



Issue Date: September 2009	Effective Date: Immediate	Responsible Agency: Comptroller General/ Financial Operations	Directive No: 871
Chapter: Control of Expenditures			
Directive Title: SET-OFFS			

1. POLICY

The Government of Nunavut (GN) will use all available means, including the right of set-off, to collect outstanding amounts owing to it for accounts receivable, overpayments, unpaid accountable advances, or amounts previously written off.

2. DIRECTIVE

The Comptroller General, pursuant to S.22 of the *Financial Administration Act* (FAA), the provisions of this directive and of Directive 870, may set off a debt owed to a person by the GN against a debt owed to the GN by that person.

3. PROVISIONS

- 3.1. For the purposes of this directive, "person" has the meaning as given by the *Interpretation Act*: "person includes a corporation and the heirs, executors, administrators or other legal representatives of a person".
- 3.2. The Comptroller General may invoke the right of set-off when:
 - a) payment of a debt, including accountable advances and overpayments made to a person by the government, is overdue and has not been forgiven;
 - b) fulfillment of a non-monetary obligation is overdue (the value to be determined);
 - c) a person has commenced bankruptcy or liquidation proceedings;
 - d) an employee has resigned and owes a debt to the GN;

- e) an employee voluntarily agrees to deductions from salary;
 - f) an employee has an unfulfilled obligation or debt due to the GN;
 - g) an amount was previously written off pursuant to s.24(4) of the *FAA*.
- 3.3. The Comptroller General may decide whether to obtain a full or partial recovery and whether a one time or continuous recovery is to be made.
- 3.4. The Office of the Comptroller General shall, in writing, notify the debtor of a set-off and shall provide the details of the debt settlement.
- 3.5. A set-off should neither cause a debtor undue hardship nor risk the debtor's well-being or ability to pay the debt.
- 3.6. The Comptroller General may waive the right of set-off under S.22 (2) of the *FAA*.