

## Rules Regarding Loans & Advances for STMU Employees

### 1. Purpose

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The purpose of this policy is to define the guidelines in facilitating employees to provide financial support through provision of short term interest free loan.

### 2. Scope

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All employees, who are entitled for gratuity.

### 3. Policy

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#### **3.1. Types of Loans:**

- a. Personal Loan
- b. Special Loan (Son/Daughter Marriage)
- c. Educational Loan

3.1.1 The loan facility can be temporarily suspended considering the economic situation, financial obligations and financial performance of the University.

#### **3.2. Eligibility Criteria:**

3.2.1. Loan to employees will be considered on a case to case basis, and will be granted at the management's discretion.

3.2.2. At a given time, only one type of loan can be availed.

#### a. **Personal Loan:**

3.2.3. Loans will be granted after completion of **two (02) years** of full time service.

a. Employee up to Assistant Professor / Manager will be eligible to avail up to a maximum amount of loan equivalent to two gross salaries.

b. Employee under resignation / suspension / retirement period will not be entitled to any loan.

#### b. **Special Loan (Son/Daughter Marriage):**

3.2.4. The employees with a minimum 10-year employment at STMU will be eligible for a special loan equivalent to four (04) gross salaries for his/her **child's** marriage.

c. **Educational Loan:**

3.2.5. Employee will be entitled to avail up to a maximum amount of educational loan equivalent to (03) three gross salaries.

3.2.6. The following employees are eligible to avail the educational loan:

a. Employees with a minimum of 3-years of full time service.

3.2.7. An employee will be eligible to avail educational loans with two years gap after completion of degree and all the additional educational loans will be admissible subject to clearance of all previous loans.

3.2.8. The approval process will be followed as per the defined criteria in **clause 3.4.1.**

3.2.9. All payments concerning the tuition fee of the educational program will be made by STMU directly to the educational institution.

**3.3. Repayment:**

<b>Loan Type</b>	<b>Repayment Period</b>
<b>Personal Loan</b>	12 months – equal installments
<b>Educational Loan</b>	18 months – equal installments
<b>Special Loan</b>	24 months – equal installments

3.3.1. Loan repayment will be started from the very next month of the sanction of loan.

3.3.2. If an employee leaves the organization voluntarily or involuntarily (resigns or terminated) before his/her loan is repaid, the amount due will be deducted from the gratuity.

3.3.3. Employee will not be entitled to avail new loan till the previous loan is paid off.

**3.4. Approval Authority:**

3.4.1. The loan will be sanctioned by the Vice Chancellor upon recommendation of the Principal / Head of College through Registrar.

## 4. Procedure and Responsibilities

S.No.	Procedure	Responsible Person
4.1.	Loan application will only be entertained by the Accounts/Finance department after the 10th of every month.	
<b>Personal Loan</b>		
4.2.	The employee must complete "Employee Loan Application" (it will be available on website and online) and first get it approved from his/her Principal/ Head of College/Department. Application form will then be forwarded automatically to the Registrar's Office.	Department Head /Divisional Head/ Human Resource Department
4.3.	Upon receiving "Loan Application" that is approved by Principal/ Head of College/ Department, the Human Resource Department under the supervision of Registrar will review the case of employee's eligibility. If so, the "Loan Application" will then be forwarded to VC for approval.	Human Resource Department
4.4.	"Loan Application" will then be forwarded to Accounts/Finance department ensure clearance of previous loan status and further disbursement.	Accounts / Finance Department
<b>Educational Loan</b>		
4.5.	The concerned employee needs to get the loan application approved by the concerned HOD along with a written justification to avail educational loan.	Concerned employee
4.6.	The concerned employee must provide supportive documents including the admission offer letter given by the respective educational institution and the tuition fee structure of the educational program.	Concerned employee
4.7.	The educational case will be reviewed by the HRD under the supervision of Registrar to ensure that the applicant meets the eligibility criteria for the educational loan.	HRD
4.8.	If the applicant meets the eligibility criteria, the Registrar will forward the case to <b>VC</b> for approval.	HRD
4.9.	The case will be sent to Finance Department for further processing after the approval of the <b>VC</b> .	Finance Department