



STEP Academy Trust

Loans Procedure

Date of Procedure: October 2015

Review:

Introduction

The STEP Academy Trust Board of Trustees has agreed this Procedure and as such, it applies to all Academies within the Trust.

Rationale

The purpose of this Procedure is to explain the circumstances in which the Trust will make an interest-free loan to an employee, the procedure for making the loan, and the conditions that will apply to the loan.

The terms of the Procedure may be varied from time to time at the Trust's discretion. The organisation may terminate the policy without notice at any time or exclude employees from participating in the Procedure at its discretion.

The Procedure does not form part of employees' contracts of employment.

Scope

The STEP Academy Trust may make loans to employees for the following purposes:

Season Ticket Loan

The Trust will provide a loan to an employee for the purpose of purchasing an annual season ticket to facilitate travel between work and home by public transport. The loan will not cover other travel costs, for example costs associated with the use of a car for getting to and from a train station, such as parking costs.

Welfare loan

The Trust will provide a loan to help an employee who is in financial difficulty as a result of unexpected expenditure, for example where the employee:

- needs to visit an elderly relative at short notice;
- needs to meet funeral costs;
- wishes to attend the overseas wedding of a close relative or the overseas funeral of a close friend or relative;
- or
- needs to pay medical or other health-related expenses.

Eligibility

An employee is entitled to apply for a loan unless he/she:

- has not yet passed his/her probation period;
- does not have sufficient monthly salary to make the necessary repayments;

- has served notice of resignation;
- has received notice from the Trust terminating his/her employment;
- is subject to disciplinary proceedings that could result in his/her dismissal;
- is subject to an active final written warning; or
- is repaying a previous loan from the Trust.

In deciding whether or not to provide a loan, the Trust may take into account:

- the employee's ability to repay the loan, taking into account his/her salary and other loan or financial commitments;
- the employee's personal circumstances; and
- extenuating circumstances.

The Trust may require the employee to provide an up-to-date credit report.

STEP Academy Trust Discretion

The Trust will decide at its absolute discretion whether or not to grant a loan to an employee at his/her request, and whether or not the full amount of the loan requested will be provided.

The Trust reserves the right to deny a loan application on whatever grounds it deems appropriate.

Repayment period

The loan repayment period will be agreed between the Trust and the employee and will depend on the type and amount of the loan. The usual length of a loan repayment period is [six/12] months.

Once the loan is made, the Trust will make deductions in equal monthly instalments from the employee's salary for the purposes of repayment of the loan. The first deduction will be made from the employee's salary in the month following the month in which the loan is made.

Deductions from the employee's salary for the purpose of repaying the loan will be itemised on the employee's payslip.

Termination of employment

In the event of the termination of employment for any reason, the employee will be required to reimburse the Trust for the outstanding amount of the loan. A deduction equivalent to the outstanding amount on the loan will be made from any final payments due to the employee. Pay for these purposes includes (but is not limited to) salary, holiday pay and expenses.

In the event that the employee's final pay is insufficient to allow for the whole of any such deduction, or the Trust agrees, on the employee's request, to further time for repayment of the outstanding amount, the employee will be required to make a separate payment to the Trust, to be paid to the Trust within one month of the termination of his/her employment. If relevant, the HR department will set out a schedule for repayment of the outstanding amount.

If the employee does not repay the loan in accordance with this Procedure, the Trust may take legal action to recover the amount outstanding.

Procedure

To apply for a loan, an employee must complete a loan application form, which is available from the Academy Business Manager.

The employee should return the completed form to the Business Manager. The Trust will take up to five working days to consider the application. If the application is approved, the Business Manager will contact the employee and request that he/she enters into a written agreement with the Trust for repayment of the loan.

On receipt of the signed written agreement for repayment of the loan, the Trust will initiate a transfer direct into the employee's bank or building society account/provide a cheque to the employee made out in his/her name within three working days. Where the loan is for the purpose of purchasing a season ticket, the cheque will be made payable to the transport provider.

Disciplinary action

It is a disciplinary offence for an employee to abuse this Procedure. If an employee is found to have abused the Procedure, he/she will be subject to disciplinary proceedings, which could lead to dismissal.



STEP Academy Trust

Application for Season Ticket Loan

Name

Payroll Number

Academy

Cost of annual Season Ticket

Ticket to be obtained from

(Please put in the name of the travel company, i.e. First Capital Connect)

(In order for us to process your application, please attach a photocopy of the application form).

I wish to apply for a loan in respect of my annual travel ticket as detailed above. I agree to the Trust recovering the amount advanced to me from my net pay in 12 monthly instalments where it is an annual ticket, or 6 months where it is a six month ticket. However a 6 month ticket cannot be spread over a 12 month period. In the event of my employment with the Trust being terminated, I agree to any loan balance outstanding being deducted from my final pay and if this is insufficient to make full repayment, that I will settle the balance by cheque, before the last date of my employment. I understand that the payment will commence from the next available pay day.

I agree to abide by the conditions of the operators providing me with the Annual Season Ticket and agree to pay any fee to the operator as a result of replacement of lost tickets.

Signed

(Applicant)

Date

I verify that the details shown are correct and that I support this application.

Signed

(Authorising budget holder)

Date

I verify this employee has been employed by us for over 12 weeks and is entitled to use this policy.

Signed

(HR Advisor)

Date



STEP Academy Trust

Application for Welfare Loan

Name

Payroll Number

Academy

Amount applied for as a Welfare Loan

Reason for application:

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I wish to apply for a welfare loan as detailed above. I agree to STEP recovering the amount advanced to me from my net pay in 12 monthly instalments. In the event of my employment with the Trust being terminated, I agree to any loan balance outstanding being deducted from my final pay and if this is insufficient to make full repayment, that I will settle the balance by cheque, before the last date of my employment. I understand that the payment will commence from the next available pay day.

I agree to abide by the conditions of the operators providing me with the Annual Season Ticket and agree to pay any fee to the operator as a result of replacement of lost tickets.

Signed

(Applicant)

Date

I verify that the details shown are correct and that I support this application.

Signed

(Authorising budget holder)

Date

I verify this employee has been employed by us for over 12 weeks and is entitled to use this policy.

Signed

(HR Advisor)

Date