

CAROLINA FAMILY HEALTH CENTERS, INC. POLICY

TITLE: HR-704 Payroll Advance

EFFECTIVE DATE: February 1998

SECTION: Human Resources

REFERENCE PROCEDURE: HR-704.01 Payroll Advance

RESPONSIBLE CHIEF OF STAFF: Chief Operating Officer

RESPONSIBLE COMMITTEE: Employee Investment CIT

REVIEWED: 11/27/2018, 10/25/2022, 10/28/2025

I. PURPOSE

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

II. POLICY

It is the policy of CFHC, Inc. to provide full-time and part-time employees with a system to request a payroll advance. A payroll advance refers to employees receiving a portion of their pay before their next normal payday; per North Carolina Department of Labor Deductions of Wages regulations (refer to N.C.G.S. §95-25.8) a payroll advance is considered a “prepayment” of wages and is not subject to regulations regarding deductions of wages.

CFHC, Inc. does not maintain an obligation to pay employees in advance. Payroll advances are paid as company cash flow permits, and all payroll advances require the approval of the Chief Financial Officer.

Part-time and full-time employees are eligible for a payroll advance after they have completed their introductory probationary period. Employees are limited to two (2) payroll advances in each calendar year.

The amount of the payroll advance will not exceed 50% of the employee’s bi-weekly net pay (which is based on the employee’s regular work schedule, exclusive of overtime, comp time, or additional hours). CFHC, Inc. deducts the full amount of the payroll advance from the employee’s next scheduled payday and does not charge any administrative fees or interest for this employee benefit.

CFHC, Inc. reserves the right to limit this benefit. There are no exceptions to this policy.