



YUKON WORKERS'  
COMPENSATION  
HEALTH AND  
SAFETY BOARD

SUBJECT: FINANCE & ADMINISTRATION POLICY NO.: FN-08

BOARD APPROVAL:

APPROVAL DATE: March 8, 2005

BOARD ORDER NO.:

EFFECTIVE DATE: March 8, 2005

## POLICY STATEMENT

### POLICY:

### RETENTION OF MONEY BY DEDUCTION OR SET-OFF, AND WRITE OFF OF DEBTS AND OBLIGATIONS

#### Application

This policy applies to the Board of Directors, president, and staff of the Workers' Compensation Health and Safety Board (the board) in the retention of money to satisfy a debt or obligation owed to the Compensation Fund, and in the authorization of the write-off of a debt or obligation.

This policy does not apply to the recovery of an overpayment of compensation benefits, which is dealt with by Policy CL-43, Recovery of Overpaid Compensation.

A fine or penalty imposed or authorized by the *Workers' Compensation Act* or the *Occupational Health and Safety Act* cannot be written off under this policy.

#### Section References

Section 60 (3) of the *Workers' Compensation Act, R.S.Y. 2002* ('the 2002 Act') provides that all money owing to the board is deemed to be owed to the board in its capacity as a representative of the Yukon Government. Section 60 (4) of the 2002 Act provides that all proceedings taken by the board for the collection of any money due to the board under the Act is deemed to be taken by the board for and on behalf of the Yukon Government.

Section 35 of the *Financial Administration Act* authorizes the Yukon Government to retain money by way of set-off from any money payable to a

person by the government in satisfaction of a debt or obligation owed to the government. Section 14 of the *Financial Administration Act* authorizes the Yukon Government to write off all or part of a debt or obligation that is owed to the government and is considered to be uncollectible.

Section 83 of the 2002 Act provides that the board has the power and the remedies to enforce payment to the board of any sum that any employer, body, or person is required to pay to the board under the Act.

Section 60 (5) (b) of the 2002 Act provides that Part VI of the *Financial Administration Act* (Enforcement) does not apply to the collection of any money due to the board under the 2002 Act.

### **Objective**

The objective of this policy is to clarify when and how the board will retain money by way of deduction or set-off, and when and how the board will write-off a debt or obligation.

### **General Information**

On occasion, the board purchases goods and services from vendors, service providers, and other entities that owe a debt or obligation to the board. By application of this policy the board may retain, as a deduction or set-off, the entire amount (or a portion of the entire amount) that would otherwise be paid to the vendor, service provider or other entity, in satisfaction of the debt or obligation owed to the board.

There are instances in which the board cannot recover a debt or obligation owed to it, in which case the debt or obligation may be written off by application of this policy.

### **Definitions**

#### **Debt**

Debt means a fixed and certain amount of money, owing and payable either in the present or the future (a debt may be a sum of separate debts).

**Obligation**

Obligation means a formal and binding agreement or acknowledgement of a liability to pay a certain amount of money or to do a certain thing.

**Deduction**

Deduction means the act of setting aside the entire amount of a debt or obligation as payment against the debt or obligation.

**Set-Off**

Set-off means the act of setting aside a portion of a debt or obligation as payment against a debt or obligation.

**Doubtful Account**

Doubtful account means an amount of money owing to the board as a debt or obligation, the recovery of which is considered to be unlikely.

**Write-Off**

Write-off means the deletion from the accounts of the board of a debt or obligation (in whole or in part), and results in the suspension of collection of that debt or obligation.

**Retention of Money by Deduction or Set-Off**

**Retention Criteria**

The retention of money by deduction or set-off shall not take place under this policy until the board is certain that:

- (a) the debt or obligation is valid;
- (b) reasonable attempts have been made to arrange a mutually acceptable schedule with the debtor for the payment of the debt or obligation; and
- (c) the debtor has been notified of the debt or obligation by a certified demand letter and thirty (30) days have passed since the letter was sent.

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**Retention of Money**

When these three criteria have been met, the board may retain by way of deduction or set-off the entire amount or a portion of the amount of a debt or obligation owing to the board.

When an amount has been retained by way of deduction or set-off pursuant to this policy, the board must advise the debtor in writing that the deduction or set-off has been made.

Exclusion

This policy does not apply when the debtor has agreed to the deduction or set-off, or when money is payable as compensation under the *Workers Compensation Act*.

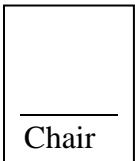
Write-Off

If the board is satisfied that the recovery of a doubtful account is not cost effective or has been pursued to the full extent of the law without being recovered, the board may delete the amount (in whole or in part) from its accounts.

Authorization Limits

The following persons are authorized to write-off a doubtful account up to the specified limits:

Chief Financial Officer	up to \$10,000
President	up to \$20,000
Board of Directors	more than \$20,000.

  
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Debt or Obligation Not Extinguished

The write-off of all or part of a debt or obligation under this policy does not eliminate the board's ability to collect the debt or obligation.

The board must maintain a permanent record detailing the amounts that have been written off and the names of the debtors. All new claims and employer registrations must be compared against this record. If the possibility of recovering a debt or obligation that has been written off arises, the amount may be reinstated as an account receivable and collected.

### **Reporting**

A debt or obligation that has been written off by the board during the year shall be reported to the Board of Directors in the accounts for that year.

### **Reference**

*Occupational Health and Safety Act, s. 47*  
*Financial Administration Act*  
Policy FN-01 Exemption From Management Board Directives

### **History**

FN-08, Write-Off, effective October 1, 1996; amended March 8, 2005.  
FN-10, Retention of Money by Deduction of Set-Off, effective October 15, 1996; revoked March 8, 2005.

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