

Cowichan Tribes Policy



Policy Title:	Band Member and Employee Debts
Responsible Office(s):	Finance
Effective Date:	8 November 2011
Revision Date:	
Authority:	Council Motion 8 November 2011

Band Member and Employee Debts

Policy Statement

- 1) It is the policy of Cowichan Tribes to ensure that band funds are managed responsibly and where amounts owing to the band are outstanding that reasonable steps are taken for their collection.

Reason for Policy

- 2) The objective of this policy is to provide clear direction on when and how band member and employee debts are to be recovered.
- 3) The potential consequences of not collecting debts include: loss of funds, inequity between band members, and inability of the band to undertake projects.

Policy Application

- 4) This policy applies to Chief and Council, staff of Cowichan Tribes and Cowichan Tribes owned companies, and band members of Cowichan Tribes.

Definitions

- 5) The following definitions apply:
 - a) A *debt* is defined as an amount of money owing to Cowichan Tribes which includes, but is not limited to, rent arrears, payroll overpayments, employee benefits plan payments made on behalf of an employee,



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outstanding advances, outstanding cash funds, individual housing subsidies that have been recovered by INAC, and amounts in default that the band has had to pay on behalf of a band member.

- b) An *advance* is defined as a sum of money provided to an individual which must be repaid by a specific date. For business related advances, such as travel advances, and for cash fund agreements, the requirement for repayment will be offset by the submission of receipts for authorized expenditures related to the advance or cash fund.
- c) A *repayment agreement* is defined as an agreement between the band member/employee with the debt and Cowichan Tribes which sets out the frequency of repayment amounts, the repayment amounts at either a fixed amount or as a percentage deduction of future payments, and the types of payments from which deductions will be made.

Policy Requirements

- 6) For employees of Cowichan Tribes who have debts due to payroll overpayments or benefits payments, an employee may request a repayment agreement if the amount owing is more than 30% of the employee's biweekly gross pay, otherwise the full amount owing will be recovered as soon as possible from the employee's pay. If the debt is 30% or less of the employee's biweekly gross pay, the full amount will be deducted from the next biweekly pay.
- 7) Outstanding advances and cash fund agreements will be recovered at 100% of any monies until the debt is repaid.
- 8) For all other debts, except as provided for in paragraphs 6 and 7, a band



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member/employee may request a repayment agreement, which will be written to avoid undue hardship to the band member/employee. Where there is no repayment agreement in effect, debts will be recovered from payable amounts to the band member/employee as follows:

- a) For all debts, 100% of tobacco tax payments (excluding payments for spouse and children), contractor payments, honoraria, lease payments, claim settlements, and expense reimbursements until the debt is repaid.
- b) For rent/mortgage arrears, 30% of living allowance payments.

Related Policies

- Cowichan Tribes Loans and Advances Policy

Procedures

- Each band member/employee with a debt will be advised of the amount owing, that action will be taken according to this policy, and that the band member may request a repayment agreement.
- The Finance Department will maintain a list of all band members/employees who have debts and keep records of debt balances.
- Repayment agreements will be held by the Finance Department and payments collected and/or deductions made according the agreements.
- Where there is no repayment agreement in place, no monies from which to recover debts, or a repayment agreement is in default, Finance and/or Department staff will initiate a Small Claims action.

