

NUMBER: 12.10 - EMPLOYEE REQUEST FOR SALARY ADVANCE

EFFECTIVE DATE: June 30, 2005

APPLICABLE TO: All classified employees, as well as exempt, appointed, temporary, and contractual, with the Executive Branch of the State of Vermont.

ISSUED BY: Department of Human Resources

APPROVED BY: Charles P. Smith, Secretary of Administration

I. PURPOSE AND POLICY STATEMENT

It is the policy of the State of Vermont to discourage salary and wage payments at times other than normal payroll check release dates. Understanding that there may be emergency circumstances that would justify a salary advance, this policy defines under what limited circumstances a salary advance may be made. Any salary advance will be recovered in full from the employee's next regular paycheck.

This policy only applies to Requests for Salary Advance forms received directly from the employee. It does not apply to "Special Check" requests submitted on behalf of the employee by their personnel officer to address errors or omissions on the part of the State that need to be corrected on behalf of the employee.

II. DEFINITION OF EMERGENCY

For purposes of this policy, an emergency is considered to be an event or circumstance that is unforeseen, and which could not be reasonably anticipated in the normal/routine daily life of the employee requesting the advance. Emergency needs are limited primarily to expenses associated with the death of an immediate family member, extraordinary medical costs that are not covered by insurance, or an event that would have irreparable adverse impact on the employee if no advance were approved. For example, a request for an advance to cover living expenses if the employee suffered a house fire or flood would qualify under this policy. However, a request for an advance to pay one's monthly rent, or to pay for upcoming vacation expenses, would not qualify under this policy.

III. PROCEDURES

General Guidelines

A Request for Salary Advance shall only be approved for an eligible employee for an unforeseeable emergency which would cause severe financial hardship. An employee may request an advance only for the unpaid time earned to date.

- The employee's request may not be for an amount that would exceed 70% of the salary due to the employee at the time funds are advanced.
- By submitting the Request for Salary Advance, the employee authorizes the Department of Human resources to deduct the amount of the advance in full from the employee's next regularly processed pay check.
- A Request for Salary Advance must have the approval of the employee's direct supervisor and Personnel Officer prior to submittal to the Payroll Manager of the Department of Human Resources (DHR) for final review.
- If a Request for Salary Advance is approved by the Payroll Manager, it will then be forwarded to the Treasurer's Office to process the payment. The Treasurer's Office will generate the check within two business days of receipt of the request.
- Salary advances will be in the form of a check; they cannot be direct deposited because they are not generated during a regular payroll run.
- DHR cannot issue a warrant on the State Treasurer in the current calendar year and record a payment in another. Any request for salary advance received between the date of the last salary payment in a calendar year and the beginning of the next calendar year will not be honored.

The purpose of the Request for Salary Advance form (Attachment A) is to ensure that an advance is properly requested and reviewed, as well as to ensure the advance is repaid in full on the payday following approval of the request.

A. Employee Responsibilities

1. The employee must make a request for advance only when it is necessary to alleviate an unforeseeable emergency as outlined above.
2. The employee must submit a completed, signed Request for Salary Advance form to his or her direct supervisor. A signed copy of the employee's current time report and any other documentation supporting the reason why an advance is needed must be attached to the request.

B. Employing Agency/Department Responsibilities – Direct Supervisor

1. The employee's supervisor must immediately review and make an initial determination as to the validity and need for the request. Supervisors must reject any claims which do not truly meet the definition of emergency as outlined above.
2. The supervisor must sign and date the request.
3. If the request is approved by the supervisor, he or she must immediately forward it to the employee's Personnel Officer for further consideration.
4. If the request is denied by the supervisor, he or she must immediately return it to the employee, indicating the reason for denial.

C. Employing Agency/Department Responsibilities – Personnel Officer

1. The Personnel Officer must immediately review an employee's Request for Salary Advance and all attachments for accuracy and completeness.
2. The Personnel Officer must make a determination as to the validity and need for the request. Personnel Officers must reject any claims which do not meet the definition of emergency.
3. The Personnel Officer must sign and date the request.
4. If the request is approved by the Personnel Officer, he or she must immediately forward the request to the DHR Payroll Division, with any supporting documentation attached.
5. If the request is denied by the Personnel Officer, he or she must immediately return it to the employee, indicating the reason for denial.

D. Department of Human Resources Responsibilities – Payroll Division

1. The Payroll Division will immediately review the Request for Salary Advance and, based on the employee's payroll status, determine if the employee is eligible to receive an advance against his or her earnings and determine the maximum amount that can be made under this policy.
2. If the request is approved, the Payroll Division will immediately forward the completed Request for Salary Advance to the Treasurer's Office. The Treasurer's Office will generate the check within two business days upon receipt of the completed and approved request.
3. The Payroll Division will contact the Personnel Officer to inform him or her of the outcome of the request.
4. If the employee's request is approved, the check will be held at the Treasurer's Office for pick-up if so indicated on the Request for Salary Advance form. Otherwise, the check will be mailed to the employee at the address indicated on the form.
5. If the request is denied, the Payroll Division will immediately return one copy of it to the employee and one to the Personnel Officer, indicating the reason for denial.