Employee Loan Program Policy

The following details the purpose, process and other agreements related to Employee Personal Loans at Carleton University Students’ Association (CUSA), effective April 1, 2021.

"Employee" will mean all permanent employees (after probation period)

SUMMARY

For all permanent employees that would like to access it, CUSA is able to offer employee personal loans up to $10,000 CAD per employee in each calendar year. This loan is intended to help and support employees in times of financial hardship. It is not intended for preferential interest rates for purchases (such as car or homes) or income tax payments.

Loans will be provided as a lump sum with an expectation that this immediate cash will be paid back over an agreed timeframe.

The interest rate applied to this loan by CUSA will be 1% according to CRA prescribed interest rate.

CUSA, a company registered in Ontario, Canada will be the lender of any loans granted.

PROCESS AND PROCEDURES

1) To be considered for a loan, an employee must make a request in writing or by email to the Finance Manager. The request should include the reason, the dollar amount that the employee wishes to borrow along with the length of time the employee would like to borrow the funds. The longest term permitted is 24 months from receipt of loan.

2) The Finance Manager will complete the loan contract and provide the contract to the President, VP Finance and General Manager for approval. The loan will either be approved or denied and confirmation will be sent by the Finance Manager to the employee.

3) With the contract in place, the employee will receive the loan monies via direct deposit or cheque in a lump sum payment.
4) Within 3 months of receipt of the loan, re-payment will begin as directed by the employee either through wage garnishment, or direct payments via personal cheque or inter-bank transfer to CUSA, unless otherwise agreed.

5) It is expected that all loans will be paid back within 24 months of the original grant date.

6) All loans and the corresponding payment schedule are at the full discretion of the company and may be changed at any time with appropriate notice.

**PAYMENT AND AGREEMENTS**

1) A contract will be signed by the President, VP Finance, General Manager and the loan recipient. This contract will detail; the amount of the loan, the granting date, and the expected repayment schedule.

2) If the loan recipient cannot pay the loan within the agreed timeframe, they must request an extension at least 10 days in advance of the expected payment date. Any extension is at the full discretion of the company.

3) The loan may be paid in full at anytime prior to the end of the loan term.

4) The granting of an employee loan is not a guarantee of employment over the term of the loan.

5) If the employee’s employment ends before the loan has been repaid for any reason, including quits, retirement, layoff or termination, the employee should make a reasonable attempt to pay off the loan. The employee should stick to the original payment schedule if the balance of the loan is not able to be paid off all at once.

President: **Kathleen Woany**

Date: **April 8, 2021**

VP Finance: **[Signature]**

Date: **April 8th 2021**