



Issue Date: July 2006	Effective Date: June 30, 2006	Responsible Agency: Comptroller General/ Financial Operations	Directive No: 873
Chapter: Control of Expenditures			
Directive Title: ASSIGNMENTS			

1 POLICY

Pursuant to Section 69 and 107 of the FAA and Directive 9902 Assignment of Government Debt Regulations, the Comptroller General (or delegate) has the authority to accept or reject an application for an assignment of a debt owed by the GN. The approval is subject to review and recommendation of the Department of Justice and submission of appropriate backup documentation as outlined in Appendix A.

2 DIRECTIVE

Normally, except where compelled by another enactment, the GN rejects requests by *public officers* or *service contractors* for *assignment* of amounts owed to them by the GN. The GN is under no legal obligation to honor requests that a payment or payments be assigned to another supplier.

Therefore, departments should complete Request for Assignment with necessary facts and documentation to Department of Justice for their review.

After the review by the Department of Justice, the requesting Department will forward the Request for Assignment and backup documentation with the recommendation from Dept. of Justice to the office of the Comptroller General, whereupon a determination to effect the assignment will be made.

2.1 Care must be taken not to give assurances to suppliers, sub-contractors or the contractor that payment will be assigned. Contractors should be advised that approval, if accepted, may take several weeks.

2.2 Requests for Assignment

- 1) must be in writing to the Comptroller General (or delegate) in the manner stipulated in Directive 9902 Assignment of Government Debt Regulations;
- 2) must specify the particular GN transaction from which the proposed assignment arises (e.g. lease, contract, purchase order); and
- 3) must pertain to an owed payment for which funds have been committed to an expenditure within the Government's financial information system unless

expenditure and disbursement are intended for a future fiscal year (e.g., as in a multi-year lease contract).

- 4) must include appropriate backup documentation as outlined in attached Appendix A: Due Diligence Checks and Recommendation for Acceptance or Rejection.

2.3 Response to Request for Assignment

- 1) The Comptroller General (or delegate) shall in writing, notify the *assignor*, *assignee*, and the department responsible for the payment, of the acceptance or rejection of a request for assignment.
- 2) A notice of acceptance must state:
 - a) that acceptance by the Comptroller General (or delegate) does not necessarily ensure payment to the assignee;
 - b) that if payment of any debt the assignor owes to the GN becomes overdue, assigned funds are subject to being deducted or withheld by the GN to set off the overdue payment, or to honor *third party demands*;
 - c) the amounts and payment due dates of any debts owed by the assignor to the GN; and,
 - d) any intended *set-off*, or third party payment.
- 3) Requests for a general assignment of all debts owed by the GN will normally be rejected.
- 4) Proponents of assignments who contact departments should be advised to submit the request to the Comptroller General (or delegate) in the manner stipulated in Directive 9902 Assignment of Government Debt Regulations.
- 5) The Comptroller General (or delegate) shall reject assignment of any amount greater than the net debt owed by the GN after set-off and settlement of third party demands.
- 6) An application for a conditional assignment may be accepted where assurance of payment to the assignee is in the interest of the Government.
- 7) The Comptroller General may accept an assignment on the understanding that the Government will withhold for its own protection any remaining payment to the assignor after paying the assignor's debt to the assignee.
- 8) Payments by the Government under an assignment must be restricted only to the amount the assignor owes the assignee.



**Appendix A
Request for Assignment of Debt
Due Diligence Checks and Recommendation for Acceptance or Rejection
As Recommended by Department of Justice**

Name of Assignee

Name of Assignor

Assignment Amount

The following due diligence checks have been completed and/or performed and are on file for reference (X) or are not applicable (N/A)

- A copy of the Signed Assignment of Debt between the General and Sub Contractors;
- Signed Form 1 & 2 package (i.e. Form 1 & 2 FAM Directive 9902);
- Solicitor’s enforceability opinion;
- Officer’s Certificate from the company;
- Certificate of Status of the Assignor company - corporate registry;
- Bankruptcy Insolvency Act search – corporate registry;
- Writs of execution search – corporate registry.
- Evidence of surety bonding (Performance Bond or Payment Bond), if applicable
- Reason for assignment request documented on file.

Accept
 Signature, Director of Finance or Date
 Chief Financial Officer of requesting Department

No legal impediments to approval of Assignment

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 Signature, Department of Justice Date

Accept Reject
 Signature, Comptroller General Date
 or Delegate