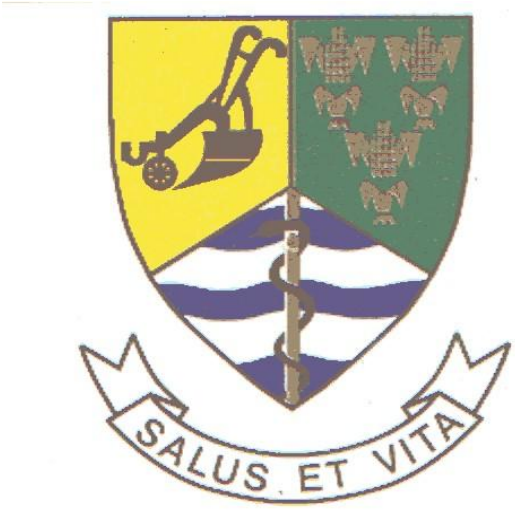
BELABELA
LOCAL MUNICIPALITY



Principles and policy on Unclaimed Monies

-

2025-2026

Table of Contents

1. DEFINITIONS 2
2. INTRODUCTION 3
3. BACKGROUND 5
4. OBJECTIVES OF THE POLICY 5
5. LEGISLATIVE FRAMEWORK 5
6. IDENTIFICATION OF UNCLAIMED MONIES 6
7. REGISTER OF UNCLAIMED MONEY 6
8. ALLOCATION AND REFUNDS OF UNCLAIMED MONIES 7
9. TRACING 8
10. UNCLAIMED MONEY TO BE RECOGNISED AS MUNICIPAL SUNDRY REVENUE. 8
11. REVIEW 9

BELA-BELA LOCAL MUNICIPALITY

UNCLAIMED MONIES POLICY

1. DEFINITIONS

‘’Council” means a municipal Council established in section 18 of the Municipal Structures Act and referred to in section 157(1) of the Constitution.

‘’Creditor” means a person to whom money is owed to by the municipality.

‘’Customer” means any person comprising:

(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.

‘’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 receipting all unclaimed deposits.

‘’Municipality” means the Bela-Bela Local Municipality established in terms of section 155 of the Constitution.

’Unclaimed monies” ‘means:

a) Unclaimed/Unknown/Unidentifiable deposits into the municipal bank accounts

b) Unclaimed retention on projects

c) Unclaimed deposits for facilities and building/kerb deposits

d) Unclaimed surplus cash received by municipal cashiers

e) Unclaimed credit balances on inactive debtor accounts (consumer and sundry)

2. INTRODUCTION

In terms of Section 64 (2) (e) (Revenue Management) of the Municipal Finance Management Act, 56 of 2003; “The municipality has and maintains a management, accounting and information system which: -

- recognize revenue when it is earned.
- accounts for debtors; and
- accounts for receipts of revenue

Unclaimed monies are a challenge faced by the municipality where monies are deposited into the municipal primary bank account or paid which cannot be identified nor are claimed by any consumer or creditor of the municipality. Monies are unclaimed for various reasons and commonly arise amongst other things from the following:

- Monies deposited into the municipal primary bank account without any reference or documentary proof.

- Amounts/deposits payable to consumers or creditors which were either not claimed or banked.
- Creditors/consumers are unaware of their legal right to the monies.
- Cannot be identified and allocated to an account or vote.
- Deposits paid for utilization of facilities not claimed by customer.

3. BACKGROUND

Bela-Bela Local Municipality receives money from various depositors for various reasons on a daily basis. Consumers, individuals or businesses have the option to pay for municipal services or other services rendered by the Municipality by way of an electronic transfer or deposit at the bank. Provided that such payments are correctly referenced, the municipality is able to automatically allocate the payments into the relevant customer's account.

Throughout the years, however, the Municipality received various deposits that reflect on the bank statements with either the incorrect reference numbers or the reference number is not sufficient to identify the person who made the deposit. These deposits can only be receipted against a debtors account only when proof of the deposit can be furnished to the Revenue Division by the person that made the deposit.

4. OBJECTIVES OF THE POLICY

The objectives of the policy are to:

- To provide a framework on how to deal with unknown or unclaimed monies in the municipal bank account.
- To reduce the liability of the municipality.
- To provide guidelines to identify unidentified deposits in the municipal bank account.

5. LEGISLATIVE FRAMEWORK

- Local Government Municipal Finance Act, 56 of 2003.
- Municipal Systems Act 32 of 2000.

- Prescription Act 68 Of 1969.

6. IDENTIFICATION OF UNCLAIMED MONIES

6.1 An unclaimed direct deposit is any amount of money legally paid into the municipal primary bank account without any reference or documentary proof on how the monies should be allocated and that remains unclaimed for a period of three (3) months.

6.2 Unclaimed monies are any amounts of money legally payable to a creditor and that have not been claimed or banked within a period of three (3) months.

6.3 An unclaimed deposit is any amount of money legally paid by a customer as security for municipal services for the use of facilities which have not been claimed within a period of three (3) months.

6.4 Unallocated deposits should be traced as to its origin, the details of the depositor and journalised to the correct accounts. Debtors / ratepayers are notified and requested to include account numbers on deposit slips when paying by internet banking and specific reference when payment is made to ensure that the unidentified deposits reduce.

6.5 When deposits are received without adequate supporting documentation or explanation, the amounts are posted to the Unallocated Revenue Account it is the responsibility of employees to investigate and clear each item.

6.6 The costs of tracing unallocated deposit from the bank shall be recovered from the customer. The costs (bank charges) will be levied on the customer's account.

7. REGISTER OF UNCLAIMED MONEY

7.1 After all processes to identify the unallocated monies have been exhausted and the period as mentioned in paragraph 3 has expired all unclaimed and/or unallocated monies will be receipted in a register kept by the municipality.

7.2 The register will be maintained and updated regularly and be kept for a period of three (3) years.

7.3 After the unclaimed and/or unallocated monies have been deposited in the register the rightful owner thereof can claim the monies within a period of three (3) years from date the monies were deposited or become unclaimed subject to documentary proof being provided by the claimant of the monies.

7.4 The value of unclaimed monies and/or unallocated direct deposits will be recognized as a liability in the financial statements of the municipality.

8. ALLOCATION AND REFUNDS OF UNCLAIMED MONIES

8.1 All receipts that are identified by the municipality in the ordinary course of business through the provision of valid proof of payment by the client will be allocated to the account to which they were intended by the client.

8.2 The minimum documentary proof which will be required for processing claims of unclaimed monies or claims for any receipts which have been paid in error to the municipality will be as follows:

(a) A certified ID copy for South African claimants and a certified Passport copy for nonSouth Africans claimants must be provided.

(b) A letter of authority signed by an authorized signatory identifying an individual that will represent the organization for the refund application must be provided in a case of claims by organizations with full names of the authorized individual together with the identified individual's certified ID copy or certified Passport copy for non-South Africans must be submitted.

(c) In a case of an organizational claim, copies of valid registration documents of the organization claiming the refund must also be provided.

(d) A signed letter/affidavit/refund application form must be submitted requesting the refund.

(e) Valid Original Proof of payment issued on the bank's letterhead, or the original receipt provided by the vendor must be submitted.

(f) In exceptional instances where original receipts cannot be provided, an affidavit must be provided proving a detailed explanation of the circumstances that have led to the original receipt not being available.

(g) Where applicable, a copy of the account/invoice that the claimant had intended to pay must also be submitted.

(h) Refund payments will only be paid by Electronic Funds Transfer and as such the claimant must submit their valid banking details on the letterhead of their bank, bearing their name and surname, account number and branch details.

(i) Proof of banking details required to process a refund is a valid and signed letter from the bank or a bank statement.

(j) An affidavit will be required in instances where the claimant does not have an own bank account and the money must be refunded to another bank account at their request.

(k) A certified ID copy for South Africans and a certified Passport copy for non-South Africans must be provided for the person to whose bank account the payment must be paid into per clause 8.2(j) above.

(l) Other supporting documentation may be required in addition to the above at the discretion of the officials who are required to authorize refund payments.

(m) The municipality reserves the right to deduct any amount due to the municipality from the applicant for any debt owed to the municipality from any refund that is payable in terms of this policy.

9. TRACING

9.1 When deposits are received without adequate supporting documentation or explanation, the amounts are posted to the Unallocated Revenue Account it is the responsibility of employees to investigate and clear each item.

9.2 A list is compiled monthly for tracing unallocated deposit from the bank. Costs shall be recovered from the customer. The costs (bank charges) will be levied on the customer's account.

9.3 For third party payments (Easy pay and post office), the municipality awaits the customer to lodge a claim with a proof of payment and update on the customer's account accordingly.

10. UNCLAIMED MONEY TO BE RECOGNISED AS MUNICIPAL SUNDRY REVENUE.

10.1 Should unclaimed monies not be claimed within the period of three (3) years the monies will be written off from the register and be receipted as revenue in that financial year.

10.2 The following process must be followed before any monies are receipted as revenue:

(i) A notice will be advertised in the media in terms of section 21A of the Systems Act, 32 of 2000 that it will lie open for public inspection.

(ii) such register must lie open for inspection for a further period of four (4) months.

(iii) the register will be made available for inspection at the main municipal buildings.

(iv) the prescribed form must be completed with documentary proof should any monies be claimed by a customer or creditor; and

11. REVIEW

This policy will be reviewed annually to ensure that it complies with changes in applicable legislation and the operating requirements of the municipality.