

Diocese of Covington

Policies & Procedures Manual

Section: Assets

Policy: Employee Advances/Loans



Parish or school employee advances are *highly* discouraged and are only allowable with the approval of the proper authorizer of the employee. In that instance all of the following procedures must be followed:

1. Amount should not exceed the amount an employee can afford to pay back in one year.
2. The employee must sign the “Payroll Advance Repayment Agreement” on the next page.
3. The agreement must be approved by an authorized person as follows:
 - a. Parish employee – approved by Pastor
 - b. Parochial school employee – approved by Pastor
 - c. High School employee – approved by the Pastoral Administrator
 - d. Institutional employee – approved by the Executive Director of the institution
 - e. Priest – approved by the Bishop or a Vicar General
4. The agreement must be executed in triplicate with the following distribution:
 - a. Copy to employee
 - b. Copy for parish/school/institution files
 - c. Copy to the Payroll Office to setup the payroll deductions.



Diocese of Covington Payroll Advance Repayment Agreement

Employee Name: _____

I have received an advance on my future compensation in the amount of: \$_____ on
(date) _____.

I understand that I will need to repay (enter parish/school name) _____
_____ via payroll deductions the amount of \$_____ every
pay period until this amount is repaid in full.

I further understand that if my employment is terminated, either voluntarily or involuntarily, the outstanding balance due on this advance, in its entirety, will be deducted from my last pay check. Additionally, any and all accrued vacation time owed me as of the time of termination will be used to satisfy the repayment of this advance. If all unpaid earnings at the time of termination are insufficient to settle the advance, I agree to sign a promissory note payable in the amount still owed.

Signature

Date

Approver

Date

_____ Copy to Employee
_____ Copy to Parish/School
_____ Copy to Payroll Office