

Core Policy and Procedures Manual - Amendment Summary March 2012

Policy

- [7.0 Revenue and Receivables Management](#) **7.0 Revenue and Receivables Management** – Part's 1& 2 amalgamated and Chapter Name changed from Revenue Management to Revenue and Receivables Management. Policies throughout this chapter have been updated for clarity and concurrence with responsible organization name, account, and legislation changes.
- [7.2.2 Fees and Licenses](#) – policy 2 revised to reflect that information on new fees or changes to existing fees are submitted to Treasury Board Staff for review.
- [7.2.5 Delegation of Revenue Responsibilities](#) – policy 5 revised; Comptroller General approval is required for any exception to revenue responsibilities policies 3 & 4. Used to be the ministry Chief Financial Officer. Changed Revenue Authorities to Revenue Responsibilities as there is no legislative authority for revenue processes (unlike Expense Authority).
- [7.2.10 Revenue Bank Accounts](#) – name change for clarity formerly known as Accelerated Deposit Accounts
- [7.2.19 Reporting Requirements](#) – policy 1 revised; the Aged Accounts Receivable report is now restricted to trade and tax receivables and excludes amounts owing from other governments. The report is used to monitor government-wide collection of accounts receivable where normal collection activities apply (e.g. billing, credit checks, set-offs, etc.).
- [7.2.21 Ministry Collection Action](#) – emphasis in policies for a collection strategy that balances due diligence with ministry program and statutory requirements. Also, due date guidance conflicted with regulatory dates and were removed.
- [7.2.22 Employee Collection Action](#) – removed policy with respect to setting off employee's salaries for collecting overpayments. Current legislation restricts government from setting-off employee salaries/wages.
- [7.2.23 Set-offs](#) – added definitions of types of set-offs as well as internal set-offs. Policy 2 introduces a new Inter-Ministry Set-off Request form, FIN 11 for ministries to submit to the Comptroller General for approval.
- [7.2.25 Revenue Division](#) – organization name change; used to be Collections and Loans Management Branch. Policy 1 revised. Ministries no longer require Treasury Board Staff approval to transfer delinquent debt. An MOU between the ministry and the Revenue Division, Ministry of Finance, is required. In addition, policy regarding ministry use of private collection agencies has been repealed. The Revenue Division, Ministry of Finance is responsible for managing these services through an Alternative Service Delivery to recover debt.
- [7.2.26 Write-offs of Uncollectible Debts](#) – policies have been updated to clarify information required for debt write-off requests over \$5,000.

Procedures

- [E.1 Legally Encumbered Payments](#) **E.1.1 General Overview**- branch name change and mandate. Removed any reference to Assignments of Debt. 3CMB no longer honours these types of requests. Removed reference to Temporary Holds as these types of requests can only be made by Attorney General.
- [E.1.2 Third Party Demand](#) – branch name change and further clarification of third party demands
- [E.1.3 Garnishing Order](#) – branch name change and further clarification of garnishing orders

[E.1.4 Inter-Ministry Set-off](#) - Clarify definition of inter-ministry set-off.

- Temporary Holds section removed.
- Name of Set-off form updated to Inter-Ministry Set-off form.
- Addition of Inter-ministry Set-off request link and instructions.

Thank you for visiting our web site.
If you have any comments or questions, please [email us](#).

Revenue and Receivables Management

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7.1 Revenue and Receivables Management Policy Overview

7.1.1 Revenue and Receivables Management Policy Guiding Principles

Revenue and receivables management policies within this manual are developed with the intention of:

- Ensuring alignment of consistent revenue and receivables management across government
- Using cost-effective tools and techniques to maximize the collection of amounts owing to the Province
- Minimizing the value of receivables recommended for write-off by: ensuring that revenue from all sources is identified, claimed, classified, recorded, collected, safeguarded and reported in a timely and effective manner
- Ensuring that receipts of money are accurate, complete, accounted for and controlled to prevent or detect error, fraud or omission
- Ensuring that public facing payment services are managed in compliance with [Payment Card Industry Data Security Standards](#)
- Ensuring that proper administrative and control processes are established for revenue bank accounts, including authorization, review and reconciliation
- Ensuring prompt and vigorous collection to minimize amounts owing to government
- Providing fair and impartial treatment to debtors and clear and regular communication on amounts owing
- Charging interest on overdue receivables
- Ensuring that uncollectible receivables are written-off under the proper authority, and only after all appropriate collection action has been taken
- Ensuring that debts or obligations owing to government which are extinguished or remitted by enactment are recorded and removed from the books.

7.2 Revenue and Receivables Management Policy

7.2.1 Revenue Recognition

1. Revenue must be classified and recorded at the earliest point at which goods or services or rights under an agreement or by enactment are provided, or when fines or penalties are imposed and when taxes, fees, royalties or other sums imposed or authorized to be imposed under an enactment are assessed (owed or earned).
2. Revenue from the sale of goods or rights provided for under an agreement or by enactment must be recorded when government has transferred the significant risks and rewards of ownership to the buyer.
3. While not recognized as revenue when collected by a ministry in respect of a taxable transaction, the Harmonized Sales Tax (HST) applies to sales of specified taxable goods and services. Ministries must charge and collect HST as required by law and record this HST as a Balance Sheet Item in the "HST Collected" STOB 1576.

Procedure Requirements - [M.1](#), [M.3](#) & [M.19](#)

7.2.2 Fees and Licenses

1. Ministries (and applicable taxpayer-supported Crown agencies) must submit proposals for new fees, licences and fines, and changes to existing fees, licences and fines to Treasury Board. Full instructions on the fee review process are available on the Treasury Board Staff [Budget Information website](#) (government access only).
2. Ministries must ensure that fees charged by their ministry are posted in the government fee inventory found on the [Budget Information website](#), (government access only) and that the information in the inventory is accurate. Ministries must provide information to Treasury Board Staff on all changes to their fee structure and/or related legislative authorization.

7.2.3 Cost Sharing Agreements

1. Ministries must maintain an inventory of inter-governmental or public/private cost-sharing arrangements relating to their programs and make claims under these agreements promptly. At each fiscal year-end, ministries must report their cost-sharing arrangements to Treasury Board Staff, Ministry of Finance.
2. Chief financial officers must participate in the negotiation and monitoring of their ministry's cost-sharing arrangements to ensure that there are appropriate financial systems and controls in place over government revenues arising under them.

7.2.4 Control over Public Money

1. Ministries must establish effective systems and controls for the timely identification, receipt, collection and safeguarding of public money arising from their programs. Accounting records must be supported by a complete audit trail.

7.2.5 Delegation of Revenue Responsibilities

1. The objective of this policy is to establish a complete separation between authorization, custody, record-keeping and control functions. Deputy Ministers are responsible for approving their ministry delegated revenue responsibilities matrix. A person formally acting in a position may exercise the responsibility delegated to that position, but cannot further delegate that responsibility to another individual. Responsibilities that may be included in a delegated revenue responsibility matrix are:
 - a. extend credit in accordance with [7.2.6](#);
 - b. issue invoices or statements of account ([7.2.7](#) & [7.2.18](#));
 - c. approve credit notes;
 - d. approve refunds; ([7.2.11](#));
 - e. receive public money ([7.2.9](#));
 - f. initiate set-offs ([7.2.23](#));
 - g. write-off debts([7.2.26](#)) ; and,
 - h. approve journal vouchers.
2. Specimen signature cards approved by the [signing authority officer](#) must be maintained in respect of the responsibilities granted under policy 1.
3. Officers responsible for receiving public money (policy 1(e)) must not be given any other responsibilities described in policy 1.
4. Officers responsible for issuing invoices (policy 1(b)) must not be given responsibility to receive public money, write-off debts, approve credit notes, process refunds or journal vouchers, or initiate set-offs.
5. Any exception to policy 3 or 4 to accommodate an extraordinary ministry operational requirement (for example, limited office staff) must be checked by appropriate compensating controls and balanced against the risks in the circumstances and be approved by the Comptroller General.

7.2.6 Credit Management

1. Ministries must grant credit only where:
 - the terms and conditions of a loan agreement or the applicable program provide for extensions of credit ; or
 - goods, services or rights under an agreement or an enactment are provided on specific credit terms.
2. Ministries providing loans, or goods, services or rights under an agreement or an enactment on credit must assign an officer with responsibility for credit management functions.
3. Where credit is granted under policy 1, it must be granted in accordance with the terms and conditions of the applicable agreement or program and any governing legislation.

7.2.7 Billing and Payment

1. When payment is not received at the time that goods and services and rights under an agreement or an enactment are provided, an invoice, statement of account or other type of debit note must be issued as soon as possible (for example, within 30 days) subject to the provisions of any applicable agreement or enactment. Where goods and services and rights under an agreement or an enactment are provided on a continuing basis or over a long period of time, invoices or statements of account must be issued at regular intervals subject to the provisions of any applicable agreement or enactment.

7.2.8 Acceptance of Electronic Payments

Ministry programs will provide for electronic payment instruments for consumer convenience and consistency when accepting public money.

1. The Province, through [Banking/Cash Management Branch, Provincial Treasury](#), has adopted the payment card industry standards (PCI) for its electronic payment systems for government.
2. Banking/Cash Management Branch, Provincial Treasury, is responsible for approving and coordinating ministry acceptance of electronic payments. This ensures that adequate security and process standards are maintained including safeguarding the integrity and non-repudiation of transactions and data storage, retention and use.
3. Ministries are responsible for any costs associated with electronic payment transactions incurred by program areas operating within their mandate, including disputed sales.
4. Banking/Cash Management Branch, Provincial Treasury, is responsible for determining and approving a standard suite of electronic payment options based on program type and delivery models and payment card industry requirements. Consideration will be given to corporate solutions and government agreements with financial institutions and card processors in addition to ministry and program objectives.

7.2.9 Receipts and Deposits

1. All public monies received must be deposited promptly to the credit of the Minister of Finance:
 - to a revenue bank account at a financial institution as described in [7.2.10](#);
 - with a government agent; or
 - with a person appointed by the Minister of Finance to receive deposits of public money on behalf of the government.
2. Ministries must list and secure post-dated cheques until their payment date and deposit them promptly at that time.
3. Ministries must issue a receipt for any cash remittances at the time a remittance takes place. Ministries must discourage the remittance of cash through the mail. Payment may be made by cash, cheque, or electronically. Ministries can only refuse to accept cash and/or cheques in circumstances which have been approved by the ministry chief financial officer.
4. Cheques and other negotiable instruments must be endorsed "For Deposit Only to the Credit of the Minister of Finance" immediately upon receipt, except for remittances where conditions for payment have not yet been met (for example, security deposits). Payments that do not meet payment conditions (for example, conditional payments) must be returned immediately to the remitter and tracked separately on the balance sheet.
5. Ministries must provide adequate facilities for the safekeeping of public money at all times, for example from the time received until it is deposited at a financial institution.
6. Deposits must be made daily except where the ministry chief financial officer has determined this is not practicable or cost-effective and has made a record of that determination.

[Procedure Requirements - G.1](#)

7.2.10 Revenue Bank Accounts

Revenue bank accounts are ministry accounts at financial institutions for depositing public money, which are transferred each day to the consolidated revenue account.

1. Revenue bank accounts must only be set-up by the Banking/Cash Management Branch, Provincial Treasury, Ministry of Finance.
2. Ministries must keep the number of revenue bank accounts to a minimum. Ministry applications for accounts must be consistent with operating requirements.
3. Ministries must keep an adequate record of deposits to revenue bank accounts, and provide this record to the Office of the Comptroller General, upon request, for reconciliation with financial institution statements.
4. Ministries must keep an adequate record of their revenue bank accounts. This ministry record must be reconciled at least annually to the centralized bank account registry (CBAR) maintained by Banking/Cash Management Branch, Ministry of Finance.
5. Ministries must review revenue bank accounts at least annually to ensure each account is still required. Any account not required must be closed.

[Procedure Requirements - G.2](#)

7.2.11 Refunds

1. Ministries may only make refunds (including partial refunds) from the consolidated revenue fund or a trust fund if permitted by section 16 of the [Financial Administration Act](#) or other applicable authority.
2. Ministry policies regarding refunds must be documented and communicated as part of the schedule of fees and licences, and must be consistently applied.
3. Refunds must be identified and recorded in the ministry's accounting records.
4. Where a partial refund is made, the reason for refunding a reduced amount must be documented.

7.2.12 Dishonoured Banking Instruments

1. Where a banking instrument (for example, a cheque, pre-authorized debit or electronic funds transfer) has been deposited by the Province in payment of a debt or other obligation and it has been subsequently dishonoured, an accounts receivable must be set up by the responsible ministry. The amount must include a dishonoured banking instrument fee shown separately on any billing. In accordance with the applicable fee directive issued by the Minister of Finance, a fee of \$30, or any other amount set by applicable agreement, program or enactment, may be payable by the payer submitting a banking instrument that is dishonoured.
2. Ministries must immediately advise payers of their dishonoured banking instrument and any fee charged.
3. Payments received for dishonoured banking instrument fees must be paid into the Consolidated Revenue Fund and identified from other public money by use of a separate STOB.

7.2.13 Exchange Rates

1. The Office of the Comptroller General (OCG) establishes a Canadian/U.S. dollar [exchange rate](#) at the start of each fiscal quarter, or more frequently where fluctuations are significant. OCG must advise ministries and government agents of the prevailing quarterly rate two working days preceding the end of each fiscal quarter.
2. The difference between the actual premium received from or discount paid by the financial institution and the established exchange rate must be recorded in the U.S. Fund Exchange STOB (4612) established by the OCG.
3. Overpayments resulting from payments received by mail in U.S. funds must be credited initially to a miscellaneous STOB of the ministry. Underpayments resulting from payments received by mail in U.S. funds must be accepted or returned according to the materiality of the amount of the underpayment and the status of the debtor.
4. All payments received in U.S. funds exceeding \$10,000 and other foreign currencies must be deposited according to procedures established by the Banking/Cash Management Branch, Provincial Treasury. Ministries must consult with Provincial Treasury in respect of these deposits.

[Procedure Requirements - G.4](#)

7.2.14 Suspense Accounts

1. Where public money has been received and the associated debt or obligation cannot be immediately identified, it must be paid into the Consolidated Revenue Fund and credited to a suspense account established for that purpose.
2. Entries in suspense accounts must be cleared to appropriate accounts as soon as sufficient information is received.
3. Monthly, each ministry must analyze its suspense accounts and reconcile them with the balance reported in the central accounting system.

7.2.15 Insurance Proceeds

1. Ministries must ensure that insurance claims are submitted to the [Risk Management Branch, Provincial Treasury](#), for presentation to the insurer. Ministries must maintain a record of claims submitted and insurance proceeds received.
2. Ministries, in consultation with the Risk Management Branch, must identify the value of and likelihood of receiving proceeds from an insurance claim. A ministry must record the claim as an account receivable when the value is determinable and expected to be received.
3. When insurance proceeds are received, they must be paid into the Consolidated Revenue Fund and credited to an Insurance Claim Receipts revenue STOB.
4. When insurance proceeds are received in the same fiscal year to replace an insurable loss not involving tangible capital assets, ministries must credit the proceeds to the expenditure service line. Unless an account receivable for the claim has been recorded (as in policy 2), proceeds received in a subsequent fiscal year must be credited to a miscellaneous revenue STOB, "Insurance Proceeds."

5. Insurance proceeds from loss or damage to tangible capital assets, regardless of the fiscal year, must be recorded as proceeds of disposition/disposal and form part of the gain/loss calculation on disposal of tangible capital assets.
6. Where no expenditure has resulted from an insured loss, damage or other event, insurance proceeds must be paid into the Consolidated Revenue Fund and credited to a miscellaneous revenue STOB, "Insurance Proceeds". Insurance proceeds from loss or damage to tangible capital assets must be recorded as proceeds of disposition/disposal and form part of the gain/loss calculation on disposal (as in policy 5 above) and the write down of the asset not replaced.
7. Where the amount of insurance proceeds is greater than any expenditure resulting from a the insured loss, damage or other event, the surplus must be paid into the Consolidated Revenue Fund and credited to miscellaneous revenue STOB, "Insurance Proceeds". Surplus proceeds from loss or damage to tangible capital assets must be recorded as required in Policies 5 and 6.

7.2.16 Recording of Receivables

1. All amounts determined to be due to the government must be promptly recorded as a receivable by the ministry. Each receivable must be recorded and maintained until payment is received or the recorded amount is written-off or forgiven (for example, extinguished or remitted).
2. An adequate provision for doubtful accounts must be established. When all appropriate efforts fail to collect a receivable and it has been approved for write-off, remission, or extinguishment, the related provision for doubtful accounts should be reduced.

7.2.17 Control and Subsidiary Accounts

1. Ministries must establish control accounts, where applicable, to ensure the completeness and accuracy of individual accounts.
2. A ministry's receivable control STOB must include all receivables except loans, mortgages and accountable advances. Separate control STOBs must be maintained for loans, mortgages and accountable advances. Each control STOB must consist of total amounts due, less total amounts received, and any authorized adjustments.
3. Ministries must maintain subsidiary accounts for individual debtors in a manner that discloses, at a given point in time, the aggregate amount owed by each debtor as well as individual amounts making up the aggregate amount.
4. Monthly, ministries must reconcile subsidiary accounts with the control STOB for each accounts receivable, loans receivable, mortgages receivable and accountable advances.

7.2.18 Statement to Debtors

1. Ministries must issue periodic invoices or statements to debtors providing meaningful and concise information on the status of their debts (for example, identifying principal and interest components). Ministries must determine the frequency of issuing invoices or statements based upon the nature of the receivable and the provisions on any applicable agreement or enactment.

7.2.19 Reporting Requirements

1. Quarterly aged receivable reports; that is, for trade and tax receivables only, must be signed off by the ministry chief financial officer and submitted to the Financial Management Branch, Office of the Comptroller General by July 20, October 20, January 20 and April 30 for the preceding quarterly period ended. ([see template](#) - government access only) Explanations of significant variances from the report for the previous quarter must be included with each quarterly report. The quarterly aged receivable aging categories are:
 - accrued/not due;
 - current;
 - 31 - 60 days;
 - 61 - 90 days;
 - 91 days - 1 year;
 - 1 - 2 years;
 - 2 - 3 years;
 - over 3 years
2. An annual summary report of receivables activity must be signed off by the ministry chief financial officer and submitted

to the Financial Management Branch by April 30 of each year. ([see template](#) - government access only)

7.2.20 Interest on Overdue Accounts Receivable

1. Ministries must charge interest on overdue amounts owing to the government as provided in the [Interest on Overdue Accounts Receivable Regulation](#) subject to the exceptions set out in that regulation. An example of such an exception is where a loan or other contract specifically provides for interest to be paid to the government on past due amounts.
2. Ministries must record interest charges owing separately in their accounts receivable records and identify individual amounts owing for each debtor.
3. Ministries must advise each debtor of all interest charges to the debtor's account either by separate invoice or through periodic statements of account.
4. Ministries must deposit payments for interest charges to the Consolidated Revenue Fund or applicable trust fund.
5. When a debt has been written-off, ministries must stop recording interest as revenue and an amount owing. If a debt that was written-off is reactivated, the ministry must record interest from the date the debt was written-off until the debt is paid.

[Procedure Requirements - G.7](#)

7.2.21 Ministry Collection Action

1. Each ministry must establish a collection strategy that takes advantage of the full range of available collection methods, tools and specialists in the context of individual program needs and statutory requirements.
2. Ministries must establish an accurate and timely reporting system to notify collections staff when a receivable becomes overdue.
3. Ministries must take prompt and vigorous action to collect overdue receivables.
4. Ministries must establish fair but determined processes to recover these accounts.
5. Ministries must document all actions taken to collect overdue accounts.
6. Each ministry is accountable for its own receivables collection results. The accountability for collection results does not end on the transfer of a ministry's receivable to a central government collection branch, a collections agent of the government, a private collection agency or any other alternative method of collection.
7. In circumstances where the government owes money to a person, and that same person owes money to the government, if permitted by law, recovery may subject to policy [7.2.23](#), be initiated by the creditor ministry by:
 - An intra-ministry set-off where the payable and receivable are within the same ministry, or
 - An inter-ministry set-off.
8. When a payment has been received and two or more ministries have claims against a debtor, they must be addressed in the following order unless otherwise provided in an applicable agreement or enactment:
 - first, by the expressed statements or implied actions of the debtor;
 - second, to the government's advantage; and
 - third, to the earliest debt in time, and to interest before principal.
9. Ministries should refer to the [Freedom of Information and Protection of Privacy Act](#) and any other applicable enactment which may address the sharing of personal information in order to determine requirements for sharing personal information related to the collection of government debt.

7.2.22 Employee Collection Action

Ministries must immediately inform employees of any salary or other overpayments and attempt to establish a mutually agreeable schedule for full repayment. The repayment schedule must be signed off by the ministry and the employee, and placed on the employee's payroll file. The amount owing must be recorded as a receivable until the overpayment has been recovered. Ministries must consult with Strategic Human Resources in any situation where the collection action being considered is beyond the scope of this policy.

7.2.23 Set-offs

A set-off is a useful collection tool which involves a process established within government by ministries that are owed money by a debtor external to government. Where the debtor is owed money by the government for some purpose the amount

owed to the government can be deducted in deciding the final amount to be paid to the debtor. There are three types of set-offs currently used in government:

- a. Canada Revenue Agency (CRA) set-offs. Involves setting off the amount owing against a debtor's CRA income tax and or HST or GST refund. Revenue Division, Ministry of Finance is the designated contact for the government's CRA set-off program.
- b. Intra-Ministry set-offs. Where the amount owed to the ministry can be deducted off the next payment owing to the debtor (for example, next contract payment).
- c. FAA Section 38, Inter-Ministry set-offs. The amount owed to the ministry can be deducted off another ministry payment owing to the debtor.

Inter-Ministry Set-offs

1. Before set-off action is initiated, ministries must ensure that due diligence has been performed on collecting the debt.
2. Ministries must forward inter-ministry set-off requests (form [FIN 11](#)) submitted under section 38 of the [Financial Administration Act](#) to the Comptroller General for approval.
3. After an inter-ministry set-off is approved and processing of the cheque requisition is completed, the receivable of the debtor may be reduced.
4. Where the amount due to the government is less than or equal to the amount owing by the government, the payment requisition must include the amount to be set-off against the gross amount to be paid. This policy does not apply to contractual arrangements or enactments containing a specific provision not to set-off amounts owing.
5. The ministry must initiate set-off action in a timely manner to protect the government's interest for any goods, services or other rights. The ministry must consult with its legal counsel if there is any doubt as to the legality of the set-off or payment.
6. When the ministry wishes to take set-off action against a Crown corporation or a public body of the Province, it must first consult with the ministry responsible for the debtor entity. The result of this consultation must be included with the request to the Comptroller General for set-off action. A copy of the request must be sent to the chief financial officer of the ministry responsible for the debtor.
7. Before initiating a set-off against amounts payable from a trust fund, ministries must obtain a legal opinion that this action would not be contrary to an enactment or the trust, instrument or other authority by which the trust fund is held. Ministries must include a copy of the opinion with the set-off request.
8. Once set-off action has been initiated, the ministry must notify the Corporate Compliance Controls and Monitoring Branch, Office of the Comptroller General, immediately if it receives payment through any other means. When a debt is recovered in full, all set-offs relating to the debt must be cancelled and any surplus funds must be returned promptly.

7.2.24 Third Party Demands and Garnishments

The prerequisite to issuing a demand on third party under [Section 83](#) of the FAA is that a person owes money to the government and the Minister of Finance receives information that another person is or is about to become indebted to the debtor.

1. The ministry chief financial officer must ensure that the following information is retained on file prior to approving a request for a third party demand pursuant to section 83 of the *Financial Administration Act*:
 - how and when the debt arose;
 - evidence that the debt can be collected legally;
 - collection action taken to date;
 - the reason for initiating the third party demand;
 - set-off action instituted; and
 - a completed (but unsigned) Third Party Demand Notice.
2. Prior to issuing a request for a third party demand, ministries must ensure:
 - receivable collection has been pursued consistent with policy;
 - the debt is legally valid. Where doubt exists, the ministry must request that legal counsel obtain a judgment against the debtor or consider other collection actions (for example, negotiating a compromise settlement or pursuing write-off or extinguishment of the debt instead) and;
 - a defined payment schedule has been considered.

3. Ministries must forward unsigned Third Party Demand Notices together with documentation indicating the chief financial officer's approval to the [Revenue Division, Ministry of Finance](#), for sign-off.
4. The debt must include interest in accordance with any applicable enactment, agreement or policy. The third party demand must stipulate any interest that is accruing.
5. Ministries should not generally initiate a demand on a third party until at least 90 days after the debt was incurred. However, in instances, where prompt collection action is considered necessary or advisable to collect the debt (for example, the ministry has learned that the debtor is about to leave the jurisdiction), a third party demand may be requested sooner.
6. A third party demand on an employer must not exceed 30 per cent of the net wages or salary per pay period of the employee (debtor) except where the ministry considers it is unlikely that the remainder of the debt will be collected or that the debtor will remain employed with that employer.
7. The Minister of Finance must notify the debtor of the demand and give the debtor particulars of it at the same time and in the same manner as a demand is made on a third party.
8. Ministries must not request third party demands in relation to joint bank accounts unless all parties to the account are responsible for the debt sought to be collected.
9. If set-off relating to the same debt has been initiated, the ministry must also inform the Corporate Compliance and Controls Monitoring Branch (3CMB), Office of the Comptroller General, upon receipt of payments from third party demands.
10. When a debt to the government is paid in full, all third party demands for that debt must be cancelled. Surplus funds received from the third party or from the debtor must be returned promptly.
11. Verbal instructions to the third party by a ministry officer are sufficient to cancel a demand notice. Verbal cancellation of a demand notice must be confirmed in writing by the ministry in a timely manner.
12. A third party demand expires when the debt to the government sought to be collected is paid in full, or if applicable, at the end of the term set out in the demand notice.
13. Where there is any doubt about third party demands, ministry legal counsel must be consulted to ensure that third party demands are obtained in an appropriate manner.

7.2.25 Revenue Division

1. Either a ministry or the Revenue Division, Ministry of Finance, can seek to establish a memorandum of understanding with each other for the transfer of administration of delinquent debts between the ministry and the Revenue Division, Ministry of Finance.
2. A memorandum of understanding as described in policy 1 should set out any direct reimbursement by the ministry to Revenue Division, Ministry of Finance, for services or costs.
3. Prior to a ministry referring debts to Revenue Division, Ministry of Finance, the ministry must validate all accounts and ensure that the debts are clear of any appeals and/or adjustments.
4. The ministry and Revenue Division, Ministry of Finance, must sign an information-sharing agreement that addresses the collection, use and disclosure of any personal information obtained in the course of managing receivables.

7.2.26 Write-offs of Uncollectible Debts or Obligations

1. Only those debts or obligations for which all appropriate collection action has been taken can be considered for write-off.
2. Ministries must ensure that uncollectable debts or obligations are reviewed at least once a year and identify those debts that should be submitted for write-off.
3. A write-off removes a receivable from the accounts recorded in the Corporate Accounting System, but does not extinguish the legal right of the government to collect the debt or obligation. Collection action is resumed for debts or obligations previously written-off when information indicates that there are prospects of recovering the debt or obligation, or any portion of the debt or obligation.
4. Write-off submissions must include all relevant information (any information the ministry possesses relevant to the debt or obligation and its collectibility). Submissions for the write-off of debts or obligations exceeding \$5,000 must be appropriately categorized. The categories for submission are:
 - debtors who have died and the estate has been probated without any assets;
 - debtors who cannot be located;

- debtors who are indigent;
 - debtors residing outside of the province of British Columbia in locations where there are no apparent means of collection and there is no indication that the debtor has family or business ties that might encourage return to the province of British Columbia;
 - debts where, in the view of the creditor ministry, further expenses to collect are not justified in relation to the amount of the debt and the possibility of collection;
 - debts where legal counsel has indicated that the amount involved does not warrant the prospective costs of action to collect;
 - debts where liability has not been admitted by the debtor and where the success of proceedings to collect is unlikely;
 - debts where the existence of an enforceable debt due to the Crown cannot be readily established (that is, where records have been lost or destroyed and the ministry is unable to prove receipt of services by the debtor); and
 - debts where a corporation is inoperative and without assets.
5. All write-off submissions must include details of the collection action taken, the budget impact, the debtor's financial status if relevant, and why further collection action is not possible or practical.
 6. The chief financial officer of a ministry is responsible for authorizing the write-off of ministry debt or obligations of \$5,000 or less. This authority may be delegated to officers within the ministry to write off individual debts or obligations of \$500 or less. Officers must maintain adequate records of any amounts that they have written-off and report quarterly to the ministry's chief financial officer on any write-off action taken during the quarter.
 7. The executive financial officer is responsible for recommending the write-off of ministry debts or obligations greater than \$5,000 and less than or equal to \$100,000. Submissions for approval must be made to the Comptroller General through the Financial Management Branch, OCG.
 8. The respective minister is responsible for signing off on the recommendation of the executive financial officer for all submissions for the write-off of ministry debts or obligations greater than \$100,000. All submissions for write-off approval must be sent to Treasury Board and copied to the Comptroller General for review.
 9. Ministries do not have to send a request to write-off debts or obligations to the Comptroller General or to Treasury Board in the following circumstances:
 - bankrupt individuals – when an order has been granted discharging the ministry debt or obligation, the ministry must remove the account on the basis of the order
 - judgment or other court orders – when it is determined that the Province is entitled only to a lesser amount than the recorded debt, the ministry must adjust the account on the basis of the court's order
 - extinguishments by operation of statute – where a statute extinguishes a debt or obligation (for example, the *Limitation Act* where the applicable limitation period has expired), the ministry must adjust the account on the basis of the statutory extinguishment
 - a legal opinion from the ministry solicitor that concludes that debt or obligation is invalid, unlawful, unenforceable or otherwise uncollectible.
 10. Debts of a bankrupt corporation must be written off through the normal procedures since, according to the federal *Bankruptcy and Insolvency Act*, a corporation may not apply for a discharge unless it has fully satisfied the claims of its creditors.
 11. When authority has been received to write-off a debt or obligation, the debt or obligation must be transferred from the ministry accounts to a reference file of "debts written off", where it must remain until paid, extinguished, or remitted (pursuant to section 18 or 19 of the [Financial Administration Act](#) or by another enactment).
 12. Annually, ministries must submit statements of debts written-off during the fiscal year, together with supporting authorizations, to Financial Reporting and Advisory Services, OCG, for Public Accounts reporting purposes.

7.2.27 Extinguishments

1. The minister is responsible for authorizing all submissions for extinguishment in relation to debts or obligations relating to activities of their ministry. Proposals must be forwarded for review to the Minister of Finance, through the Financial Management Branch, OCG, prior to submission to the Lieutenant Governor in Council or the appropriate official specified in the [Forgiveness of Debts and Obligations Regulation BC Regulation 269/92](#) as amended (or other applicable authority), for approval.
2. The Minister of Finance or the Deputy Minister of Finance, the Assistant Deputy Minister, Corporate and Ministry

Support Services Division, Ministry of Finance or the Comptroller General, pursuant to the Forgiveness of Debts and Obligations Regulation, may approve a settlement agreement to forgive some or all of a debt or obligation where the total amount to be forgiven (principal plus interest) does not exceed \$100,000. In addition, the following Receivables Management Office officers have authority to approve a settlement agreement to forgive some or all of a debt or obligation where the total amount to be forgiven (principal plus interest) does not exceed the following limits:

- the director – \$50,000;
 - a manager – \$25,000;
 - a collection officer – \$25,000.
3. Ministries should seek legal advice prior to entering into a settlement agreement to forgive some or all of a debt or obligation to which Section 18 of the *Financial Administration Act* applies.
 4. Ministries should also seek legal advice for non-FAA extinguishments. Some examples of debts and obligations extinguished outside Section 18 of the *Financial Administration Act* are:
 - bankrupt individuals – when an order has been granted discharging the debt or obligation, the ministry must remove the account on the basis of the order
 - judgment or other court orders – when it is determined that the Province is entitled only to a lesser amount than the recorded debt, the ministry must adjust the account on the basis of the court's order
 - extinguishments by operation of statute – where a statute extinguishes a debt or obligation (for example, the *Limitation Act* where the applicable limitation period has expired), the ministry must adjust the account on the basis of the statutory extinguishment
 - settlements involving fines, pecuniary penalties, taxes, royalties, fees or other sums imposed or authorized to be imposed by an enactment.
 5. Annually, ministries must submit statements of debts or obligations extinguished (FAA and non-FAA) during the fiscal year, together with supporting documentation, to Financial Reporting and Advisory Services, OCG, for Public Accounts reporting purposes.

7.2.28 Remissions

FAA Section 19 remissions refer to debts or obligations owed to the government consisting of forfeitures, fines, pecuniary penalties, taxes, royalties, fees or other sums imposed or authorized to be imposed under an enactment.

1. Submissions for remission orders must be:
 - prepared by the ministry officials responsible for revenue management;
 - recommended by the ministry's chief and executive financial officers;
 - recommended by the Minister of Finance; and then
 - submitted to the Executive Council (Cabinet).
2. Submission pursuant to policy 1 must:
 - recommend the remission be authorized in whole or in part without conditions;
 - recommend the remission be authorized in whole or in part subject to conditions;
 - recommend the remission not be authorized; or
 - provide no recommendation on the remission because of conflict of interest or some other circumstance that makes a recommendation from the submitting ministry inappropriate or impossible.
3. All submissions for individual ministry remission orders must, at a minimum, contain the following information:
 - the name and address of the person whose obligation is to be remitted;
 - the amount to be remitted;
 - justification for remission;
 - sufficient background information to enable Cabinet to consider whether authorizing the remission is in the "public interest" in a case or class of case where "great public inconvenience", "great injustice" or "great hardship" to a person has occurred or is likely to occur if the remission is not granted; and
 - other information, including the matters set out in policy 2.
4. Annually, ministries must submit statements of remissions granted during the fiscal year, together with supporting

documentation, to Financial Reporting and Advisory Services, OCG, for Public Accounts reporting purposes.

7.3 Revenue and Receivables Management Policy Framework and Authorities

Revenue and receivable management policies are established by legislation and Treasury Board Directives. The authorities and roles related to revenue and receivables policy are defined in the table below

Revenue and Receivables Management Policy Authorities and Roles

| | |
|---|--|
| Treasury Board | <ul style="list-style-type: none"> Responsible for reviewing proposals for new fees, licences and fines, and/or changes to existing fees, licences and fines. FAA Section 4(1)(c). Responsible for issuing directives and regulations in relation to government financial management and control (including revenue management) FAA Section 4(1)(c). Responsible for authorizing the write-off of debts and obligations owed to the government and the issuance of directives to authorize the Comptroller General to collect government debts and obligations by set-off, FAA Section 17& 38. |
| Ministry of Finance | <ul style="list-style-type: none"> Authority to sign third party demands, FAA Section 83 and to set-off tax refunds owed to the debtor by Canada Revenue Agency |
| Office of the Comptroller General | <ul style="list-style-type: none"> Subject to the direction of Treasury Board, develops and maintains revenue and receivables management policy and administers the inter-ministry set-off process FAA Section 38 The Comptroller General is responsible for defining standards and policies governing ministry payment systems established to collect government revenues. FAA Section 9 Approves write-offs of receivables (\$5,000 to \$100,000) and reviews and recommends write-off action for receivables over \$100,000.FAA Section 17 Subject to the direction of Treasury Board, evaluates financial management (including in relation to revenue management) and recommends improvements to Treasury Board FAA Section 9 |
| Treasury Board Staff, Ministry of Finance | <ul style="list-style-type: none"> Responsible for reviewing cost-sharing arrangements FAA Section 4 |
| Banking/Cash Management Branch, Ministry of Finance | <ul style="list-style-type: none"> Manages the province's banking and financial arrangements and delivers a broad range of banking services. This includes cash management, bank payment processing, revenue consolidation and electronic banking services to ministries Sets policy and approves provincial government users of banking products and services, and works with clients to ensure that electronic payment systems are managed in compliance with PCI standards. |
| Revenue Division, Ministry of Finance | <ul style="list-style-type: none"> Authorized to collect non-tax receivables on behalf of those ministries who do not specialize in the billings/collection function. |
| Risk Management Branch, Ministry of Finance | <ul style="list-style-type: none"> Receives and reviews reports on losses of public money. |
| Government Chief Information Officer | <ul style="list-style-type: none"> Defines the technological direction and framework for IM/IT across government, maintains government IT security policy and establishes and maintains a process for incident investigation and reporting to the |

| | |
|-------------------------------|---|
| | Comptroller General. |
| Workplace Technology Services | <ul style="list-style-type: none"> • Responsible for development and management of the standard corporate technology infrastructure to support PCI standards as determined by the Minister of Finance. • Responsible for the service provisioning of a common IT infrastructure to enable PCI compliance (network segmentation, vulnerability management, security monitoring). WTS also provides reporting services to enable PCI compliance |
| Individual Ministers | <ul style="list-style-type: none"> • Responsible for administering the financial affairs of his or her ministry (including as to revenue matters) under the general direction of the Minister of Finance and Treasury Board |

7.4 Supplementary Information, References and Guides

7.4.1 [Banking/Cash Management](#)

7.4.2 [Treasury Board's Fee/ Fine Review Process](#)

7.4.3 [Revenue Division](#)

7.4.4 [Acceptance of Credit Card Payments: PCI Compliance Standards Roles & Responsibilities](#)

E. Special Types of Disbursements Procedures

- [E.1 Legally Encumbered Payments](#)
 - [E.2 Government-Approved Chargecards](#)
 - [E.3 Travel Card](#)
 - [E.4 Business Transaction Account \(BTA\)](#)
 - [E.5 Province of British Columbia Vehicle Service Cards](#)
 - [E.6 Purchasing Card](#)
 - [E.7 Ministry Payments by Government Agent Cheques](#)
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E.1 Legally Encumbered Payments

- [E.1.1 General Overview](#)
- [E.1.2 Third Party Demand](#)
- [E.1.3 Garnishing Order](#)
- [E.1.4 Commercial Assignments](#)
- [E.1.5 Bankruptcy and Insolvency](#)
- [E.1.6 Inter-Ministry Set-off](#)
- [E.1.7 Making Payments to Encumbered Vendors](#)

E.1.1 General Overview

The Corporate Compliance and Controls Monitoring Branch (3CMB), Office of the Comptroller General is responsible for managing the encumbrance function and processing payments by the Province that have become legally encumbered through federal or provincial legislation or the common law, as a result of third party demand, garnishing order, assignment and, or inter-ministry set-off.

Once the legality of an encumbrance is established, 3CMB places the debtor on stop pay status in the respective payment system(s).

3CMB cannot exercise discretion in complying with the requirements of an encumbrance order. In particular, encumbered payments resulting from a garnishing order, third party demand and, or assignments, could lead to the Province becoming financially and legally liable, if the payments subject to those encumbrances are not processed correctly in accordance with the terms of the order and the applicable law.

Information collected on debtors is strictly used for the purposes of managing encumbrance orders and processing encumbered payments. 3CMB cannot provide this information to any person outside of the Branch for purposes other than the legal encumbrance function.

Encumbrance orders received by a ministry must be immediately forwarded to 3CMB.

Corporate Compliance and Controls Monitoring Branch
Office of the Comptroller General
Room 234 - 617 Government Street
Victoria BC V8W 9V1

E.1.2 Third Party Demand

A Third Party Demand is a legal order issued by a federal or provincial government agency with the legislated authority, requiring the Province to redirect money to a third party, otherwise owing to the debtor.

Examples of Third Party Demands include:

- Notice of Attachments – Issued by the Family Maintenance Enforcement Program for family maintenance payments;
- Requirement to Pay – Issued by Canada Revenue Agency to recover outstanding income/excise tax, GST/HST, and CPP;
- Demand on Third Party – Issued by the Employment Standards Branch, Province of BC to recover outstanding payment of salaries and wages from employers;
- Demand on Third Party – Issued by Human Resource Social Development of Canada to recover outstanding employment insurance.

E.1.3 Garnishing Order

A Garnishing Order is a court order requiring the Province to redirect money to the Court, otherwise owing to the judgement debtor.

Pursuant to Section 6 of the [Court Order Enforcement Act](#), a Garnishing Order which names a public servant as the judgment debtor must be served on the Deputy Minister of Finance or by leaving them for that deputy minister at the following address:

Deputy Minister of Finance
C/O Corporate Compliance and Controls Monitoring Branch
Office of the Comptroller General
Room 234 - 617 Government Street
Victoria BC V8W 9V1

If the salary or wages of the public servant are usually paid by a board, commission, government agent or officer other than the Deputy Minister of Finance, the garnishing order must also be served on either the chief officer, chair of the agent, or the officers by or through whom the salary or wages of the employee are usually paid. The legal requirements for proper service of these orders are set out in Section 6 of the [Court Order Enforcement Act](#).

Pursuant to Section 8 of the *Crown Proceeding Act*, a Garnishing Order which names a government supplier, individual or legal entity to which the Province owes money (other than for the salary or wages of a public servant), as the judgment debtor, must be served on the Attorney General of BC in Victoria. Such an order is deemed to be sufficiently served, if left at the Victoria offices of the Ministry of the Attorney General, during office hours with a solicitor on the staff of the Attorney General, or mailed by registered mail to the Deputy Attorney General in Victoria. The legal requirements for proper service of these orders are set out in Section 8 of the [Crown Proceeding Act](#).

E.1.4 Commercial Assignments

An Assignment of accounts is the transfer of the right to funds in an account from one party, to another.

As assignments of debts are often executed by a business as security for a loan and are commonly used by the government's major contractors, amounts can be significant. Ministries must forward copies of the relevant contracts for goods or services to Legal Encumbrances Branch. Upon receipt of the financial assignment and copies of the contracts for goods and services, Legal Encumbrances Branch will ensure the names on all documents are the same before proceeding further.

The government honours properly executed assignments of book debts. Ministries may sign for receipt of documents from, for example, a courier. However, ministries must not sign assignment documents. All such documents must be immediately forwarded to Legal Encumbrance Branch.

The government does not accept employees' voluntary assignment of wages.

E.1.5 Bankruptcy and Insolvency

Assignment in bankruptcy, assignment for the general benefit of creditors or receivership proceedings received by a ministry

must be promptly forwarded to the Legal Services Branch, Ministry of Attorney General.

E.1.6 Inter-Ministry Set-off

Where the Province owes money to a supplier, individual or legal entity and that same entity owes money to the government, recovery may be initiated by the creditor ministry by completing a [FIN 011 - Inter-Ministry Set-off Request](#) form and submitting this electronically to 3CMB at FOLEBR@gov.bc.ca to obtain Comptroller General approval.

If the payable and receivable are within the same ministry, [FIN 029 - Intra-Ministry Set-off Request](#) form is to be used, without any involvement from the 3CMB.

This process establishes an offset of the accounts payable against the accounts receivable across government. All regular means of collection must have been considered and attempted by the ministry initiating the set-off prior to using this collection method.

Pursuant to Section 38 of the [Financial Administration Act](#), Treasury Board may, by directive, authorize the Comptroller General to retain money by way of set-off, out of any money due or payable to a person by the government or out of a trust fund, if

- a. That person owes money to the government,
- b. An overpayment has been made by the government to that person, or
- c. An advance made to that person under section 36 has not been repaid or accounted for.

The ability of the Province to set off a debt owed by an employee to the Province is constrained by section 21(1) of the [Employment Standards Act](#), which stipulates that: "except as permitted or required by the Act, or any other enactment of British Columbia or Canada, an employer must not directly or indirectly, withhold, deduct or require payment of all or part of an employee's wages for any purpose."

A written authorization from the employee or legal authority (court order, arbitration award filed as deemed court order) is required prior to deduction of an employee's wages.

Where written authorization from the employee is provided, payroll deduction is set up through the Public Service Agency, without any involvement from the Corporate Compliance and Controls Monitoring Branch.

E.1.7 Making Payments to Encumbered Debtors

Once the legality of an encumbrance order is established, 3CMB places the debtor on stop pay status in the applicable payment system(s).

Payments made to the debtor via a government financial system will be diverted to 3CMB for further processing.

If a payment subject to a legal encumbrance is made contrary to the encumbrance order, the Province may be held legally and financially liable.

To avoid bypassing the stop payment controls, ministries should be aware of the potential gaps that may subject the Province to these risks.

E.2 Government-Approved Chargecards

[CPPM 4.3.19](#) describes policy for the use and maintenance of government approved chargecards by public servants for the acquisition of certain goods and services. In accordance with the policy, three types of cards are described in these procedures:

- the travel card;
- the Province of British Columbia Service Card (Vehicle Service Card); and
- the Purchasing Card.

For purposes of these procedures, TELUS Calling Cards are not considered to be government-sponsored credit cards or government-approved chargecards.

Ministries may wish to consider issuing corporate telephone calling cards to senior executives who have to make a large number of business related telephone calls while on travel status. This would save the additional hotel surcharges for operator assisted calls.

E.3 Travel Card

[Core Policy - 4.3.19; 10.3.13](#)

[E.3.1 General](#)

[E.3.2 Liability](#)

[E.3.3 Eligibility and Restrictions on Use](#)

[E.3.4 Administrative Responsibilities](#)

[E.3.5 Cardholder Responsibilities and Procedures](#)

[E.3.6 Headquarters Outside of Canada](#)

[E.3.7 Procedure for Cancellation](#)

[E.3.8 BMO *details* Online](#)

The objectives for using the travel card are to:

- replace accountable advances, except in circumstances where the card cannot provide the required service and the employee does not qualify for a travel card;
- offer an easier and simpler method of travel planning by supporting the use of an internationally recognized multi-use travel card for use while on travel status;
- provide employees with a less costly and more efficient access to cash required for government approved travel; and
- accumulate expenditure information by supplier for central agency decision making or negotiation of discounts.

E.3.1 General

A special agreement has been negotiated to allow provincial government employees to use the Bank of Montreal MasterCard travel cards to pay approved travel related expenses and obtain travel cash advances. The cardholder is responsible to pay the monthly statement balances directly to the Bank of Montreal and claim for reimbursement by completing and submitting a travel expense report via iExpense.

The card also carries the following insurance:

- MasterRental
 - Collision Damage Waiver
 - Car Rental Accidental Death and Dismemberment
 - Car Rental Personal Effect
- MasterTrip
 - Unexpected Return Home
 - Assisted Services
 - Common Carrier Accidental Death and Dismemberment
 - Baggage Delay
- MasterLegal
 - Legal Referral and Payment Assistance

Note: For full details of the terms and conditions of the above and other benefits associated with the use of the card, employees should consult the information package received with their cards.

Renewal of the card is at the option of the card issuer. A ministry, the Office of the Comptroller General or the cardholder may also request cancellation of a card.

E.3.2 Liability

The travel card provided by the Bank of Montreal is a personal pay / shared liability product. The Province is liable for all legitimate travel expenses for which the employee has not been reimbursed, and the employee is liable for any unauthorized charges and for approved travel expenses for which he/she has already been reimbursed. It is the employee's responsibility to pay the monthly statement balance in full by the due date. It is therefore essential that employees and ministry staff submit and process travel voucher reimbursements in a timely manner to avoid account delinquencies and interest charges.

E.3.3 Eligibility and Restrictions on Use

Any provincial government employee, or incumbent of a government position (i.e. an individual seconded from an organization outside the provincial government, but not a contractor, volunteer, etc.) or Order-in-Council appointee is eligible to apply for a travel card.

The travel card is used to make purchases that are in the name of the employee and reimbursed through the submission of a travel claim or business expense approval form.

- While on travel status, cardholders use the travel card to pay for meals, accommodations and local transportations (such as car rentals and cab fares). The card may also be used to pay for minor incidental travel and business expenses.
- While within headquarters, cardholders use the travel card to pay for reimbursable business expenses and local travel, such as parking and taxis.

The card should not be used for:

- purchases for personal use;
- cash withdrawals that are for personal use; and
- purchases for which the Purchasing Card or other government approved charge card should be used (such as business meeting and conference room expenses).

E.3.4 Administrative Responsibilities

a) Common Business Services Responsibility

Procurement and Supply Services also has access to a central registry of all government approved travel card cardholders and a listing of ministry travel card coordinators. At least on an annual basis, ministry travel card coordinators are required to reconcile and confirm their ministry cardholders to the central registry.

Procurement and Supply Services also has access to a central registry of all government approved travel card cardholders and a listing of ministry travel card coordinators. At least on an annual basis, ministry travel card coordinators are required to reconcile and confirm their ministry cardholders to the central registry. At least on an annual basis, ministry travel card coordinators are required to reconcile and confirm their ministry cardholders to the central registry.

b) Chief Financial Officer Responsibilities

Ministries are responsible for:

- establishing eligibility guidelines;
- appointing a ministry travel card coordinator/alternate by completing a *Commercial Card Coordinator/Alternate Change Application* ([FIN 182](#)), and forwarding it to the Government Card Coordinator;

ensuring that adequate controls are in place to prevent the misuse of the card including duplicate payments and reimbursements;

- processing travel claims promptly to enable the employee to avoid delinquency fees; and
- appropriately limiting the issue of accountable advances.

c) Travel Card Coordinator Responsibilities

Travel card coordinators are responsible for:

- ensuring that the [BMO ePurchasing Solutions Corporate MasterCard Account Agreement Program Card Request](#) (FIN 643) is complete, accurate and authorized;
- ensuring that cardholders understand their responsibilities and receive appropriate training in the use of the travel card;
- ordering travel cards and maintaining cardholder information using the BMO *details* Online system;
- maintaining program documentation including a registry of cardholders that is to be annually reconciled to the central registry available from Procurement and Supply Services;
- monitoring the Travel Card Program; and
- ensuring that travel cards are cancelled for cardholders leaving the ministry.

E.3.5 Cardholder Responsibilities and Procedures

a) Cardholder Responsibilities

Cardholders are responsible for understanding and abiding by all the terms and conditions of being a cardholder. This includes:

- using the card for approved purchases relating to government travel only;
- reviewing monthly statements and reporting fraudulent use of the card;
- taking reasonable steps to ensure that the outstanding monthly statement balance on the card is paid in full and on time;
- claiming reimbursement for expenses on a timely and systematic basis to avoid late payment fees and delinquent accounts;
- ensuring that the card is used directly with merchants wherever possible and that cash advances are kept to a minimum;
- declaring to the expense authority if any benefits have been received from the use of the card or insurance claims are pending under the cardholder agreement; and
- safeguarding the card from loss or misuse.

b) Application Procedures

Individuals who wish to apply for a Bank of Montreal travel card should:

- request from the ministry travel card coordinator a [BMO ePurchasing Solutions Corporate MasterCard Account Agreement Program Card Request \(FIN 643\)](#); and
- complete the employee information section clearly and legibly, sign and date the form, and forward to the appropriate ministry expense authority for approval. The employee should read the attached appendixes and seek clarification from the travel card coordinator if necessary.

The expense authority is to complete the Employee Account Authorization Controls section by indicating the transaction, monthly and daily cash advance limits before signing the form and sending it to the ministry travel card coordinator. The ministry travel card coordinator is to review the form for accuracy and completeness and order the travel card using the [BMO details Online](#) system. The bank will normally mail the card (usually within two weeks) to the travel card coordinator who will forward the card to the employee. The Personal Identification Number (PIN) for cash access at automated teller machines

(ATM) will be sent under separate cover about one week later directly to the cardholder.

c) Cardholders on Leave of Absence

Cardholders who go on leave of absence for a period of more than two months shall surrender their card to the chief financial officer. The card's account status should be changed to "Closed" in the [BMO details Online](#) system. On the return of the cardholder, the card status can be changed to "Open" and the cardholder can start using the card again.

d) Cardholders Moving to Other Ministries

An employee who moves to another ministry must notify the travel card coordinator so the travel card can be cancelled. If the employee requires a travel card in the new ministry they are to request a new travel card following the application procedures above.

e) Payment of Outstanding Balances

Travel card monthly statements must be paid in full by the due date by the cardholder. Interest will be charged on outstanding balances starting on the 31st day after the statement cut-off, which is the third of the month.

Cardholders are responsible to claim reimbursement for expenses on a timely and systematic basis to avoid late payment fees. The ministry has the responsibility to process travel claims promptly. If due to no fault of their own, cardholders are not reimbursed in time to avoid the late fees, the expense authority may authorize reimbursement of the late fees.

Payments must be received by the Bank of Montreal by the due date and can be made:

- by cheque mailed to the Bank of Montreal
- by cash at any Bank of Montreal
- by automated teller machine
- by telephone banking
- by internet payment
- by electronic funds transfer (EFT) from a cardholder's bank account
- by pre-authorized debit (PAD) from a cardholder's bank account

f) Delinquent Accounts

The Bank of Montreal will not commence any legal action against the cardholder to collect amounts owing without first receiving written confirmation from the Province that such amounts do not represent the reimbursable portion of any authorized expense which was reimbursed.

Temporary accountable travel advances may not be available to employees whose own actions result in the cancellation of the travel card.

g) Transaction Costs

The Bank of Montreal does not charge automated teller machine (ATM) fees for cash advances made at a Bank of Montreal ATM terminal. ATM fees may apply to cash advances taken from ATMs operated by other financial institutions. The Bank of Montreal also charges interest on cash advances at a rate determined by the Bank of Montreal's prime lending rate plus 2% from the day the advance is taken until the day the advance is repaid.

Cardholders will be reimbursed for ATM fees incurred (if any) and the interest charged on the travel related cash advance.

To simplify and help reduce the tracking and claiming of the exact interest amounts, interest charges will be reimbursed at a flat 1% of the travel cash advance.

Employees should make every effort to minimize ATM fees by using Bank of Montreal ATMs and minimize interest on cash advances by repaying the advance as soon as possible.

h) Completing the Travel Expense Report

Expense authorities may authorize the following expenses (enter as miscellaneous and attach the receipts and/or statements):

- the fees charged on cash advances as noted above under "Transaction Costs"; and
- late payment charges if the charges resulted from the cardholder not being reimbursed in time to avoid the late fees. (Attach a copy of the Bank of Montreal statement and a brief explanation of why the statement could not be paid on time).

The expense authority should review the amount of cash advance for reasonableness for the type and destination of the travel. If the amount is not reasonable, the claim for the cash advance fee should be reduced.

i) Personal Identification Numbers

Shortly after the cardholder receives his/her travel card, they will receive their Personal Identification Number (PIN) by mail. The Personal Identification Number is required for cash advances and is to be kept confidential. Do not reveal your PIN to anyone. Do not write your PIN on your card. Do not keep your card and PIN in the same location, i.e., wallet, purse, etc.

j) Reporting Lost or Stolen Cards

When a charge card is lost or stolen, the cardholder must immediately advise a Bank of Montreal's customer service representative by telephone:

- In Canada & the USA call toll free: **1 800 361-3361 or 1 866 267-7834**
- Elsewhere call: **COLLECT 0 416 232-8020**

The cardholder must also immediately advise the ministry card coordinator that the card was reported lost or stolen. This notification will be done initially by telephone, followed up in writing. The card company will issue a replacement card to the employee.

There is no liability to the employee for transactions on cards which have been reported lost or stolen. In cases where transactions have occurred on a card before the cardholder has reported a loss or theft, the Bank of Montreal will review the timeliness of the reporting and the fraudulent transactions and, in most cases, will waive all liability, including the usual \$50 liability cap. The cardholder may be required to sign an affidavit of forgery stating that she/he did not make the charges. In the event that he/she refuses to sign the affidavit, all charges will be considered his/her responsibility.

E.3.6 Headquarters Outside of Canada

The travel card may be used and statements may be paid in local currency funds by cardholders whose headquarters are outside Canada. Expense authority on the travel expense report will continue to be exercised in the usual way.

E.3.7 Procedure for Cancellation

Travel card coordinators should ensure that travel cards are cancelled and destroyed if:

- requested by the ministry or Office of the Comptroller General;
- the cardholder leaves the employment of the ministry;
- the card is reported lost or stolen; or
- the card is no longer required.

Normal cancellations, which become effective within 24 to 48 hours, can be requested through the BMO *details* Online system. For emergency cancellations, travel card coordinators can call the Bank of Montreal to immediately request the cancellation. Travel card coordinators are to immediately change the account status to "Closed" in BMO *details* Online.

Note: Travel cards must be suspended (account status changed to "Closed") for the duration that an employee is on extended leave. The card can be temporarily reinstated (account status changed to "Open") if, for example, the employee is required to travel while on extended leave for medical travel assistance (i.e., leave for medical and dental care in accordance

with the terms and conditions of employment/master agreement provision).

E.3.8 BMO *details* Online

Travel card coordinators will use the BMO *details* Online system to perform numerous administrative activities including:

- requesting new cards;
- changing the status of cards;
- requesting the cancellation of cards;
- updating cardholder information;
- resetting cardholder account passwords;
- changing the hierarchy "reports to" structure for cards;
- reviewing cardholder statements and transactions; and
- generating various travel card reports.

Cardholders have access to the BMO *details* Online system and can:

- review individual transactions within 24 hours of the transactions being processed by the Bank of Montreal; and
- review and print monthly statements within 24 hours following the monthly billing cycle date (which is the 3rd of the month).

BMO *details* Online is accessible through the internet at <https://bmodetailsonline.com>. You will be asked for your username and password (which were provided by your travel card coordinator). The first time you enter BMO *details* Online, you will be asked to replace the password originally provided with a new confidential password that you supply. Functions that are available to you will be found on your HOME page.

If you require assistance in using BMO *details* Online, contact your travel card coordinator.

E.4 Business Transaction Account (BTA)

[E.4.1 Benefits of Using Business Transaction Accounts](#)

[E.4.2 Appointing a Business Transaction Account Coordinator](#)

[E.4.3 Setting up a Business Transaction Account and a Business Transaction Account Acountholder](#)

[E.4.4 Account Use](#)

[E.4.5 Business Transaction Account Reconciliation and Payment](#)

The Business Transaction Account is a MasterCard account number issued by the Bank of Montreal (BMO) to a ministry department, branch or office. The account number resides with a travel agency and is used to pay for travel tickets (airfare, bus or train) issued to a select group of individuals that have been identified to the travel agency. There is no plastic card issued and transactions are usually initiated with the travel agency by phone, fax or email.

When tickets are issued by the travel agency, they are to be accompanied by a "nil" invoice/itinerary billed in the name of the department/branch. This invoice/itinerary will be used to reconcile the monthly statement received from the Bank of Montreal and clear the inter-ministry journal voucher charge-back that is initiated by Purchasing Services Branch (Ministry of Labour and Citizens' Services). Purchasing Services Branch pays the monthly Bank of Montreal statements on behalf of all ministries and promptly charges back the ministry their business transaction account expenditures.

All purchases made on the business transaction account are to be billed in the name of the department/branch. Car rentals and hotel reservations are not to be booked on a business transaction account and must be paid directly by the employee.

E.4.1 Benefits of Using Business Transaction Accounts

In addition to consolidating travel charges into one payment, the business transaction account provides:

- Management Information – all travel information available on tickets purchased with a business transaction account is available electronically to the Province (i.e., who travelled, what common carrier was used, what travel agent was used, class of travel, when and where travelled). Ministries can also receive their choice of customized management information reports. These reports can be used to analyze trends in business travel to identify potential savings within ministries.
- Efficiency and Convenience – Travel agencies will provide efficiency and convenience in coordinating employee travel with the most up to date information on schedules, availability and fares.

E.4.2 Appointing a Business Transaction Account (BTA) Coordinator

The ministry chief financial officer is responsible for appointing a ministry Business Transaction Account Coordinator by completing a [Commercial Card Coordinator/Alternate Change Application](#) FIN 182. The completed form must be forwarded to the Government Card Coordinator at Purchasing Services Branch.

The business transaction account coordinator's responsibilities include:

- ensuring all forms for setting up a business transaction account are complete and accurate;
- ensuring that the business transaction account accountholders have completed the [Business Transaction Account, Acknowledgment of Terms of Use and Consent](#) FIN 178/A, and understand their responsibilities;
- ordering business transaction account numbers and maintaining business transaction account information in BMO *details* Online;
- maintaining a registry of business transaction account accountholders and annually reconciling this registry to the central registry available from Procurement and Supply Services;
- monitoring the business transaction account program; and
- informing the Government Card Coordinator of contact information changes.

E.4.3 Setting up a Business Transaction Account and Business Transaction Account Accountholder

A separate business transaction account should be established for each department, branch or office in a ministry (there is no limit to the number of business transaction accounts a ministry can use). The business transaction account should be at the level where expense authority and payment reconciliation will occur. This should not be done centrally (i.e., for the entire ministry or division) unless specific procedures have been developed to ensure timely reconciliation and payment.

To request a new business transaction account or update an exiting account, complete the [Request to Open/Change a Business Transaction Account \(BTA\)](#) FIN178. The business transaction account accountholder is the office contact that will be the custodian of the business transaction account number and function as the main contact with the travel agency. The business transaction account accountholder is to provide contact information for the department/branch and the travel agency. Transaction and monthly limits should be set annually based on actual requirements and must be within the budget allocation of the expense authority to whose budget the expenditures will be charged. The form is to be authorized by the expense authority and forwarded to the business transaction account coordinator along with the Business Transaction Account, Acknowledgment of Terms of Use and Consent FIN178/A which is to be completed by the business transaction account accountholder.

The business transaction account coordinator will inform the business transaction account accountholder when the account has been setup. The business transaction account accountholder will then complete and send the [Notice To Vendor, Business Transaction Account](#) FIN 179 to the travel agency, which includes contact information and the list of authorized users whose travel can be charged to the business transaction account.

The business transaction account accountholders responsibilities include:

- ensuring that the [Request to Open/Change a Business Transaction Account \(BTA\)](#) FIN178 is complete and accurate;
- completing the [Business Transaction Account, Acknowledgment of Terms of Use and Consent](#) FIN 178/A;

- ensuring that the [Notice To Vendor, Business Transaction Account](#) FIN 179 is complete and accurate;
- ensuring that the Authorized Users list is updated with the travel agency;
- reporting any unauthorized or misuse of the account to the chief financial officer and the BTA coordinator;
- informing the business transaction account coordinator of contact information changes; and
- reconciling monthly Bank of Montreal statements to the travel agency information and ensuring the reconciliation is approved by the expense authority.

E.4.4 Account Use

Business transaction accounts are used to pay for authorized travel tickets (airfare, train and bus). Tickets are purchased in the name of the traveller and are billed to the ministry department, branch or office. The business transaction account should not be used for personal travel or cash advances or other travel related expenditures for which the travel card should be used.

Procedures for Purchasing Travel Tickets

- order the ticket from the travel agent and bill to the business transaction account number. Tickets can only be ordered for individuals listed on the Authorized Users List;
- the ticket is received from the travel agency with an invoice/itinerary. The invoice/itinerary is to have a "nil" balance showing the charges and the credit for payment made with the business transaction account;
- the ticket is delivered to the employee. The employee as qualified receiver, signs the invoice to signify receipt of goods;
- the "nil" invoice is held in a pending file until the Bank of Montreal statement arrives;
- cross-reference the employee Travel Voucher number to the travel agency invoice (at the discretion of ministry expense authority).

E.4.5 Business Transaction Account Reconciliation and Payment

When the monthly Bank of Montreal statement is received, it will immediately be paid by the Purchasing Services Branch (Ministry of Labour and Citizens' Services) and charged-back to the ministry on an inter-ministry journal voucher to a ministry clearing account. The Bank of Montreal statement is to be coded and reconciled to the travel agency invoice/itineraries which should have been signed by the qualified receiver (traveller). Discrepancies must be resolved as soon as possible. (Travel agencies should be informed that all charges or credits must be referenced to the original transaction.) The reconciled and coded Bank of Montreal statement is to be sent to the expense authority for authorization and then entered into the CAS Accounts Payable module as a "zero invoice" to reallocate the expenditures to the appropriate accounts and clear the ministry clearing account.

The [FIN 123 - Business Transaction Account Register & Summary for HST](#), or the [FIN 125 - Multi-Page Business Transaction Account Register & Summary form](#), is available to account holders to log purchases and determine the HST amounts. The form also supports reconciliation and expense authority approval of monthly statement transactions.

E.5 Province of British Columbia Vehicle Service Cards

[Core Policy - 4.3.19](#)

[E.5.1 Fleet Coordinator](#)

[E.5.2 Issuing Service Cards](#)

[E.5.3 Mandatory Red Card Use](#)

[E.5.4 Blue Card – Fuel Only](#)

[E.5.5 At-the-Pump Fuel Purchases](#)

[E.5.6 Spare Parts, After-Market Items and Equipment](#)

[E.5.7 Issuance of Cards – Authorized Contractors](#)

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[E.5.11 Storage of Card](#)

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[E.5.13 Use of Petty Cash](#)

[E.5.14 Payment of Outstanding Balances](#)

[E.5.15 Discounts](#)

[E.5.16 Purchase Limits](#)

[E.5.17 Repair Authorization Process – Red Cards](#)

E.5.1 Fleet Coordinator

The Fleet Coordinator is the individual designated by the ministry to be PHH's primary contact. In most ministries the coordinator is also the chief financial officer's delegate for the purpose of ordering and cancelling Service Cards.

E.5.2 Issuing Service Cards

Service Cards are to be issued as follows:

Red cards – for all vehicles leased from PHH and vehicles leased under the executive lease program (Ministers, Deputy Ministers and eligible Deputy Minister equivalents).

Blue cards – for all other vehicles (and equipment, marine vessels and aircraft) that require fuel purchased at-the-pump, except for daily rentals. Ministries also have the option of issuing red rather than blue cards to such vehicles.

E.5.3 Mandatory Red Card Use

The PHH red card is to be used for all normal motor vehicle operating expenses for vehicles leased from PHH and for vehicles in the executive lease program. This includes the purchase of tires and tire installation and the initiation of repairs and maintenance.

Purchases of car washes and interior detailing may be made with other purchase instruments if the PHH service card is not accepted by the supplier.

E.5.4 Blue Card – Fuel Only

The blue PHH service card is only to be used for the purchase of fuel, lubricants and incidental items. Operators of vehicles issued with a blue card must not tender the card for the purchase of maintenance or major repairs.

E.5.5 At-the-Pump Fuel Purchases

A Service Card is to be used for all at-the-pump purchases of fuel, lubricants and minor repairs for vehicles, equipment, marine vessels and aircraft. Alternate purchasing methods are only permissible in communities where the Service Card is not accepted.

Pay-At-the-Pump Systems

In order to prevent potential fraud, PHH Service Cards must not be used with pay-at-the-pump card reader devices. Pay the purchase by presenting the Service Card to the service centre attendant directly for processing.

E.5.6 Spare Parts, After-Market Items and Equipment

With the exception of minor replacement parts (e.g., wiper blades), the red Service Card cannot be used to purchase spare vehicle parts (except tires), after-market items installed on a vehicle (e.g., winches, special bumpers, canopies) or equipment issued to a vehicle.

E.5.7 Issuance of Cards – Authorized Contractors

The chief financial officer or delegate may authorize the use of the Service Card by a private contractor providing services to the ministry, and operating a government-operated vehicle, if specifically provided for under the terms of the contractor's general services contract.

E.5.8 Retail Promotional Programs

Employees must not accept any benefits derived from retail promotional programs including coupons, contests, other giveaways, or personal travel points from using the Service Card.

E.5.9 Receipts

For purposes of reconciling PHH's monthly invoice, ministries should retain receipts for all fuel purchases made with the PHH Service Cards, and copies of work orders for all repair and maintenance work made with the PHH red card (the work order is not an invoice).

E.5.10 Duplicate Payments

Red Card Vehicles. Service centres provide ministries with a work order describing the repairs performed on a vehicle. The work order is for reconciliation purposes only and **is not** an invoice. PHH pays the service centre. If a ministry pays the service centre causing a duplicate payment, the ministry, not PHH, is responsible for recovering the duplicate payment.

Blue Card Vehicles. If a blue card is erroneously used to pay for repairs and maintenance and PHH bills the ministry in duplication, the ministry, not PHH is responsible for recovering the duplicate payment. However, if the repair or maintenance work was approved in advance by a PHH VMA technician then PHH is responsible for recovering the duplicate payment.

E.5.11 Storage of Card

Service Cards are to be kept in a secure place when the vehicle is not in use. Vehicles must be locked at all times when left unattended.

E.5.12 Reporting Lost or Stolen Cards

When a PHH Service Card is lost or stolen, the vehicle operator must

- immediately advise PHH by phone (1 888 681-5426) and confirm by fax (1 888 681-3715) in the PHH prescribed format within 24 hours.
- Advise the chief financial officer or delegate by fax.

E.5.13 Use of Petty Cash

The use of petty cash for gas/oil purchases is permitted only in emergencies, and appropriate cross-references have to be noted on the petty cash replenishment documents for these expenses.

E.5.14 Payment of Outstanding Balances

PHH renders a single monthly Diversified Services Invoice to ministries to be paid in full by the due date of each billing cycle or interest may be charged on the total amount owing.

E.5.15 Discounts

Under the terms of the Fleet Management Services Agreement, the Province:

- receives the better of any discount negotiated by PHH with the oil companies or any discount offered directly to the Province by the oil companies;
- receives the National Account discount negotiated by PHH with the tire companies; and
- has established MSOs with service centres across the province.

To maximize cost savings, fuel purchases should be made from the company offering the greatest discount in a particular location. Information on discounts offered and preferred and optional suppliers is published on the internet (<http://pss.gov.bc.ca/psb/vehicle-management/vehicle-fleet-management.html>).

E.5.16 Purchase Limits

There is no limit on the amount or value of fuel that may be purchased at a single time using the PHH Service Cards, or the number of daily purchases that may be made.

Purchases of lubricants and minor repairs made with both the red and blue PHH Service Cards are limited to \$25.00 per purchase (including applicable taxes and levies) at most service centres. Attempts to purchase more than \$25.00 of lubricants and minor repairs will be rejected by suppliers EPOS systems. PetroCan and Esso accept minor repair purchases to \$50.00.

E.5.17 Repair Authorization Process – Red Cards

The following process applies to repairs and maintenance including tire purchases for vehicles issued with a PHH red card.

Note: blue cards are not be tendered for repairs.

Initiating a Repair

Responsibility for identifying the need for a repair and initiating a repair transaction may be assigned to either the vehicle operator or a designated employee (e.g., an equipment supervisor).

Service Centre Procedure

The vehicle operator presents the red card to the service centre when the vehicle is delivered for service. Before proceeding with a repair, the service centre must determine the final cost of the work.

Value of Work Less than \$750

Where the value of the repair is less than \$750, the service centre must phone PHH's VMA toll-free line to obtain authorization to proceed. The VMS technician will confirm that the prices being charged are in accordance with the service centre's MSO. If PHH approves the specific work to be performed it will issue a PHH purchase order number to the service centre.

Value of Work Greater than \$750

Where the value of the repair exceeds \$750, PHH will obtain approval from a ministry contact designated by the appropriate expense authority before authorizing the service centre to proceed with the work. The threshold limit for the Ministry of Forests and Range is \$500; however, for the Ministry of Transportation it is \$1,000.

Invoice Amount

PHH will only pay the service centre the specific amount approved by the VMA technician. This is the amount that will appear on the PHH diversified services invoice.

Work Orders

The vehicle operator must sign and retain the service centre's work order at the time the work is completed and the vehicle is picked up.

E.6 Purchasing Card

[Core Policy - 4.3.19](#)

The Purchasing Card is the primary instrument for making small dollar value purchases. The authority to purchase is delegated to positions. Individuals holding those positions receive a Purchasing Card and authority to purchase.

Detailed information and Purchasing Card procedures are available in the [Purchasing Card Manual](#).

E.7 Ministry Payments by Government Agent Cheques

[E.7.1 General](#)

[E.7.2 Restricted Payments](#)

[E.7.3 Processing Procedures](#)

E.7.1 General

Government Agent offices perform a wide variety of services across government. As agents for the Comptroller General, they issue cheques for ministry payment requests as designated by the Comptroller General. Effective April 1, 1999 payments are restricted to the conditions listed below. Ministries may further restrict payments by Government Agent offices.

Ministry signing authority officers must ensure that payment requests comply with this section and that pre-audit work is minimized. Any incomplete payment request must be returned by the Government Agent office to the originating ministry for correction and resubmission. The Comptroller General office will continue to record ministry payment requests received from Government Agent offices.

Regular payment requests must be submitted through ministry headquarters for cheque production, or use the Corporate Accounting System's Cheque On Demand capability for "rush" cheques. Note that ministry Purchasing Cards should be used to make timely, small dollar purchases.

E.7.2 Restricted Payments

In limited situations and when it is not possible to make timely regular or "rush" payments through ministry headquarters, ministry payments by Government Agent cheques are restricted to:

- Disasters, emergencies, floods or fires;
- Labour or work disruptions, or information system failures;
- Payments to comply with labour or employment standards;
- Temporary travel advances for employees who can demonstrate that they do not qualify for the government chargecard;
- Government Agency: suspense account, license supplier, out of court and victim restitution payments, and account collections (e.g., BC Hydro, ICBC); and
- Prompt payment situations.

Prompt payment situations are limited to circumstances in which prior plans or payment for goods or services could not be made, or were not foreseeable. This would not normally be expected when the timing of payment, or events requiring payment, were known or ought to have been known by a local ministry office outside of the time needed to make a regular or "rush" payment through ministry headquarters (i.e., the time to process a requisition and to produce and to remit a cheque by mail or courier).

E.7.3 Processing Procedures

Local Ministry Offices (When Local Ministry Office Prepares Payment Request)

Complete the [Payment Request Form](#) (FIN 188) accurately and completely.

- Ensure that the payment type is designated by this section.
- Ensure that the request is signed by designated expense authority officer. (Note: Expense authority is not required on a request if it has been exercised on an invoice or other appropriate documentation.)
- Attach supporting documentation (invoices, etc.) to the request.
- Submit request to the Government Agent office in sufficient time to permit document review, cheque preparation and issuance.

Local Ministry Office (When Government Agent Office Prepares Payment Request)

The Government Agent office will prepare a payment request (when required) on behalf of a ministry based on an [Authorization for Advance Through Government Agent Form](#) (FIN 343). Instructions are as follows:

- Complete the [Application for Accountable Advance Form](#) (FIN 299) accurately in accordance with instructions;
- Request ministry headquarters to initiate an [Authorization for Advance Through Government Agent Form](#) (FIN 343) for RAPIDFAX to the Government Agent office;
- Ensure that the FIN 299 is signed by the employee receiving the advance and attached to the Payment Request to be prepared by the Government Agent office; and
- Ensure that the information on the FIN 299 is consistent with that on the FIN 343, and that expense authority has been obtained for the disbursement. If the advance has received expense authority certification at the ministry headquarters on a form FIN 343, the local ministry office will leave the expense authority signature sections blank on the FIN 299. The Government Agent office will make the appropriate cross-reference notation on the FIN 299 form of the FIN 343 authority.

Government Agent Offices

Review of Payment Request Prepared by Local Ministry Office

- Ensure that the payment request has been completed correctly and fully. Common errors or omissions include:
 - unauthorized payment type;
 - no vote number, or if not a voted disbursement, "000";
 - no date stamp;
 - no STOB code;
 - incorrect totals;
 - no cheque stub printout code; and
 - incorrect or incomplete entries in the cheque stub printout box.
- Ensure that expense authority and qualified receiver have signed the payment request.
- Verify the expense authority signature against specimen signature cards.
- Where errors or omissions are observed, consult with the originator to obtain corrections. It is the responsibility of the local ministry office to supply accurate and complete information.
- If all criteria have been met, issue a cheque to the payee.

Review of Request for Accountable Advance

- Refer to the Application for Accountable Advance Form (FIN 299), and Advances Through Government Agents ([section B.2.3](#)). It is important to cross-reference the FIN 299 received from the local ministry office with the FIN 343 received by RAPIDFAX from ministry headquarters.

- Ensure that signing authority officers have certified, signed and approved the FIN 299 or FIN 343 (as applicable).
- Verify that the expense authority signature matches the signature on the specimen signature card. Common errors or omissions on the FIN 299 include:
 - no expense authority;
 - no account number or STOB code;
 - no employee number;
 - no signature of employee requesting the advance; and
 - no identification obtained from the cheque recipient (i.e., Driver's license).

Reconciliation of Ministry Payments

Ministries are responsible for ensuring that:

- all payment requests forwarded to the Office of the Comptroller General via GA offices have been processed;
- only authorized payments have been processed;
- payments have been accurately coded; and
- payments have been recorded on a consistent basis in all financial reports.