

## **Employee Advance Policy**

This policy describes the procedures and rules for Advance system to employees in NIPS. This policy also explains the terms for advancing pay to employees as an emergency short-term loan. Employees should have a proper and valid reason to ask for an advance, usually for an unexpected or unavoidable occurrence. The Institute isn't obliged to pay such short term loan to employees. But provisions are there if employees have legitimate reasons.

This doesn't include any money paid to the employee for relocation or work-related expenses.

The Management reserves the right to modify, cancel or amend any of these rules without prior notice.

### **Eligibility:**

A confirmed employee is only eligible to avail loan advance facility. An employee can ask for a loan advance if he/ she:

- ◆ Has completed his/ her probation period and is in continuous employment for last thirty six (36) months.
- ◆ Has not taken any other Institute-sponsored loan.
- ◆ Is not having a balance of previous advance, if any.

An employee must have a legitimate reason to apply for such a loan advance, usually an unexpected or unavoidable family or personal emergencies.

### **Loan advance terms:**

- ◆ An employee, willing to take advance must indicate true reasons for asking the same.
- ◆ An employee having a balance of previous advance cannot take further advance until the previous balance is fully repaid.
- ◆ The maximum advance available is an employee's two (2) months' gross salary only.
- ◆ If any employee finds himself in need of more frequent or larger advances than he is eligible, he should discuss and elaborately explain the situation with their reporting authority. Based on their application, only Top Management may decide to make exceptions on a case-by-case basis.
- ◆ The employee has to repay the total advance amount by way of paying through salary deduction in subsequent six (6) months. In case of larger advance than eligibility, the tenure of repayment will be decided and approved by the Top Management at the time of final loan sanction.

- ◆ An approved loan advance will be paid by transferring the approved amount directly to his / her bank account within three (3) working days from approval.
- ◆ The application for advance must be made in the standard format. The form is available with HR Department.
- ◆ The Institute will not charge any administrative fees or interest from the employee.
- ◆ If an employee resigns or is terminated before he repays his advance money, his full and final settlement and all statutory savings (if any) will be kept on hold till total clearance of the entire remaining amount. Relevant legal steps will be followed if necessary and satisfactory actions are not taken by the resigned or terminated employee.
- ◆ An employee must read this policy terms before applying for short term loan from the Institute. The repayment terms must be in writing and signed by the employee.
- ◆ An employee will be eligible for next advance after completion of 3 months from the repayment of previous loan advance.

**Procedure:**

- ◆ Employees should submit their application in the prescribed form to their Department Head (or HR if their Department Head is unavailable.)
- ◆ The Department Head should first review the form. If they approve, they must sign the form and submit it to HR department.
- ◆ The HR department will check all necessary terms and conditions for such request and make necessary endorsements on the application.
- ◆ The HR department will forward the application to the Top Management for final approval. It is the discretion of the Top Management to grant or refuse an application, even if otherwise eligible.
- ◆ If the request is granted by the Top Management, HR department must forward the approved loan advance application to the Accounts department.
- ◆ The Accounts department will finally verify the approved amount and repayment terms.
- ◆ The approved amount will be paid through bank transfer within three working days since receiving the approved form.
- ◆ If the request is denied, the HR department must inform the same to the employee.

**APPLICATION FOR STAFF ADVANCE**

Date \_\_\_\_\_

To,

The Director,

NIPS School of Hotel Management

Dear Sir,

I \_\_\_\_\_ designated as \_\_\_\_\_ in  
the \_\_\_\_\_ department request for an advance of Rs  
\_\_\_\_\_ deductible @ Rs \_\_\_\_\_ per month from my  
Monthly Salary for the purpose of \_\_\_\_\_  
\_\_\_\_\_.

Thanking you,

Yours faithfully,

(Signature of the employee)

Approved/ Refused:

Final approved amount:

Installment agreed per month:

Remarks (if any):

\_\_\_\_\_  
Employee Signature

\_\_\_\_\_  
Approver Signature

\_\_\_\_\_  
Accounts Signature