



UNIVERSITY OF WESTERN CAPE (UWC)

POLICY FOR STAFF LOANS

DATE OF LAST APPROVAL: C2004/2



UNIVERSITY of the
WESTERN CAPE

STAFF LOANS

Introduction

The university is prepared to grant permanently appointed employees, who have completed at least one year's continuous service, personal loans on compassionate grounds in certain specified circumstances and subject to a set of rules and clearly laid down criteria. It is important to note that the university should not be regarded in any way as a substitute for a bank or any financial Institution. Employees are always expected to first seek financial assistance from their bankers and other possible sources of finance. The university should be the last resort for financial assistance.

Conditions for loans

Personal loans available to employees in terms of this policy exclude loans granted to assist employees for the furtherance of their studies, although these loans will be taken into consideration when considering the ability of the employee to accommodate and pay back other personal loans.

The maximum amount that an employee may borrow in any twelve month period may not exceed the university's stipulated minimum salary.

Any amount in excess of the above limit will only be granted in very exceptional circumstances and subject to the approval of the relevant Executive or Dean who will recommend it to the Executive Director: Human Resources for the final approval..

All loans are subject to an interest rate as laid down by the university from time to time. This rate will be set by the Finance Committee after considering prevailing interest rates available to the University for Medium Term Deposits.

No more than two loans will be granted in any twelve month period (subject also to the maximum per twelve month period indicated above).

The loan scheme is available only to those employees who earn less than three times the university's stipulated minimum wage salary.

The standard items for which loans will be considered include the following:

- Funerals for immediate family
- Bona fide illnesses
- Medical bills not covered by medical aid

Loans will not be granted for:

- Car repairs,
- Accounts in respect of any household goods, furniture or clothing,

- Telephone accounts
- Fences
- Paving or similar items

In exceptional circumstances loans may be considered for the installation of personal household security fixtures.

The University has the prerogative to decline the granting of a loan if such a loan would further complicate the financial situation of the applicant. Thus, a financial appraisal of applicants may be conducted to assess their financial status and their eligibility for the loans. Employees seeking loans should therefore be prepared to fully discuss and disclose their financial situation with their Human Resource Consultants and also be prepared to accept any conditions, which may be set or proposed.

The repayment of loans will be over a period not exceeding 12 months and should not be less than 5% of the notch monthly salary. Extension of the loan repayment period or suspension of loan repayments will not be considered within this policy.

Procedure

Employees applying for a loan should complete a loan application form (HR 6) available on the S:/drive or from the HR Department.

The application must then be submitted to the line manager and Deans/Executive before forwarding it to the HR Department for consideration and processing. Should a situation arise whereby an application falls outside the provisions of this policy, but is regarded as a deserving case, the Consultant in charge, should refer such an application to the Executive Director, HR for a final decision.

Attempts will be made, although no guarantees will be given, that loans are processed within 3 working days of having been received by the HR Department.

14. STAFF LOANS POLICY

Council **approved** the policy.