

MATJHABNEG LOCAL MUNICIPALITY



UNALLOCATED RECIEPTS POLICY

Resolving of unallocated receipts

1. DEFINITIONS

Unallocated receipts – payment or deposit from a consumer or third party for services rendered by the Municipality in the Municipality's bank account but it can't be identified by way of a reference number.

Deposit – payment made by a person, individual or business for services rendered by the Municipality.

2. INTRODUCTION

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.

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

A number of deposits remained un-identified and the Municipality instituted the following procedures to receipt the deposits to the correct accounts:

- Contacted the bankers of the Municipality to trace some of the electronic transfers
- Visited consumers to identify the owner of the payment according to a name or some reference possibly linking us to a consumer
- Searched accounts with similar names on the debtors database

After all these processes were followed and there are still un-allocated receipts that could not be allocated these deposits are then processed to a suspense account. Deposits that are not claimed within a period of three years after the initial deposit date will be regarded as other income in accordance with the Prescription Act.

3. OBJECTIVES

The objective is to identify the depositor of unidentified deposits on the bank statement.

4. PROCEDURES

The procedures followed to identify unallocated receipts are as follows:

- Obtain a list of unallocated receipts from the monthly bank reconciliation
- Link the list of unallocated receipts to the bank statements and match the date and the amount
- If there are more than one amount on the same date then the amounts with clear reference numbers are eliminated
- The remaining unallocated receipts are then followed up as discussed in paragraph 2 above

5. CONCLUSION

We conclude that the processes followed were in accordance with best practices.

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Unallocated receipts