

CAROLINA FAMILY HEALTH CENTERS, INC.

PROCEDURE

TITLE: HR-704.01 Payroll Advance

EFFECTIVE DATE: February 1998

SECTION: Human Resources

REFERENCE POLICY: HR-704 Payroll Advance

RESPONSIBLE CHIEF OF STAFF: Chief Operating Officer

RESPONSIBLE COMMITTEE: Employee Investment CIT

REVIEWED: 10/2003, 01/2008, 03/2013, 05/2015, 05/2016, 11/2018, 10/05/2022, 09/03/2025

I. PURPOSE

The purpose of this procedure is to describe the process for advancing pay to Carolina Family Health Centers, Inc. (CFHC, Inc.) employees as a short-term loan.

II. PROCEDURE

Any eligible part-time or full-time employee may submit a payroll advance request by completing the *Payroll Advance Request* form (see attachment) and submitting the request to the Finance Department. To be considered, the request form must be completed in its entirety before submitting to the Finance Department.

Upon receipt of the request, the Finance Department reviews the request to verify that funds are available. The Finance Department communicates the determination of the request within two (2) business days of the receipt of the request form.

If the request is approved, the employee receives the payroll advance through direct deposit or check.

If the request is not approved, the employee is notified by a member of the Finance Department. There are several situations that cause a payroll advance request not to be approved:

1. The request is submitted during a payroll week. Payroll advances are not processed on payroll weeks. If a request is submitted to the Finance Department on a payroll week, the employee is informed that the request cannot be considered during the timeframe, and the employee is given the option of resubmitting the request on a non-payroll week.
2. The request exceeds the maximum allowed amount. Payroll advances cannot exceed 50% of the employee's biweekly net pay; the Finance Department gives the employee the option of modifying the amount of the request to an allowable amount.
3. The request exceeds the maximum number of requests. Employees are limited to two [2] payroll advances in each calendar year. The Finance Department gives the employee the next allowable time frame in which a request can be submitted.

To repay the amount of the payroll advance, CFHC, Inc. deducts the full amount of the payroll advance from the employee's next scheduled paycheck. If an employee resigns or is terminated

before the payroll advance is repaid, the full amount of the payroll advance is deducted from the employee's final paycheck.

The Finance Department reserves the right to restrict certain timeframes. The restricted timeframes are communicated to all CFHC, Inc. employees by the Finance Department.

III. ATTACHMENT

- *Payroll Advance Request Form*