Date: October 19, 2017

To: Chief Business Officials/Business Managers

From: Mary Downey, Deputy Superintendent, Business Services

Subject: Salary Advances for Employees

We continue to offer our support to Sonoma County School Districts. Many school employees have lost their homes and are in need of advances from their salaries. Sonoma County School Districts do have options, as outlined below and attached, for issuing Salary Advances to employees hardest hit by this disaster.

The guidelines for issuing a Salary Advance, how much to release, and who qualifies for a Salary Advance are at the discretion of the district and/or district policy. As an example, SCOE will be offering SCOE employees Salary Advances if the:

- SCOE employee lost their home in the fire disaster; and the
- SCOE employee is a full-time or part-time employee, working 4 hours per day or more.

If you choose to use the Salary Advance option, we recommend that the district:

- Meet and discuss the terms of the Salary Advance with the employee.
- Prior to allocating the Salary Advance, the employee must sign an agreement authorizing both the Salary Advance and the repayment of the Salary Advance against their next regular paycheck. Attached is a sample agreement districts can use by inserting the districts specific terms and conditions.

It is important to remember Salary Advances are a liability for the district. As such, SCOE recommends limiting the amount of the Salary Advance to no more than 50% of the employee’s next regular monthly salary. The district should also make sure that they have verified their cash balances and/or have a line of credit with the County.

There are three (3) ways to process a Salary Advance to an employee:

1. Issue a Revolving Check for a specified dollar amount.
2. Issue a check through Escape’s Accounts Payable process for a specified dollar amount (General Fund/object code 9213-Accounts Receivable-Payroll)
3. Issue a Supplemental Payroll check using both the PAYADV and REPA Deductions

Please see the attached examples indicating the correct setup in Escape. If you have any questions about Salary Advances, please email the SCOE Help Desk at helpdesk@scoe.org. If you need any other assistance, please feel free to call me at (707) 524-2631 or mdowney@scoe.org or contact your SCOE accountant.
Payroll Department
Pay Advance Agreement

{Date}
{Name}
{Street}
{City, State, Zip}

Re: Salary Advance Due to the Sonoma County Fires Disaster

Dear {Employee},

First and foremost, we are deeply sorry for your loss. We are offering a Salary Advance to support you and your family in the recovery process.

You meet {Name of School District} conditions for a salary advance. {List Guidelines under which you are offering the Salary Advance, such as “Having lost your home in the Sonoma County fires disaster, and because you are either a full-time employee or a part-time employee working 4 hours per day or more”,} the {Name of School District} is allocating you a Salary Advance of your {List month: November regular paycheck} in the amount of {List amount of advance}.

This Salary Advance will be paid to you on {List date of check: November 10, 2017}. We will deduct in a lump sum the Salary Advance from your {List date of paycheck to be reduced: November 30, 2017} paycheck reducing it by {List amount to be reduced}.

By signing below, you understand and agree to the Salary Advance and the lump sum repayment of the Salary Advance from your next regular paycheck.

------------------------------------------------------------------------
Signature                                      Date

Sincerely,

{Name}
{Title}

Cc: HR
   CBO
   Superintendent
Example #1:  Issue a Revolving check for $500.00

Step 1:  Review and setup a repayment agreement with the employee. Remember to review each individual's salary to ensure that they have enough future earnings to cover the advance. The goal is not to create additional future hardship.

Step 2:  Issue a Revolving Check for the agreed amount.

Step 3:  Setup up the Repay deduction in Escape

   a. Go to HR/Payroll-Payroll-Adjust Payroll
   b. Select the payroll that you are going to deduct the repay on.
   c. Go to the deductions tab to enter in the REPAY deduction for the advanced amount.
      -Since this is a repayment/deduction make sure to enter this as a positive deduction.
   d. Go to Tasks to calculate pay or save/close.
   e. Review the snapshot to ensure that all deductions and earnings are calculating as expected.

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<thead>
<tr>
<th>Employee</th>
<th>Pay Period 3, 10/01/17 - 10/31/17 on 10/31/17</th>
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<tbody>
<tr>
<td>Address</td>
<td>7604 Wild Turkey Run</td>
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<tr>
<td>City</td>
<td>Roseville, CA 95661</td>
</tr>
<tr>
<td>State</td>
<td>CA</td>
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<tr>
<td>Zip Code</td>
<td>95661</td>
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**DEDUCTIONS / CONTRIBUTIONS**

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<tr>
<th>Employee</th>
<th>Pay Period</th>
<th>Subj Gross</th>
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<tbody>
<tr>
<td>(PERS) PERS</td>
<td>221.29</td>
<td>3,161.29</td>
</tr>
<tr>
<td>(IFCC) BASIC J IFF</td>
<td>6.67</td>
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<tr>
<td>(DENCON) Delta Dental Plan</td>
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<tr>
<td>(DISABTY) LT Disability</td>
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<tr>
<td>(MEDI1CON) KAISER Pre Tax</td>
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<tr>
<td>(OPEBF) OPEBF</td>
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<td>(LIFEADD) Insurance</td>
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**(REPAY) Payroll Advance Oct**

<table>
<thead>
<tr>
<th>Employee</th>
<th>Pay Period</th>
<th>Subj Gross</th>
</tr>
</thead>
<tbody>
<tr>
<td>500.00 *</td>
<td>3,161.29</td>
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</tbody>
</table>

**NET**

| Deposited at Wells Fargo Na (california) | 1,456.85 |
| Warrant # | |
| Net Pay | 1,456.85 |
Example #2: Issue a check thru Accounts Payable for $500.00 (Object Code 9213)

Step 1: Review and setup a repayment agreement with the employee. Remember to review each individual’s salary to ensure that they have enough future earnings to cover the advance. The goal is not to create additional future hardship.

Step 2: Create a Payment to be processed in the next APY Batch. This will create a check to the employee for the agreed amount.

a. Go to Finance-AP-Enter Employee Payments

Employee Payment to Bugs M. Bunny for Invoice # PAYROLL ADVANCE OCT, Status: Open

Step 3: Setup up the Repay deduction in Escape

a. Go to HR/Payroll-Payroll-Adjust Payroll
b. Select the payroll that you are going to begin deducting the repay on.
c. Go to the deductions tab to enter in the REPAY deduction for the advanced amount.
   -Since this is a repayment/deduction make sure to enter this as a positive deduction.
d. Go to Tasks to calculate pay or save/close.
e. Review the snapshot to ensure that all deductions and earnings are calculating as expected.

Bunny, Bugs M (000646)

PPR 24.26 (Hourly), Hours: 118.67, Ret: PERS-F
Example #3: Issue a Supplemental Payroll check using the PAYADV Deduction and the REPAY Deduction

Step 1: Review and setup a repayment agreement with the employee. Remember to review each individual’s salary to ensure that they have enough future earnings to cover the advance. The goal is not to create additional future hardship.

Step 2: Go to HR/Payroll-Payroll-Adjust Payroll
   a. Enter in the Employee ID#
   b. Select the next Supplemental Payroll
   c. Go to the deductions tab to enter in the payroll advance.

NOTES: Use the PAYADVANCE Deduction - Submit a helpdesk ticket to have this created for your district.

Remember to enter in the amount as a negative deduction; this will create a payment to the employee.

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**Bunny, Bugs M (000064) 4618, FTE 0.00000, Gross 0.00 Net 500.00**

PPR 24.26 (Hourly), Hours: 0.00, Ret: PERS-Pre 2013 (Member[Y]), PPC: Cl.1A, Pay Date: 10/10/2017 (2018, CLS #3, Future)

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**1 - Deduction Information**

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<th>Date</th>
<th>Amount</th>
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<tbody>
<tr>
<td>PAYADV Payroll Advance</td>
<td>10/10/2017</td>
<td>500.00</td>
</tr>
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Step 3: Setup up the Repay deduction in Escape
   a. Go to HR/Payroll-Payroll-Adjust Payroll
   b. Select the payroll that you are going to begin deducting the repay on.
   c. Go to the deductions tab to enter in the REPAY deduction for the advanced amount.
   d. Since this is a repayment/deduction make sure to enter this as a positive deduction.
   e. Go to Tasks to calculate pay or save/close.
   f. Review the snapshot to ensure that all deductions and earnings are calculating as expected.

**Bunny, Bugs M (000064)**

PPR 24.26 (Hourly), Hours: 118.67, Ret: PERS-F