

MEMORANDUM

To: All Faculty and Staff
From: Angela Zehr, Acting Chief Financial Officer
Date: December 9, 2020

Re: Support for working from home

In response to feedback received through the Remote Work Pulse Survey, please find details below regarding new initiatives and a reminder of existing practices.

Office Supplies

Effective immediately, staff can order office supplies directly from Staples in order to take advantage of favourable pricing with the added flexibility of home delivery. Please work with your departmental coordinator who takes care of your office supply purchases to place any future orders. Eligible supplies include toner and inkjet cartridges, pens, paper and other stationary items, which would normally have been supplied in the office. Ineligible items include office furniture and information technology equipment.

In order to take advantage of discounted pricing, faculty and staff should only be using this method for purchasing supplies. Employees should not be purchasing supplies on their own and then submitting an expense and/or Purchasing Card (PCard) claim for reimbursement.

If you have any questions about this process please contact Tony DiDomenico, Manager, Purchasing Services at ext. 2702.

Access to College to retrieve office furniture and IT equipment

Staff are encouraged to take Mohawk College owned equipment home where feasible (e.g. office chairs, monitors, keyboards etc.) to facilitate working remotely. In order to gain short-term access to the College to retrieve items from your office, please review the Access to Campus guidelines on MyMohawk under the Employee Resources COVID-19 tab. For asset control purposes, please ensure you advise your manager of the equipment retrieved so that we can ensure that all items are accounted for when the college fully reopens. Each member of SLT is asked to use the attached template to create a consolidated listing for their area of all college-owned equipment that has been taken from the college and is being used by staff at home.

Furnishing your home office at your own expense

Mohawk has negotiated favourable pricing with Staples Business Advantage that enables Mohawk employees to purchase home office items such as chairs and desks at their own expense with delivery right to your front door. Please review the

attached process to take advantage of the 30% discount for Mohawk College employees.

If you have any questions about this program, please contact Tony DiDomenico, Manager, Purchasing Services at ext. 2702.

Interest-free employee loan to support personal purchases of office furniture and computer equipment

As a reminder, the College has a Personal Acquisition of Computer Equipment policy (Policy CS-1003-1988) to assist full-time employees to purchase personal computer equipment through an interest-free loan. The college also offers favourable pricing with [Dell](#) and [Apple](#) for personal IT equipment.

To assist employees in furnishing their home office, the College has expanded the current Computer Equipment loan policy to include personal home office furniture. Please refer to Appendix A to take advantage of a home office loan. You do not need to order the home office furniture from Staples, any vendor invoice would be considered.

The interest-free loan is a taxable benefit under Canada Revenue Agency (CRA) legislation. The taxable benefit calculation is based on CRA's prescribed rate and will appear on your T4 slip as a taxable benefit.

If you have any questions about this process, please contact Livia Harding, Manager, Payroll Services at ext. 2427.

Regards,

Angela

Appendix A Personal Acquisition of Office Furniture Procedure

1. Purpose

To assist employees in furnishing a home office at their own expense by offering an interest-free employee loan.

2. Application and Scope

This policy applies to all full-time employees of the College.

3. Rules

Office furniture includes items such as desk, chair, lighting, chair mat.

Any computer equipment purchased for home use is still subject to the Personal Acquisition of Computer Equipment Policy.

Any consumable office supplies such as stationary supplies (i.e. pens, paper and ink) is still subject to the college purchasing rules, with Staples as the recommended vendor. Contact your department coordinator to order these supplies.

The financed amount must not exceed \$3,500 per employee per purchase and must be repaid, through payroll deduction, within a maximum 24 month period from the purchase date. An employee can only have one home office furniture loan outstanding at the same time.

Purchases must involve new office furniture only. Second hand or private purchases will not be recognized as valid purchases for this program.

Total loan proceeds will equal the purchase price of the furniture less a down payment of 10% of the furniture purchase price or \$200 whichever is greater.

For example: Total purchase price is \$1,500, deposit is \$200; or total purchase price is \$3,500, deposit is \$350.

An office furniture loan is considered by Canada Revenue Agency as an interest-free loan and therefore is a taxable benefit to an employee.

If an employee who has a home office furniture loan leaves the college, any amount outstanding on the loan is due and payable in full by the employee's last day of employment.

This program will be available to full-time employees until April 30, 2021.

4. Employee Responsibilities

Employees have two options for acquiring personal office furniture:

- 1) Purchase the home office furniture and pay the vendor in full, or
- 2) Obtain a quote or an invoice from the vendor and request an advance to purchase the home office furniture.

Option 1

The employee must complete the Promissory Note (see below) and submit it to Payroll Services along with the original itemized receipt from the vendor.

Payroll Services will verify the employee's eligibility for the program and verify the provided documentation. Once the application is approved, Payroll Services will deposit the loan amount, less 10% down payment or \$200 whichever is greater, in the employee's bank account on the next available pay date.

Option 2

The employee obtains a quote or an invoice from the vendor showing the total cost of the home office furniture.

The employee must complete the Promissory Note (below) and submit it to Payroll Services along with the quote or original invoice from the vendor.

Payroll Services will verify the employee's eligibility for the program and verify the provided documentation. Once the application is approved, Payroll Services will deposit the loan amount, less 10% down payment (or \$200 whichever is greater), in the employee's bank account on the next available pay date.

The employee must proceed to purchase the office furniture as per the quote or invoice and submit an original itemized receipt to Payroll Services within 10 working days of receiving the funds.

If the submitted receipt varies from the quote or invoice previously provided by the employee, the difference will be adjusted on the first available pay. The employee's home office furniture deductions will be increased or decreased accordingly, to reflect the final cost of the home office furniture equipment, however, no more than \$3,500 will be advanced.

5. Responsibilities of the Program Administrator (Payroll Services)

The Program Administrator (Payroll Services) is responsible for general administration of the Personal Acquisition of Home Office Furniture program including the following:

- Verifying employee's eligibility for the loan(s);
- Checking for the completeness of the loan's documentation;
- Approving application for the loan;
- Processing "Promissory Notes" for new loans;
- Calculating payroll deductions for the loan's repayment;
- Calculating and applying taxable benefits associated with the loan(s);
- Clarifying program guidelines to employees;
- Reconciliation of employee loans account.

Promissory Note

In consideration of my Employer, Mohawk College, I agree to finance the home office furniture set out on the attached Schedule.

I, (EMPLOYEE NAME) _____, Banner ID: _____, hereby agree to repay the sum of \$ _____ to Mohawk College according to the following terms and conditions:

1. I understand that my loan will be repaid to Mohawk College evenly over a maximum 24-month period.
2. My employer, Mohawk College, shall and is hereby authorized to deduct an amount equal to the total purchase price (including taxes) less deposit divided equally over a 24-month period.
3. I understand, and agree, that on any payroll date during the term of this agreement, I may pay the loan off in its entirety. I understand that additional partial payments are not allowed.
4. I understand, and agree, that in the event of termination of my employment with Mohawk College for any reason, including death, the balance of the amount payable at the time shall immediately become payable, and Mohawk College is hereby authorized to deduct this from my final pay, including vacation pay, and in the event my final pay is not sufficient to cover the balance, I, or my estate, shall pay the outstanding balance to Mohawk College due immediately upon notification.
5. I understand and agree, that if I fail to provide Mohawk College (Payroll Services) with an original itemized receipt (as proof of purchase) within 10 working days of receiving the funds in my bank account, the loan shall become immediately payable, in full, and Mohawk College is hereby authorized to deduct this from my pay.

Employee Initials

6. In the event that payroll is suspended (i.e. unpaid leave of absence), I shall provide Mohawk College with a series of monthly post-dated cheques to cover the payments I would otherwise have made to Mohawk College for the time period involved.
7. I understand, and agree, that upon delivery of my home office furniture, I shall be the owner of the home office furniture and the furniture purchased under this program is mine to keep, to maintain, to insure and to repair at my expense, and that Mohawk College is in no way responsible for and cannot guarantee the quality of the equipment purchased or its suitability for my needs. I acknowledge and agree that neither I, nor any subsequent owner of my furniture, shall have no recourse whatsoever against Mohawk College.

8. I understand that the money borrowed from Mohawk College is considered an interest-free loan and therefore a taxable benefit under current income tax legislation. The taxable benefit calculation is based on Canada Revenue Agency's prescribed rate and will appear on my T4 slip as a taxable benefit. The taxes associated with this taxable benefit will be deducted on each pay for the duration of the loan.

EMPLOYEE NAME

EMPLOYEE SIGNATURE

DATE

WITNESS SIGNATURE

DATE

Dated at Hamilton, Ontario, this _____ day of _____, 20____.

Authorized by: _____ (Payroll Manager)

Date: _____



SCHEDULE TO PROMISSORY NOTE

TOTAL PURCHASE PRICE (INCLUDING TAXES): \$ _____

LESS AMOUNT OF DEPOSIT
(10% OR \$200, WHICHEVER IS GREATER): \$ _____

TOTAL AMOUNT OF THE LOAN

\$ _____

REPAYMENT TERM IS 12 MONTHS
 24 MONTHS

RETAIL VENDOR'S NAME: _____

FOR CONTACT PURPOSES ONLY

EMPLOYEE NAME: _____ BANNER ID: _____

EMPLOYEE'S DEPARTMENT/DIVISION: _____

EMPLOYEE CONTACT NUMBERS: Work Phone #: _____

Home Phone #: _____

PLEASE SUBMIT THE FOLLOWING TO PAYROLL SERVICES FOR LOAN PROCESSING:

- ORIGINAL ITEMIZED RECEIPT OR INVOICE/QUOTE FROM THE VENDOR
- COMPLETED AND SIGNED PROMISSORY NOTE (APPENDIX B)
- COMPLETED SCHEDULE 1 TO PROMISSORY NOTE

FOR PAYROLL SERVICES USE ONLY

$$\begin{array}{cccccc}
 \$ \underline{\hspace{2cm}} & - & \$ \underline{\hspace{2cm}} & = & \$ \underline{\hspace{2cm}} & \div & \$ \underline{\hspace{2cm}} & = & \$ \underline{\hspace{2cm}} \\
 \text{Total Purchase Price} & & \text{Less Deposit} & & \text{Balance Remaining} & & \text{\# of pays} & & \text{Amount to be Deducted} \\
 \text{Including Taxes} & & \text{(10\% or \$200,} & & \text{(maximum \$3,500)} & & \text{(maximum of 48 pays)} & & \text{per Pay} \\
 & & \text{whichever is greater)} & & & & & &
 \end{array}$$

PAY PERIOD COMMENCING

PAY PERIOD ENDING

DATE RECEIPT RECEIVED

PAYROLL SERVICES SIGNATURE