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## Support Staff Computer Loan Program

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### Department Policy Number

110 008

### Effective Date

December 1, 2001

### Purpose

This policy confirms Athabasca University's support of systems development for support staff, outlines the conditions under which support staff can access funding, and outlines the roles and responsibilities of Human Resources and Financial Services.

### Definitions

<b>AUPE</b>	Alberta Union of Provincial Employees, Local 69
<b>CCRA</b>	Canada Customs and Revenue Agency
<b>GST</b>	Goods and Services Tax

### Policy

Athabasca University has mandated that support staff training and development is a high priority and has dedicated a fund that provides support staff with development opportunities. The Support Staff Computer Loan Program is based on the following:

AUPE members who do not have access to professional development funds, are provided the opportunity to purchase micro computer equipment for personal use through a monthly repayment program.

### Regulation

The Income Tax regulations as it pertains to providing employees with interest free loans and the taxable benefit assessed on such a loan.



## **Procedure**

### 1.0 Eligibility

- 1.1 All permanent support staff that do not have access to personal professional development funds.
- 1.2 Temporary support staff who are in their 13th month of continuous employment AND where the member's current appointment, at the time of application, exceeds one year.

### 2.0 Loan Amount

- 2.1 Loans will be offered to eligible employees to a maximum of \$2,600.00.
- 2.2 Additional personal contributions by the staff member may be applied towards purchase of equipment under this policy only when payment is received by Athabasca University prior to placing the order for the equipment.
- 2.3 Eligible staff members may apply for a subsequent computer loan through this policy. Subsequent application(s) will only be considered if any previous computer loan has been fully repaid.

### 3.0 Interest Rate

- 3.1 The loans will be treated as interest free loans; however, in accordance with Canada Customs and Revenue Agency guidelines, the imputed interest rate, which is set quarterly, will be applied to the outstanding monthly principle and added to the employee's monthly pay in the form of a taxable benefit.

### 4.0 Repayment Period

- 4.1 The principal amount of the loan will be repaid by means of automatic payroll deductions, over a maximum three-year period or the end of the temporary employee's current appointment (at the time of application), whichever is shorter. No exceptions will be allowed.

### 5.0 Eligible Purchases

- 5.1 Equipment that qualifies for purchase under this policy includes microcomputers and peripheral equipment such as printers, modems, disk drives, and additional memory.
- 5.2 Eligible purchases must be made directly through Materials Management in Financial Services. A staff member who orders or purchases equipment directly from a vendor cannot subsequently apply for loan funds.



5.3 The staff member will be personally responsible for the purchase of all software and supplies (printer paper, disks, batteries, etc.) required for support of the equipment purchased.

## 6.0 Ownership and Liability

6.1 Equipment purchased under this policy is the property of the staff member.

6.2 However, the staff member agrees that such equipment will not be sold, traded, or used as collateral by the staff member until the loan has been repaid in full, at which time the University will remove all claims to the equipment.

6.3 While the University has taken precaution to ensure that purchases made under this policy not be considered taxable by Canada Customs and Revenue Agency, Income Tax regulations are subject to varied interpretation and change. The staff member agrees to be responsible for any income tax that may be incurred as a result of purchasing equipment under this policy.

## 7.0 Termination of Employment

7.1 If a staff member resigns from the University prior to repaying the loan in full, the staff member must pay the balance of the outstanding loan. The University reserves the right to withhold the outstanding amount from the staff members' final pay.

## 8.0 Purchasing Procedures

8.1 Application for all purchases under this policy must be submitted on the form titled, "Support Staff Computer Loan Program". This form is available from, and must be approved by Human Resources.

8.2 Materials Management in Financial Services can provide staff members with information regarding the types of equipment available and current prices.

8.3 The staff member completes a purchase requisition form outlining the specifics of the equipment to be purchased, attaches it to the computer loan application and forwards it to Human Resources for approval.

8.4 Human Resources forwards the approved application and requisition to Materials Management. Materials Management will procure all orders for equipment.

8.5 The staff member will be responsible for all costs including GST, taxes, duty, freight charges and other costs resulting from the purchase. These costs will be added to the base price of the equipment to arrive at the original loan balance.

## 9.0 Revolving Fund Limit



- 9.1 The Support Staff Computer Loan Program fund has a revolving limit of \$60,000. At no time can the value of all outstanding loans exceed this amount.
- a) New applications will be considered as principle repayments, from previously issued loans flow back into this fund.
  - b) New applications will be processed by Human Resources on a first come basis, using the date an application is received.

## 10.0 Administration

10.1 Human Resources is responsible for the administration of this policy. The Director of Human Resources, in consultation with the Vice-President, Finance and Administration, approves any exceptions to this policy.

### **Approved By**

Executive Group

### **Amended Date/Motion No.**

### **Related References, Policies and Procedures**

### **Applicable Legislation/Regulation**

[Canada Customs and Revenue Agency  
Income Tax Regulations](#)

### **Responsible Position/Department**

This policy is maintained and administered by Human Resources. For further information, please contact the Payroll Assistant at extension 6407.

### **Keywords**

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