

# MUNSOFT DEBT COLLECTION PROCESS

Our invoice life cycle is deemed to be the cycle that an invoice follows from the date that the invoice was issued up until the day when payment is received on the invoice. Our invoice life cycle can be explained as follows:

## 0 – 30 DAYS OUTSTANDING

The invoices in this period of the cycle is deemed to be current.

## 30 – 60 DAYS OUTSTANDING

When an invoice reaches this stage of the cycle, the invoice is deemed to be overdue in terms of the service level agreement between the Municipality and Munsoft as well as contrary to the MFMA. The Munsoft debtors department will begin the process of following up with the Municipality on when the payment can be expected. This will be an informal follow up process whereby the Municipality will be contacted either via telephone or email.

## 60 – 90 DAYS OUTSTANDING

When an invoice reaches this stage of the cycle, the invoice is deemed to be long overdue and Munsoft will exercise its rights contained in the service level agreement between the Municipality and Munsoft whereby interest will be charged at the prevailing prime interest rate + 2%. Furthermore, the Municipality will be formally informed that the invoices are long overdue, that interest will be charged on the overdue invoices from this point onwards and that should the invoices reach the next cycle, the account of the Municipality will be suspended by Munsoft until such time as the payment is received on the long overdue invoices.

Invoices that have been disputed using the official Munsoft invoice dispute process will be exempt from interest charges and will also not cause the account to be suspended if not paid.

## 90 + DAYS OUTSTANDING

When an invoice reaches this stage of the cycle, the invoice is deemed to be excessively overdue and Munsoft will suspend the account of the Municipality until such time as the account has been brought into good standing or a payment arrangement entered into between the Municipality and Munsoft.

## Account Suspension

The consequences of the Municipality's account being suspended are as follows:

- The system will inform the users of the Municipality that the account of the Municipality has been suspended due to the account being overdue;
- All support, consulting, maintenance, back-up, disaster recovery and training services will cease;
- All open support calls of the Municipality as at the date of suspension will be closed;
- Printed statements as well as SMS and MMS statements will not be distributed;
- Any work on existing integrations or projects will cease;
- Monthly service reports will not be generated and submitted;
- Service level warranties will no longer apply.

### IMPORTANT NOTE:

Despite the suspension, **please note that the Municipality will continue to have access to the financial system** as well as receive software updates and updates to your CSD database. We also understand the importance of statements being distributed to consumers, and while we cannot continue to incur further costs on behalf of the Municipality, **we will continue the email statement service**. Access to the system will only be blocked if license fees are overdue.

## Payment Arrangements

When the Municipality is not in a financial position to make payment on an overdue account due to cash flow constraints, Munsoft will provide the Municipality an opportunity to enter into a payment arrangement.

Should a payment arrangement be agreed upon between the Municipality and Munsoft, Munsoft will provide a payment arrangement agreement to be signed by an authorised representative of the Municipality.

When the signed payment arrangement is received from the Municipality, Munsoft will reinstate the account of the Municipality and all affected services will be restored. Should the Municipality fail to honour the payment arrangement, the account will again be suspended.

## Munsoft Invoice Dispute Process

To assist the municipality in querying invoices, Munsoft has launched the Invoice Dispute Process specifically to solve any invoice queries within a timely manner. This allows the municipality to make payment within the 30 days from invoice and avoid a scenario where payment is withheld on all outstanding invoices because one invoice is being queried.

- Should the municipality have an invoice with a query, the municipality is required to complete the Invoice Dispute Form within 10 days from invoice date and send it to [finance@munsoft.co.za](mailto:finance@munsoft.co.za).
- Munsoft will acknowledge receipt of the invoice dispute and will provide feedback to the municipality within 3 days of receiving the invoice dispute form.
- Please complete one invoice dispute form per invoice being queried.
- The invoice with the query should be attached to the form with the disputed items/descriptions clearly marked.
- If this form is not completed within 10 days from invoice date, the invoice will be accepted as being correct. Should this invoice be disputed at a later stage, interest will be charged on the invoice in dispute when the invoice is 60 days or older.
- Munsoft will endeavour to resolve all formal disputes as soon as possible and only invoices formally disputed and accepted by Munsoft will be exempt from interest charges.