



September 03, 2024

JANE WEYALLON-ARMSTRONG
MLA, MONFWI**Oral Question 243-20(1) Forgiveness of Debt for Elders and Seniors**

This letter is in follow-up to the Oral Question you raised on June 05, 2024, regarding special consideration for elders when reviewing policies for debt forgiveness as well as reviewing the information bulletin 640.01 regarding forgiveness and remission under the Financial Administration Manual (FAM).

The FAM is the policy that operationalizes the *Financial Administration Act* (FAA). Departments and public agencies review their accounts to determine whether they have any debt that meets the criteria in FAM.

FAM provides the following considerations for forgiveness or remission:

Debts should be considered for forgiveness or remission if any of the following conditions apply to the debtor:

1. has died leaving no known estate;
2. cannot be located despite significant efforts;
3. is indigent;
4. is not resident in Canada, where there are no apparent means of collection and there is no indication that the debtor has family or business ties that might encourage him to return to Canada;
5. has not admitted liability and the success in collecting is unlikely;
6. is an inoperative corporation without assets; or
7. it's uneconomical to pursue.

These reviews are done on a case-by-case basis, and each file is reviewed independently to assess if it meets the criteria in FAM. The current criteria for FAM allows for consideration of a debt for forgiveness in circumstances when someone cannot pay their debt because they have no assets or income in which to do so.

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Once a department or agency determines they have any debt that meets the criteria above, they may then recommend forgiveness to the Financial Management Board (FMB) and the FMB can then consider the forgiveness. Once a debt is forgiven, it is reported in the Public Accounts of the Government of the Northwest Territories (GNWT). GNWT debt is a government asset and, as such, forgiveness should not be undertaken in a comprehensive or general manner and should be only granted when the debt meets the criteria in FAM.

Thank you.



Caroline Wawzonek
Minister of Finance

- c. Clerk of the Legislative Assembly
Director, Legislative Affairs and House Planning