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| Board Agenda Item # | Agenda # III A |
| Date: | January 18, 2017 |
| To: | MPS Personnel Committee |
| From: | Caprice Young, Ed.D., CEO & Superintendent |
| Staff Lead: | Terri Boatman, Chief Human Resources Officer |
| RE: | Salary Advance Policy |

Proposed Board Recommendation

I move that the Personnel Committee recommend approval of the Salary Advance Policy for Magnolia Public Schools.

Background

It is the policy of the Magnolia Public Schools (“MPS”) to discourage salary and wage payments at times other than normal payroll check release dates. Understanding that there may be emergency circumstances or vital life challenges that would justify a salary advance, this policy defines under what limited circumstances a salary advance may be made. This policy only applies to requests for salary advances received in writing directly from the employee. It does not apply to “Special Check” requests submitted on behalf of the employee by their personnel officer to address payroll errors or omissions that need to be corrected. Additionally, approval of salary advances are subject to the availability of funds and the ultimate sole and unreviewable discretion of MPS.

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 by the employee requesting the salary 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 was approved. For example, a request for an advance to cover living expenses if the employee suffered a house fire or flood would qualify as an emergency. However, a request for an advance to pay one’s

monthly rent, to pay for upcoming vacation expenses, or moving expenses would not qualify as an emergency.

For purposes of this policy, vital life challenges may include, but are not limited to unusual family health or education issues, visa or permanent residency related expenses, car or home repair emergencies, or other similar vital life challenges.

This policy was written on behalf of our attorneys, YMC, according to industry standards.

Budget Implications

There is a potential budget impact if the employee fails to repay the loan prior to resigning from Magnolia, however, every employee must sign a repayment agreement and repayment must be made within 12 months or fewer.

How Does This Action Relate/Affect/Benefit All MSAs?

This policy provides benefit to all MSA employee's as it provides support during emergency situations.

Name of Staff Originator:

Terri Boatman, Chief Human Resources Officer

Attachments

Salary Advance Policy

EMPLOYEE REQUEST FOR SALARY ADVANCE

EFFECTIVE DATE: January 19, 2017

APPLICABLE TO: Full-Time Employees

ISSUED BY: Human Resources (HR) of MPS

APPROVED BY: Dr. Caprice Young, CEO & Superintendent of MPS

Board Approved: January 19, 2017

I. PURPOSE AND POLICY STATEMENT

It is the policy of the Magnolia Public Schools (“MPS”) to discourage salary and wage payments at times other than normal payroll check release dates. Understanding that there may be emergency circumstances or vital life challenges that would justify a salary advance, this policy defines under what limited circumstances a salary advance may be made. This policy only applies to requests for salary advances received in writing directly from the employee. It does not apply to “Special Check” requests submitted on behalf of the employee by their personnel officer to address payroll errors or omissions that need to be corrected. Additionally, approval of salary advances are subject to the availability of funds and the ultimate sole and unreviewable discretion of MPS.

II. DEFINITION OF EMERGENCY and VITAL LIFE CHALLENGES

A written request for a salary advance shall only be approved for an eligible employee for an emergency or vital life challenge which would cause severe financial hardship to the employee.

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 by the employee requesting the salary 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 was approved. For example, a request for an advance to cover living expenses if the employee suffered a house fire or flood would qualify as an emergency. However, a request for an advance to pay one’s monthly rent, to pay for upcoming vacation expenses, or moving expenses would not qualify as an emergency.

For purposes of this policy, vital life challenges may include, but are not limited to unusual family health or education issues, visa or permanent residency related expenses, car or home repair emergencies, or other similar vital life challenges.

III. PROCEDURES

General Guidelines

An employee may request a salary advance in writing only for the unpaid time earned at the time of the request .

- The employee’s request may not be for an amount that would exceed 10% of his/her annual salary due to the employee at the time the salary advance is requested.

- By submitting the Request for Salary Advance, the employee authorizes HR to deduct the amount of the advance in full from the employee's next regularly pay check or in equal payments deducted from the employee's following or remaining pay checks, as signed and approved by the employee and his/her supervisor.
- A Request for Salary Advance Form must have the approval of the employee's direct supervisor prior to submittal HR who will submit to the CEO final review and approval.
- If a request for salary advance is approved by CEO, it will then be forwarded to the Payroll Department to process the payment. If the approved, the payroll department shall attempt to generate the check or direct deposit within two (2) business days of receipt of the request.
- Salary advances will be in the form of a check or a direct deposit, based on the request of the employee.
- Advance payments must be paid back within 12 months or less from the time they were given to the employee. If an employee fails to fully reimburse the funds prior to separating from employment, the employee agrees, as a condition of receiving the advance, that he/she shall enter into a separate written repayment plan with MPS.
- In the unlikely circumstance of an employee's death. MPS will exhaust all measures to recover the repayment from the estate.

The purpose of the Request for Salary Advance Form is to ensure that an advance is properly requested and reviewed, as well as to ensure the advance is repaid in full within the same school year.

A. Employee Responsibilities

1. The employee must make a written request for advance only when it is necessary to alleviate an unforeseeable emergency or a vital life challenge 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 School/Department Responsibilities – Direct Supervisor (Principal or related C-Team Member)

1. The employee's supervisor should immediately review and make an initial determination as to the validity and need for the request. Supervisors must reject any claims which do not meet the definition of emergency or vital life challenge 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 HR for further consideration.
4. If the request is denied by the supervisor, he or she should immediately return it to the employee, indicating the reason for denial.

C. Employing Agency/Department Responsibilities – HR/CEO

1. HR should immediately review an employee's Request for Salary Advance and all attachments for accuracy and completeness.

2. HR will route the request to the CEO to make a determination as to the validity and need for the request. HR must reject any claims which do not meet the definition of emergency or vital life expenses, prior to forwarding to CEO
3. The HR must sign and date the request.
4. If the request is approved by the HR, he or she should immediately forward the request to the Payroll Department, with any supporting documentation attached.
5. If the request is denied by HR, he or she should immediately return it to the employee, indicating the reason for denial.

D. Department of Human Resources Responsibilities – Payroll Department

1. The Payroll Department will contact HR to inform him or her of the outcome of the request.
2. If the request is approved, the Payroll Department should immediately start the payment process and generate the check or make the direct deposit within two (2) business days, when possible, upon receipt of the completed and approved request. The check will be mailed to the employee at the address indicated on the form or will be directly deposited to