ANNEXURE K

Proposed amendments made to the budget related policies

The changes made to policies 1 – 18 below are provided in this document.

For the entire budget policy, stakeholders can access it on the website of the municipality at:

https://sbm.gov.za/budget/

No	Policy	Reference
1.	(a) Supply Chain Management policy	No changes
	(b) Local Government Framework for Infrastructure Delivery and Procurement Management	No changes
	(c) Preferential Procurement policy	No changes
2.	Credit control and debt collection policy	See proposed changes below
3.	Indigent policy	See proposed changes below
4.	Property rates policy	See proposed changes below
5.	Budget and funds and reserves policy	No changes
6.	Virement policy	See proposed changes below
7.	Transfers and subsidies policy	No changes
8.	Borrowing policy	No changes
9.	Cash management and investment policy	No changes
10.	Asset management policy	No changes
11.	Tariff policy	No changes
12.	Insurance management policy	No changes
13.	Special rating area policy	No changes
14.	Policy on the disposal of unserviceable, obsolete or redundant assets	No changes
15.	Incentives policy	No changes
16.	Cost containment policy	See proposed changes below
17.	Long term financial plan policy	No changes
18.	Petty cash policy	See proposed changes below

1. Supply Chain Management policy

No changes.

2. Credit control and debt collection policy

Paragraph	Current policy wording	Proposed change
6.12 Customer assistance programs c) Arrangements for settlements	xi) Consumers will only be allowed to get extension for payment of current accounts once in a financial year.	xi) Consumers will only be allowed to get extension for payment of current accounts twice~~once~~ in a financial year.

3. Indigent policy

Paragraph	Current policy wording	Proposed change
Definitions	d) "**household income**" is the gross sum of all monthly income from the registered owner and spouse, including wages, salaries, profits, dividends, pensions, rentals, board & lodging, interest received, grants or investment income, excluding the capital proportion of the investment.	d) **"household income"** is the gross sum of all monthly income from the registered owner and spouse, or life partner, including wages, salaries, profits, dividends, pensions, rentals, board & lodging, interest received, grants or investment income, excluding the capital proportion of the investment.
Definitions	New	g) **"Life partner"** refers to two individuals who are in a committed, long-term relationship, living together, and assuming mutual responsibility for support, even though they are not legally married; this can include both same-sex and opposite-sex couples, and is often defined by the existence of a cohabitation agreement outlining their rights and obligations within the partnership, but not required.

4. Property rates

<table>
<tr><th>Paragraph</th><th>Current policy wording</th><th>Proposed change</th></tr>
<tr><td></td><td></td><td></td></tr>
<tr><td>Definitions</td><td>“Household income”, means the gross sum of all monthly income earned by the registered owner and spouse, including wages, salaries, profits, dividends, pensions, rentals, board & lodging, interest received, grants or investment income, excluding the capital proportion of the investment and other forms of earnings received by every person.</td><td>“Household income”, means the-gross sum of all monthly income ea
registered owner and spouse, or life partner, including wages, salari
dividends, pensions, rentals, board & lodging, interest received
investment income, excluding the capital proportion of the investment
forms of earnings received by every person.</td></tr>
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<tr><td>Definitions</td><td>“Multiple purposes”, means properties used for multiple purposes for which an apportionment of value for each distinct use of the property will be calculated by the municipal valuer and used for billing at the appropriate and applicable rate, in accordance with the permitted, -actual use or its zoning.</td><td>“Multiple purposes”, means properties used for multiple purposes for which an apportionment of value for each distinct use of the property will be calculated by the municipal valuer and used for billing at the appropriate and applicable rate, regardless of~~in accordance with~~ the permitted, -actual use or its zoning.</td></tr>
<tr><td>SECTION B: CATEGORIES OF PROPERTY
1. CATEGORIES OF PROPERTY</td><td>Rates on properties, including properties used for multiple purposes, will be levied in accordance with the permitted or actual use of the property and not necessarily according to its zoning.</td><td>Deleted</td></tr>
<tr><td>2.EXEMPTIONS, REDUCTIONS AND REBATES</td><td>Below is a table of the rebates for the 2025/26 financial year:
<table><tr><th>Description</th><th>Rebate %</th></tr><tr><td>With a monthly income not exceeding R14 500</td><td>100%</td></tr><tr><td>With a monthly income not exceeding R20 600</td><td>70%</td></tr><tr><td>With a monthly income not exceeding R26 750</td><td>50%</td></tr><tr><td>Monthly income exceeding R26 750</td><td>0%</td></tr></table></td><td>Below is a table of the rebates for the 2025/26 financial year:
<table><tr><th>Description</th><th>Rebate %</th></tr><tr><td>With a monthly income not exceeding R15 200~~4 500~~</td><td>100%</td></tr><tr><td>With a monthly income not exceeding R21 600~~0 600~~</td><td>70%</td></tr><tr><td>With a monthly income not exceeding R28 100~~6 750~~</td><td>50%</td></tr><tr><td>Monthly income exceeding R28 100~~6 750~~</td><td>0%</td></tr></table></td></tr>
<tr><td>2.5 Exemptions</td><td>The following properties are exempt from rates:

(i) Protected areas</td><td>The following properties are exempt from rates:

(i) Protected areas (excluding residential properties within a Nature Reserve);</td></tr>
</table>

5. Budget and funds and reserves policy

No changes.

6. Virement policy

Paragraph	Current policy wording	Proposed change
8.3	New	8.3. In any instance where a budget string is overspent, the Budget Office may perform a virement from any source on any vote to make good such overspending. Such virement must be approved by the Senior Manager Financial Management.

7. Transfers and subsidies policy

No changes.

8. Borrowing policy

No changes.

9. Cash management and investment policy

No changes.

10. Asset management policy

No changes.

11. Tariff policy

No changes.

12. Insurance management policy

No changes.

13. Special rating area policy

No changes.

14. Policy on the disposal of unserviceable, obsolete or redundant assets

No changes.

15. Incentives policy

No changes.

16. Cost containment policy

Paragraph	Current policy wording	Proposed change
5. Use of consultants	5.9 The requirements of paragraphs 5.1 – 5.7 above is only applicable if a tender process is followed where the costs will exceed R200 000.	5.9. The requirements of paragraphs 5.1 – 5.7 above is only applicable if a tender process is followed where the costs will exceed ~~R200~~ R300 000.
12. Conferences, meetings and study tours	12.2 (c) The appropriate number of officials, not exceeding three officials, attending the conference or event;	c) The appropriate number of officials or public office bearers, not exceeding three officials and/or public office bearers, attending the conference or event; and This change is required to correct the SBM Cost Containment Policy so that it agrees with the Cost Containment Regulations.

17. Long term financial plan policy

No changes.

18. Petty cash policy

Paragraph	Current policy wording	Proposed change
8. LIMITATION ON PETTY CASH	8.1 The maximum petty cash floats of each office are as follow: ✓ Expenditure Department R 5 000.00 ✓ Libraries Department R 1 950.00 ✓ Area Engineer: Langebaan and Hopefield R 1 000.00 ✓	**8. LIMITATION ON PETTY CASH** 8.1 The maximum petty cash floats of each office are as follow: ✓ Expenditure Department R 5 000.00 ✓ Libraries Department R 3 000.00~~R 1 950.00~~ ✓ Area Engineer: Langebaan and Hopefield R 1 000.00