



## The American University of Kurdistan Advance Payment Policy and Procedures

Policy Number: BF010  
Effective Date: May 28, 2023

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### I. INTRODUCTION

- a. **Authority:** The Board of Trustees (herein referred as “Board”) at The American University of Kurdistan (herein referred as “AUK” or “University”) is authorized to establish rules and regulations to govern and operate the University and its programs.
- b. **Purpose:** The AUK Advance Policy defines the terms for advance cash to the employees as a short-term emergency loan.
- c. **Scope:** This policy applies to all of AUK's permanent full-time employees, regardless of position. This policy may also cover part-time employees with contracts that span more than 18 months.

### II. ROLES AND RESPONSIBILITIES

- a. **Responsible Executive:** VPAF
- b. **Responsible Administrator:** Director of Finance
- c. **Responsible Office:** Office of Finance
- d. **Policy Contact:** Director of Finance

### **III. POLICY STATEMENT**

“Advance payment” refers to employees receiving a portion of their salary before their next regular salary.

The AUK is not obligated to make advance payments to employees. It may choose to do so if employees have legitimate reasons and meet the criteria in this policy.

#### **Criteria for requesting an advance payment**

Employees can ask for advance payment if they:

- Have completed their probation period.
- Have not taken any other loan from AUK.
- Have not asked for an advance payment in the past four months.
- For weeks of work already completed. e.g., 50% of salary after half of the month

New International hires may be granted advances in their first month of employment, please contact HR for further information ([hr@auk.edu.krd](mailto:hr@auk.edu.krd))

#### **Conditions for requesting an advance payment**

These terms and conditions apply to all eligible employees without regard to age, disability, gender reassignment, race, religion or belief, position, or rank.

Employees must have a legitimate reason for requesting advance payment, usually in an unexpected or unavoidable situation.

#### **Examples of such reasons include the necessity to pay:**

- Family or personal emergencies (e.g., being victims of a robbery or fire, having to pay funeral fees)
- Sudden hospital bills
- Emergency expenses

#### **Examples of non-legitimate reasons:**

- Taking a planned vacation
- Entertainment expenses
- Purchasing personal assets (e.g., Car, Property)
- Gambling
- Fines

The minimum advance payment can be 25% of the employee's monthly net salary and cannot exceed 50% of the employee's monthly net pay. If employees require more frequent or greater advance payment, they should communicate with their

supervisor before the request. The Administration (The President and the Director of Finance) may choose to make exceptions in specified cases.

### **Repayments terms**

The Office of Finance in consultation with the VPAF and Office of Human Resources will deduct the advance payment amount from an employee's future salary.

This may mean:

- Deducting the total amount from their upcoming salary.
- Paying back the amount in small installments out of several future pay deposits, not to exceed 6 months.

Employee signatures and written repayment terms are required. Repayment will comply with the terms.

There will be no administrative fees or interest charges.

If the employee is dismissed or resigns before repaying their advance payment, the Office of Finance is responsible for negotiating a new arrangement with the employee or deducting the total outstanding amount from the employee's final pay deposit/check. Any applicable legal requirements must be observed. Advance payments can be received by checks only.

### **Advance Payment Agreements**

Employees who want to request an advance payment should fill out an official form (Advance Payment Form).

They must:

- Indicate their reasons for advance payment.
- Outline the sum of money they want to request in advance.
- Sign to agree to the terms of this policy.

## **IV. GENERAL PROCEDURES FOR ADVANCE PAYMENT**

This procedure must be followed:

1. Employees must complete and sign the form and submit it to the Office of Finance.
2. Finance Director must review the form and decide whether to grant the employee's request within two days of receiving the form.
3. If approved, the Finance department must draft an agreement form outlining the repayment terms taking any applicable taxes into account.
4. This agreement must be signed by the Director of Finance and the employee.

The Office of Finance must inform the employee if the request is rejected within one business day.

**V. MONITORING**

The Office of Finance will monitor the policy's implementation, performance, and effectiveness. Finance has the authority to perform audits of these requests, including the documentation submitted at any time.

**VI. POLICY HISTORY**

- a. **Approved by:** Board of Trustees
- b. **Adopted:** May 28, 2023

**VII. FORMS**

**A. Advance Payment Form**

	<h2 style="color: #0070C0;">Advance Payment</h2>
<b>Date :</b>	DD/MM/YY
<b>Amount :</b>	\$ -
<b>CLAIMANT NAME</b>	
<b>CLAIMANT ID</b>	
<b>DEPARTMENT</b>	
<b>DETAILED DESCRIPTION OF REQUIREMENT FOR ADVANCE</b>	<b>\$</b>
<b>Total</b>	
<p><b>I request the above-mentioned advance payment (salary) and authorize AUK to deduct loan repayment from my next paycheck.</b></p>	
<b>Claimant Name</b> _____	<b>Finance Director</b> _____
<b>Claimant Signature</b> _____	<b>Signature</b> _____
<b>Date</b> _____	<b>Date</b> _____

B. Advance Payment Form Installments



## Advance Payment Form (Installments)

<b>Date :</b>	DD/MM/YY
<b>Amount :</b>	\$ -

<b>CLAIMANT NAME</b>	
<b>CLAIMANT ID</b>	
<b>DEPARTMENT</b>	

DETAILED DESCRIPTION OF REQUIREMENT FOR ADVANCE	\$
<b>Total</b>	

### Payment Details

Payroll Date	Amount Paid back	Remaining Balance
/ /	\$ _____	\$ _____
/ /	\$ _____	\$ _____
/ /	\$ _____	\$ _____
/ /	\$ _____	\$ _____
/ /	\$ _____	\$ _____
/ /	\$ _____	\$ _____

I \_\_\_\_\_ understand that I am hereby requesting an advance payment (Salary) , which I promise to repay in full in the terms that have been set forth in this loan agreement . I also agree and understand that in the unlikely event of my termination of employment prior to the full repayment of this advance.

<b>Claimant Name</b>	<b>Supervisor:</b>	<b>Finance Director</b>
_____	_____	_____
<b>Claimant Signature</b>	<b>Signature</b>	<b>Signature</b>
_____	_____	_____
<b>Date</b>	<b>Date</b>	<b>Date</b>
_____	_____	_____