Age Analysis - Debtors

(AD)

(Version 200505_0900)

Purpose

This return provides a summary of aged debtors sorted in two different ways, by income source and customer group.

The debtors summary will indicate the following: -

- The extent to which income accrued is not received in cash;
- The success or effectiveness of credit control, rating and tariff policies;
- The possibility of viability problems being encountered;
- To detect the imbalance between actual income received and expenditure incurred.

Debtors Age Analysis by Income Source

Age analysis by income source shows amounts owing to the municipality grouped by the activity carried out by the municipality and the rate, tariff or fee charged for the delivery of services associated with that activity. It is useful to track this to ascertain which services are being paid for and which are not.

A common difficulty raised by some municipalities is that they do not currently track the payment of accounts for individual services. Instead they issue a consolidated account and then when a payment is made, the payment is not allocated to the various services. Mechanisms must be put in place to ensure that payments are allocated appropriately.

Debtors Age Analysis by Customer Group

This shows amounts owing to the municipality grouped by the customer group and provides information on which groups of customers are generally good at paying and

which are not. This is very useful for concentrating collection programmes on worst offenders or customer groups that could be turned around quickly for quick wins.

Format of Return Form

This return will be specified as monthly in-year reporting documentation to be provided as part of the MFMA section 71 monthly reports.

All the information required for completing this form should be based on accounting records; specifically, information from the debtors and billing systems.

The .xls template conforms to the following specification. Municipalities should not change the template.

The database is expecting specific data with specific attributes. If this is not found, problems will arise.

- All figures are to be entered in whole Rands.
- All figures are to be entered as positive.
- Bad Debts are the bad debts written off during the month.
- Total by Income Source must equal Total by Customer Group or last row will display "**incorrect**" if not equal.

Municipality are expected to provide numbers for the following months: 31-60 Days, 61-90 Days, 91-120 Days, 121-150 Days, 151-180 Days, 181 Days - 1 Year, Over 1 Year and Bad Debts.

Submission Process

Electronic Submission

Ensure the file is saved in the correct format (Muncde_AD_ccyy_Mnn.xls) by selecting the correct **Year End, Month End** and **MunCode** from drop-down lists and using the inbuilt macro to automatically save using the correct file name. Simultaneously press **Shift+Ctrl+S** (with "**Caps Lock**" off) to invoke the macro. The file will be saved in the current active directory.

The file will be saved with the correct naming convention:

➢ GT001_AD_2006_M01

Email the Excel (.xls) file to lgdatabase@treasury.gov.za with a subject heading of **Financial Reporting Database Input**.

Timing of Submission

This monthly return form is to be submitted not later than the 10th day of every month following the end of the month being reported on.