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PURPOSE

1. To convert real and/or personal property to a liquid asset available to support the applicant.

PRINCIPLE

2. Real and personal property owned by the applicant is generally to be regarded as a financial resource which the applicant, through outright sale or by using as collateral for short-term credit, may draw upon to support his/her needs.

POLICY

3. Real or personal property must be converted to cash within 90 days of application for Social Assistance benefits, with the exception of principal residence, clothing and other items of personal necessity, and principal vehicle.

4. Real property for business purposes is also exempt to the extent it is required as a base of the applicant's business, farming or fishing operation, and the personal property required to enable continuation in its present use. Viability of the business shall be assessed before granting long-term assistance, as per Instruction 4-8.

5. Assets may be exempt from liquidation if:

- (a) It is limited to sufficient woodland to meet applicant's home heating requirements;
- (b) It involves a farm property that it is reasonable to expect will sustain a son or daughter in the future;
- (c) The cash received from sale of the assets would not exceed the liquid asset exemption in Regulation 7(2); or
- (d) The applicant's needs are for emergency or short-term assistance.

6. Assets that can be sold or converted into cash at a loss not exceeding 25% of market value are exempt as a financial resource for 90 days or until the assets have been sold or converted, whichever occurs first.

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7. Assets that cannot be sold or converted into cash at a loss not exceeding 25% of market value are exempt as a financial resource until the assets can be sold or converted into cash at a loss not exceeding 25% of market value if the Department determines that all reasonable attempts are being made to sell or convert the assets.

8. Assets may be considered exempt as a financial resource beyond 90 days if the Department determines that all reasonable attempts are being made to sell or convert the assets.

9. Applicants with disposable real property may be eligible for short-term assistance while they attempt to liquidate the property. However, the possibility of using the property as collateral for a loan to meet short-term need shall first be explored by the applicant.

PROCEDURE

10. The worker should have the applicant sign an “agreement” that he/she understands and accepts the sale of assets as a condition of eligibility.

11. Where applicable, the worker may verify the intent to sell by asking to see the real estate sales contract, newspaper ad, etc.

CROSS REFERENCE

4-8 Income from Self-Employment