

# Emergency Loan Fund

Policy 603.18

## 1 Introduction

1.1 There may be occasions when emergency circumstances, defined as unforeseen, unplanned, and unavoidable events, demand immediate attention and require an employee to secure funds on short notice. The Emergency Loan Fund (ELF) has been established to assist Appalachian State University (the "University") employees with an alternative and convenient means of borrowing money during times of emergency or unexpected situations which create a financial hardship for the employee. Zero interest ELF loans are now available for employees with minimal payments to be made through monthly payroll deduction.

## 2 Scope

2.1 This policy applies to all permanent SHRA or EHRA teaching or non-teaching employees who experience a personal financial hardship.

## 3 Definitions

### 3.1 "EHRA"

Refers to employees who are exempt from most provisions in the North Carolina Human Resources Act, N.C.G.S., Chapter 126.

### 3.2 "SHRA"

Refers to employees who are subject to all provisions in the North Carolina Human Resources Act, N.C.G.S., Chapter 126.

## 4 Policy and Procedure Statements

### 4.1 Eligibility

4.1.1 An employee wishing to apply for an ELF loan must:

1. be a permanent SHRA or EHRA teaching or non-teaching employee with a minimum of one-year continuous University service;
2. certify the employee's need for funds which constitutes a personal financial hardship/financial emergency and have no other source of funds available within the time necessary to act; and
3. be actively employed at the time the loan is requested.

### 4.2 Guidelines

4.2.1 An employee in need of financial assistance must submit an official [Emergency Loan Fund \(ELF\) Request Form and Payroll Deduction Authorization Form](#) to the Employee Relations division of the Office of Human Resources. An approved loan must be fully repaid before the employee is eligible for another ELF consideration.

### 4.3 Loan Amounts and Interest Rate

4.3.1 Amount of Loans: \$50 minimum; \$750 maximum. Interest Rate: None. The amount requested should be based on the specific amount of need.

### 4.4 Repayment

4.4.1 Repayment is set up through payroll deduction and must begin no later than the third payroll check following the employee's receipt of the loan. Repayment must not exceed sixty (60) monthly pay periods from the date of the first payroll deduction, with installments of not less than \$12.50 per month but not more than \$75 per month, depending on the loan amount.

4.4.2 Early Repayment: If an employee has an ELF loan and wishes to repay the loan in full at any time during the term of the loan, s/he may do so without penalty whatsoever.

4.4.3 Termination of Employment: If an employee's employment with the University is terminated for any reason before the entire loan is repaid, the outstanding balance will be due and payable and will be deducted from the final paycheck. If there is an insufficient gross amount to deduct the remaining balance, the employee will be responsible for remitting the remaining balance to the university within 30 days of separation.

## **4.5 What is Considered an "Emergency?"**

4.5.1 An emergency is considered to be severe financial hardship for which the employee has an immediate need.

4.5.2 Examples of Emergency (Approved) Situations:

1. Automobile repairs
2. Childcare expenses
3. Emergency travel
4. Family medical expenses
5. Unexpected home repairs
6. Loss of household income
7. Rent or mortgage payment past due
8. Tax payment past due
9. Food, fuel or utility expenses
10. Other immediate needs as described in section 4.5.1.

## **4.6 How To Apply/Assistance Provided**

4.6.1 Employees must complete an [ELF Loan Request Form](#) and submit it to the Employee Relations area of the Office of Human Resources for review. Forms are available online at [www.hrs.appstate.edu/form](http://www.hrs.appstate.edu/form) and also from the Office of Human Resources Employee Relations division, 330 University Hall Drive, Boone, North Carolina 28608. The ELF Coordinators are committed to the success of the program here at Appalachian and will be more than happy to assist employees with completion of the ELF Loan Request Form and to answer your questions. Please call anytime Monday through Friday, 8:00a.m. to 5:00p.m. (Extension 6624).

## **4.7 Loan Processing Time**

4.7.1 Emergency loan requests will be reviewed by the ELF Coordinators and will ordinarily be processed within five (5) working days from time of submission of the completed ELF Request Form. The ELF Coordinators consist of three representatives from the Office of Human Resource Services. Once the loan has been approved, an ELF Coordinator will contact the employee.

## **4.8 Confidentiality**

4.8.1 All requests for loans through the ELF program will be kept confidential by Human Resources staff. No record of loans will be placed in the employee's personnel file; however, if an employee has applied for and received a loan, anyone in that employee's department who has access to standard payroll deduction reports will have access to information reflecting the employee's participation in the ELF program.

## **5 Additional References**

[Emergency Loan Fund \(ELF\) Request Form and Payroll Deduction Authorization Form](#)

## **6 Authority**

*The Code of the Board of Governors of the University of North Carolina, The UNC Policy Manual, 100.1, Section 502*

N.C.G.S., Section 95-25.8

## **7 Contact Information**

[Employee Relations Division of the Human Resource Services](#) Office of Human Resources, Employee Relations Division, 828-262-6624

## **8 Original Effective Date**

April 20, 2012

# 9 Revision Dates

November 13, 2015