

# SALARY ADVANCE POLICY

ATRIA/ HR POLICY/SAP/ver1.0 Dated xx/xx/2022



Managed by A S Kuppa Raju & Bros. Charitable Foundation Trust  
ASKB Campus, Anandnagar, | Bengaluru - 560 024 KARNATAKA, INDIA

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## Revision History

Ver No.	Change Description	Derived & Prepared By	Approved By	Date
1.0	Initial release	C R Vinay Kumar Manager- Operations	Principal – AIT	

**Document Name:** ATRIA/ HR POLICY/SAP/ver1.0 dated

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## 1. Objective

Payroll or Salary advance policy describes the Company's terms for advancing pay to our employees as an emergency short-term loan. This policy is designed to support employees to tide over any urgent financial exigency or emergency for a short period.

Salary advance policy describes the Institution's terms for advancing pay to the employees as an emergency short-term loan. This policy is designed to support employees to tide-over any urgent financial exigency or emergency for a short period.

## 2. Scope and Applicability

This policy applies to all of our permanent full-time or part-time employees regardless of position. Temporary employees, who have contracts that span more than [*one year*] as on the date of application for advance, are also covered in this policy.

**This policy is owned by HR Department and reachable @ [hrexecutive@atria.edu](mailto:hrexecutive@atria.edu)  
[hr@atria.edu](mailto:hr@atria.edu)**

## 3. Definition/Glossary

Term / Abbreviation	Definition / Expansion
Institution	ATRIA Group managed by ASKB Trust
Employees	Permanent Employees
Loan	Salary Advance

## 4. Policy/Process

### 4.1. Policy elements

“Payroll advance” refers to employees receiving a portion of their pay before their next normal payday. This doesn’t include any money paid to the employee for relocation or work-related expenses.

**Note: The Institution(ATRIA) is not obliged to pay employees in advance and may choose to accept or reject an application without assigning any reason whatsoever.**

### 4.2. Conditions for requesting a payroll advance

Employees can ask for a pay advance if they:

- Have completed their probation period. For permanent employees ONLY.
- Have not taken any other Institution-sponsored loan.
- Have not asked for a pay advance in the past **1 year**

Employees should have a legitimate reason to apply for advance pay, usually an unexpected or unavoidable occurrence.

### 4.3. Payroll advance terms

The minimum advance pay is [*half of the employees’ average monthly net pay*] / cannot exceed [*80% of employees’ monthly net pay.*] If employees find themselves in need of more frequent or larger pay advances than they are allowed, they should discuss the situation with their *Department Head, HR Head subject to final Approval per Management discretion.*

Management holds the decision and may decide to make exceptions on a case-by-case basis at their fullest discretion.

The full amount of the advance payment will be deducted from the employee’s immediate salary. The repayment terms must be in writing and signed by employees. Repayment terms will comply with the law if it places restrictions on the deductible amount or if it prohibits Salary deductions altogether.

No administrative fees or interest will be charged on such advances.

If an employee resigns or is terminated before they repay their pay advance, HR shall draw a new agreement with the employee or deducting the entire remaining amount from the final salary. The validity, construction and performance of this Agreement shall be governed and construed in accordance with the laws the State of Karnataka,

Government of India and subject to the exclusive jurisdiction of courts of Bengaluru city and Bengaluru rural, applicable to contracts made and to be wholly performed within such state, without giving effect to any conflict of law's provisions thereof.

#### 4.4 Payroll advance agreements

Employees who want to request a payroll advance should approach the HR office with a written request. They must:

- Indicate their reasons for requesting the salary advance
- State the amount of money they want to receive in advance.
- Sign to accept this policy's terms.

This mandatory procedure must be followed:

1. Employees should submit the written request to their Department Head (or HR if their Department Head is unavailable.)
2. The Department Head should first review the request. If they approve, they must sign the request and submit it to HR.
3. HR and the Finance Head must also review the form and decide whether to grant the employee's request within [*two days*] of receiving the request. Upon the approval from the Management , HR must create an agreement form on pay advance and repayment terms taking any applicable taxes into account. This agreement must be verified and signed by HR & the Finance Head. Subsequently the employee shall come with a Rs. 100 stamp paper in favor of the Institution and self for agreement as subject .This agreement shall be finally signed by Management and the employee with all relevant details as verified by HR and Finance Head.
4. HR must forward the copy signed agreement to the accounting department. The accounting department must give employees their advanced pay through check, cash or bank transfer within [*two days*] since receiving the form.

If the request is denied, the HR must inform that employee within one business day.

## 5. Special Circumstance and Exception

Salary advance cannot be paid for the below reasons:

- *Taking a planned vacation*
- *Entertainment expenses*
- *Gambling*
- *Fines*
- *Fulfilment of personal needs*
- *Clearing a personal loan which is availed earlier*

Any Deviation to this policy has to be approved by HR. Any changes to the policy have to be updated by HR and approved by the Management.

## 6. Non-compliance and Consequence

- a. The validity, construction and performance of this Agreement shall be governed and construed in accordance with the laws the State of Karnataka, Government of India and subject to the exclusive jurisdiction of courts of Bengaluru city and Bengaluru rural, applicable to contracts made and to be wholly performed within such state, without giving effect to any conflict of law's provisions thereof.
- b. Any failure by either party to enforce the other party's strict performance of any provision of this Agreement will not constitute a waiver of its right to subsequently enforce such provision or any other provision of this Agreement.
- c. Although the restrictions contained in this Agreement are considered by the parties to be reasonable for the purpose of protecting the paramount interest of the Institution, if any such restriction is found by a court of competent jurisdiction to be unenforceable, such provision will be modified, rewritten or interpreted to include as much of its nature and scope as will render it enforceable. If it cannot be so modified, rewritten or interpreted to be enforceable in any respect, it will not be given effect, and the remainder of the Agreement will be enforced as if such provision was not included.



## SAMPLE : Salary Advance/Loan Agreement & Promissory Note

### EMPLOYEE LOAN AGREEMENT AND PROMISSORY NOTE

The Employee Loan Agreement and Promissory Note (The Agreement) is made this day the XX<sup>th</sup> day of XXXXXXXX 20XX by and between **ATRIA INSTITUTE OF TECHNOLOGY** (the Institution, ASKB Campus, Anandnagar, Bengaluru - 560 024 and XXXXXXXX (Employee No. XXXXXXXX), residing at XXXXXXXXXXXXXXXXXXXXXXX with mobile phone No: XXXXXXXXXXXX bearing Aadhar card no.: XXXXXXXXXXXXXXX

Whereas Employee is (Designation) and Employee No. being XXXXXXXXX having received the sum of **Rs. XXXXXX/-** on XX<sup>th</sup> XXXXXX 20XX make commitment to pay the institution sum of **Rs. XXXXX/-** repayment is to be made in the form **of XX equal instalments comprising of Rs. XXXXX/-**. This amount shall be deducted at the rate of interest **0% (ZERO PERCENT)** payable before 5<sup>th</sup> of every month (deducted from salary), beginning XX<sup>th</sup> September 20XX from the salary until amount of debt is liquidated.

The Employee unconditionally promises to pay the entire balance amount outstanding to the institution as soon as the employee is no longer on the rolls of the institution(resigns).

The validity, construction and performance of this Agreement shall be governed and construed in accordance with the laws the State of Karnataka, Government of India and subject to the exclusive jurisdiction of courts of Bengaluru city and Bengaluru rural, applicable to contracts made and to be wholly performed within such state, without giving effect to any conflict of law's provisions thereof.

In WITNESS WHEREOF, the institution and employee have executed the agreement as of XX<sup>th</sup> XXXXXX 20XX.

\_\_\_\_\_  
Signature of Employee

\_\_\_\_\_  
Authorized Signatory of Institution

Date:

Place:





### **ACKNOWLEDGEMENT**

We are in receipt of the following cheques towards the loan of Rs.70000/- (seventy thousand only) processed on 12<sup>th</sup> August 2022 which shall be returned on repayment of loan.

<b>Cheque no</b>	<b>In favor of</b>	<b>Amount</b>
XXXXXXXXXX	Atria Institute of Technology	XXXXXXXXXXXXXX

Note: Dishonoring of cheque shall attract legal action from the Institution.

For ATRIA INSTITUTE OF TECHNOLOGY

HR – Head

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