

RURAL MUNICIPALITY OF BIFROST

POLICY & PROCEDURES MANUAL

PAYROLL ADVANCE

Reference/Title:5	Payroll Advance
Policy Number:	2014-5
DATE ADOPTED:	June 11, 2014
ADOPTED BY:	Council Resolution # 8
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PURPOSE

The purpose of this policy is to standardize the conditions under which an employee may be granted a payroll advance.

POLICY

1. A payroll advance may be granted to any regular employee when circumstances defined as unforeseen, unplanned and unavoidable require a staff member to secure funds on short notice and the employee has exhausted all other reasonable sources of financial relief.
2. An employee may receive no more than two (2) pay advances in a 12 month period.
3. The amount requested for an advance cannot exceed 50% of the employee's normal gross base pay for one pay period. The minimum request is \$100.00.
4. Repayments must be made through payroll deductions.
5. An employee who receives an advance will be required to sign a payroll advance agreement.
6. The advance pay must be paid in full on the next regular pay period of the advance.
7. If the employee terminates prior to repayment of the advance, the advance balance due at the time of termination will be deducted from the employee's final paycheck. This will include using the employee's accrued annual leave due to settle the advance due if necessary. If the funds are not enough to satisfy the debt the employee will be required to make personal payment in full for the balance.
8. If an employee receives a second pay advance within a 12 month period, the employee will be advised that they will be required to attend a credit counseling program at their cost and submit a certificate of completion before any other advances will be available.

PROCEDURE

1. To receive an advance the employee must submit a completed Payroll Advance Agreement to the Chief Administrative Officer for approval. In the written request, the employee must provide sufficient detail so that the nature of the situation is clear. Disclosing confidential information is not required.
2. The signatures of the employee requesting the advance, the CAO, and the Reeve are required on the Payroll Advance Agreement for processing.
3. An Accounts Payable cheque will be issued through the Municipal Office as soon as possible after approved documents are received for processing. The employee will be notified when the cheque can be picked up.

GUIDELINES FOR SALARY ADVANCE REQUESTS

1. Requests for salary payments in advance of any normal pay period may be granted only on an emergency basis and after an employee has exhausted all other options or available recourse. "Emergency" is defined for this purpose as an unforeseen event involving medical and life or safety situations beyond an employee's control.
2. Salary advances will be granted no more than twice in any fiscal year.
3. In order to make an exception to this policy and procedures, permission must be obtained by resolution of Council.



Date of Review/Revision:	
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