**OBJECTIVE**

Establish policies, criteria and procedures for lending or advancing wages to workers.

**INTRODUCTION**

The provision of personal loans and/or application for a wage advance is in order to provide financial support to workers that allows them to meet personal commitments.

* A personal loan is when the worker receives a certain amount of money, which will be settled within a certain period of time.
* A wage advance is when the worker receives money in advance on account of his weekly or fortnightly payment.

**RESPONSIBILITIES**

1. The Directorate-General is responsible for the authorization of the loan or advance requested by the workers.
2. Employees and supervisory staff are responsible for faithfully complying with these policies and procedures.

**POLICIES**

Every worker can be credited with a personal loan or a wage advance.

Wage advances.

* Wage advances are justified by necessity.
* The Director shall be the sole power to authorise the granting of advances in salaries.
* The worker who requires a salary advance must submit his official application to the Directorate-General, and once authorized must await one’s turn in the Human Resources department.
* The advance in salary granted to a worker shall be equivalent to 100% of his weekly/fortnightly salary.
* Advances granted to the worker shall be deducted by payroll in the immediate week/fortnight following the fact raised.
* The worker shall be entitled to three advances in wages per semester and where the worker is not debited and has a minimum time of six months working in the company.
* Advances in wages granted to the worker shall not accrue interest.
* Advances to wages shall be granted provided that the undertaking has sound finances and resources are available for this purpose.
* When requesting a wage advance, the worker must grant the conformity, by signing it in the respective document for the corresponding discount to be made via payroll.
* In the event that the worker resigns or is separated from his employment, he must immediately reinstitute or discount it at his end, as appropriate, the amount of the outstanding advance to be covered.
* Failure to discount by mistake or omission does not relieve the debtor of their responsibility to pay the wage advance in full.

Personal loans

* The General Manager shall be the sole power to authorize the granting of personal loans.
* The worker requiring a personal loan must submit his official application to the Directorate-General and once authorized must take one’s turn in Human Resources.
* Personal loans will be provided as long as financial liquidity is available.
* Staff will be entitled to three personal loans each semester, provided that the worker does not have debts with the company.
* Failure to discount in error or omission does not relieve the debtor of their responsibility to pay in full of the loan granted.
* In the event that the worker resigns or is separated from the institution, he must immediately refund the amount of the debt or discount it from his settlement.

**PROCEDURE**

1. Filling out the personal loan format.
2. Authorization by the relevant staff (e.g. director, supervisor, direct chief).
3. Once authorized, one takes one’s turn in the human resources department for the corresponding procedure on one’s payroll.

**FREQUENCY**

Whenever there is a request for a loan or wage advance.

**RELATED DOCUMENTS**

* Personal Loan Application Form.

**CORRECTIVE ACTIONS**

Comply with the policies and procedures established for the correct use and that the necessary and available financial liquidity can be available to all workers.

**VERIFICATION**

* This document should be reviewed at the beginning of each season, at least annually, or when any changes are necessary.
* The General Manager, in conjunction with the staff involved, will have to review annually the effectiveness and applicability of this document.

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| Reviewed:  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  HR Department Manager | Approved:  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  General Manager |