

Loan and Advance Policy

SCOPE/OBJECTIVE:

The scope of this policy applies to all employees of CJA Telecommunications (Pty) Ltd and its objective is to establish a sustainable and all inclusive procedure for the application of personal loans from the company and for the payments of Salary Advances.


Personal Loans / Salary Advances will only be granted where there is a serious need or where emergency relief is required due to circumstances that could not have been foreseen by the employee. The Employer reserves the right to refuse any loan application either in full or part thereof if it is deemed that the Loan amount falls outside of the employee's reasonable affordability. It is also made clear here that at no time should any employee hold any expectation that it is in fact the Employers responsibility or a contractual requirement to grant or award any Loan or Advance to the employee. CJA Telecommunications (Pty) Ltd is not a financial institution and does not market itself or its representatives as a port of call for financial assistance or services. Any and all financial aid or process that is granted to an employee also does not in any way guarantee any future assistance.

1. Personal Loans:

- 1.1 Personal Loans may never exceed the employee's net salary for one month. A loan agreement will be drawn up and repayment terms will be stipulated therein. Repayments are to be deducted in accordance with the loan agreement from the employees' monthly salary and must be repayable within a maximum of 6 months from the start of the agreement.
- 1.2 Repayments should never exceed 20% of the employee's monthly net remuneration.
- 1.3 All approved Personal Loans will be paid out to the employee within 4 days. All applications must reach the Finance Department timely to ensure that this process is not delayed unnecessarily.
- 1.4 No loans will be available to any employee within their initial probationary period. Any exception to this constraint would be solely at the discretion of the HR department and Senior Management
- 1.5 An Application fee of 10% will be levied on all loan/advance agreements.
- 1.6 Monthly admin fee of R60 is payable from the second month of repayment terms.
- 1.7 No Personal Loan will be granted if there is a balance outstanding on a previous personal loan or advance.
- 1.8 All Loans must be settled in full, including costs on termination of employment
- 1.9 Any deviation on any of the statutes above needs to be approved by CEO or his duly authorized representative.

2. Salary Advance:

- 2.1 A Salary Advance may not exceed the employee's recoverable amount, which includes remuneration to date of loan, plus unpaid leave, less any outstanding training related expenditure linked to employment contract and or acknowledgement form.
- 2.2 Any advance will be loaded for full recovery at the end of the month in which the moneys are advanced.


Rev. No.	Date Created	Review Date	Changes	Prepared by	Reviewer Quality Manager	Approval CEO	CJA Telecommunications (Pty) Ltd
2	24/10/2018	10/2019	Revised	K. Evert	G. Greef	Z. Janssen	
Signatures				<i>Evert</i>	<i>Greef</i>		

- 2.3 No Advance will be available to any employee within their initial probationary period. Any exception to this constraint would be solely at the discretion of the HR department and Senior Management
- 2.4 A 10% administration fee would be included and recovered in any advance given.
- 2.5 "Advance Documentation Form" that stipulates repayment terms needs to be signed in full by the employee and returned to Finance before any monies is paid to the employee.
- 2.6 All loan/advance agreements and supporting documentation will be filed on the employee's personal file.
- 2.7 No advance will be granted if there is a balance outstanding on a previous loan or advance.
- 2.8 All advances must be paid in full, including costs on termination of employment.
- 2.9 Any deviation on any of the statutes above needs to be approved by CEO or his duly authorized representative.

Loan / Advance Application Process

- Prospective Loan/Advance Applicants must firstly notify their direct Line Manager of the intention to apply for a Loan or Advance from the Employer. An email/personal request must then be made by the Line Manager for a Loan Interview with the Finance/HR office for the specific employee. The employee's Line Manager can attend this interview but it is not a specific requirement within this process. In cases where a personal interview is not possible for any reason a telephonic interview will be facilitated. At the aforementioned interview the initial validity and employee affordability of the request will be established.
- Only when approval to continue with the process has been awarded to the employee will a Loan/Advance agreement be drafted. Once the agreement is signed by all parties the HR department / Manager will then request payment to be made from the Finance Department
- It is the responsibility of the employee to provide any and all requested proof / supporting documentation to substantiate the loan application.
- Finance / HR will ensure that all loans repayments MUST be processed on the Payroll system to ensure that salary deductions are made and that the correct fringe benefit tax entries are raised.

The herein documented Loan/Advance Policy and Process can and will also apply and be implemented in cases where the employee is held financially responsible for any loss/damage or financial misconduct by the employee against the Company. Such instances are already documented in other CJA Telecommunications (Pty) Ltd Policy and Procedural documentation and Contracts of Employ. All employees are strongly advised to make sure that they take cognizance of this fact and familiarize themselves with this and all of the Company's Policy documentation.

Rev. No.	Date Created	Review Date	Changes	Prepared by	Reviewer Quality Manager	Approval CEO	CJA Telecommunications (Pty) Ltd
2	24/10/2018	10/2019	Revised	K. Evert	G. Greef	Z. Janssen	
Signatures				<i>Evert</i>	<i>Greef</i>		