

 <p>Yukon Workers' Compensation Health and Safety Board</p>	<b>Part:</b>	<b>Finance, Investments and Administration</b>		
	<b>Board Approval:</b>	Original signed by Chair	<b>Effective Date:</b>	January 1, 2015
	<b>Number:</b>	FA-07	<b>Last Revised:</b>	
	<b>Board Order:</b>		<b>Review Date:</b>	

**RETENTION OF MONEY BY SET OFF,  
AND WRITE OFF OF DEBTS AND OBLIGATIONS**

**GENERAL INFORMATION**

On occasion, Yukon Workers' Compensation Health and Safety Board (YWCHSB) purchases goods and services from vendors, service providers, and other entities that owe a debt or obligation to YWCHSB. By applying this policy, YWCHSB may retain, as a set off, the entire amount (or a portion of the entire amount) that would otherwise be paid to a person (such as a vendor, service provider or other entity), in satisfaction of the debt or obligation owed to YWCHSB.

In cases where YWCHSB cannot recover a debt or obligation owed to it, it can write it off by applying this policy.

**PURPOSE**

This policy clarifies when and how YWCHSB will retain money by way of set off, and when and how YWCHSB will write off a debt or obligation.

**DEFINITIONS**

1. **Debt:** a fixed and certain amount of money, owing and payable either in the present or in the future.
2. **Doubtful Account:** the amount of money owing to YWCHSB as a debt or obligation, the recovery of which is considered to be unlikely.
3. **Obligation:** a formal and binding agreement or acknowledgement of a liability to pay a certain amount of money or to do a certain thing.
4. **Set off:** the act of deducting a portion or all of a debt or obligation from any money due or payable by YWCHSB to a person.
5. **Write off:** the deletion from the accounts of YWCHSB of a debt or obligation (in whole or in part).

## POLICY STATEMENT

### 1. Retention of Money by Set Off

#### a) Retention Criteria

The retention of money by set off shall not take place under this policy until YWCHSB is certain that:

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

#### b) Retention of Money

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

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

### 2. Write Off

If YWCHSB 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, YWCHSB may write off the amount (in whole or in part).

#### a) Authorization Limits

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

Director of Assessments	up to \$10,000
Chief Financial Officer	up to \$ 20,000
President	greater than \$20,000

#### b) Debt or Obligation Not Extinguished

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

YWCHSB must maintain a record detailing the amounts written off and the names of the debtors. All new 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.

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Chair

**c) Reporting**

A debt or obligation written off by YWCHSB during the year shall be reported to the Board of Directors in the accounts for that year (refer to section 92(4) of the *Workers' Compensation Act*, S.Y. 2008).

**APPLICATION**

This policy does not apply to the recovery of an overpayment of compensation benefits, which is addressed in YWCHSB policy EL-04, "Recovery of Overpaid Compensation".

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

**ACT REFERENCES**

Sections 92 and 94

Section 35 of the *Financial Administration Act* authorizes 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 Yukon Government to write off all or part of a debt or obligation that is owed to the government and is considered uncollectible.

*Occupational Health and Safety Act*, s. 45

**POLICY REFERENCES**

EL-04, "Recovery of Overpaid Compensation"

**HISTORY**

FA-07, "Retention of Money by Deduction or Set-off, and Write-off of Debts and Obligations", effective July 1, 2008, revoked January 1, 2015.

FN-08, "Retention of Money By Deduction or Set-off and Write Off of Debts and Obligations", effective October 1, 1996, amended March 8, 2005, revoked July 1, 2008.

FN-10, "Retention of Money by Deduction of Set-Off", effective October 15, 1996, revoked March 8, 2005.

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Chair