



North Peace Housing Foundation

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Email: tammy.menssa@nphf.ca

To: The Board of Directors

From: Tammy Menssa, Executive Director

Date: December 7, 2022

Re: Vacation Pay-out

In early 2022, there was discussion about the Foundation's substantial carry forward vacation accrual that sits as a liability on our Balance Sheet.

Our existing HR Vacation Policy does not currently address vacation payouts.

At last year's audit, we consulted with our lead auditor to get his opinion on vacation payouts based on his experience. His first recommendation was to get Board approval for the payout, because it is not addressed in our policy. His second recommendation is that we follow our vacation policy to the letter.

In response, a memo was sent to the Directors and Managers who have staff, addressing concerns with the policy not being followed, from both a financial perspective and an occupational health and safety standpoint. Our goal was to follow the policy as written and schedule vacation for staff who failed to submit their requests by the April 30th deadline, with the understanding that in extenuating circumstances, or because of special plans, employees have the ability to request a maximum of two weeks be carried forward to the following year.

Many of the outstanding issues were resolved, however some of the more substantial accruals could not be scheduled as it would have put the Foundation in a staffing crisis. This is still the case, and will continue to be the case, as we do not have the staff to provide adequate cover-off, for example, with the Maintenance department. With this in mind, Administration proposes that, after giving affected staff adequate notice, the Foundation pay out vacation accruals prior to and including 2021, in early 2023. If paid out on the January 15-31 pay run, employees will have time to prepare accordingly (e.g., arrange for a voluntary RRSP contribution).

This will not affect our 2023 HR budget as the dollars have already been banked for the employees to take.

Recommendation

1. Direct Administration to pay out the carry-forward vacation allotment from year-end 2021 and prior years, to be paid in early 2023, after giving adequate notice to employees affected.
2. Direct Administration to update the existing Vacation Policy to reflect the payout of unused carry-forward vacation allotment on an annual basis.

A handwritten signature in blue ink, appearing to read "Tammy Menssa".

Tammy Menssa
Executive Director