year after Council approval.

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