



PERSONNEL

Board Approved September 18, 2012: BM # 03: 2012-2013

NAME: EDUCATION LOAN PROGRAM

PURPOSE:

This policy sets requirements that must be met in order to receive an interest -free loan from Great Plains College for educational purposes.

POLICY GUIDELINES

1. Great Plains College provides educational financial assistance to employees who have the intention of continuing to work for Great Plains College upon graduation-completion of the program. Employees must be a permanent employee with Great Plains College.
2. To access the Education Loan Program all requests must first be submitted for approval and funding as per the terms of the Professional Development Policy. Approved short-term and long-term funding allocations from the Professional Development budget must accompany the application to the Education Loan Program.
3. Education loans are most often approved for employees who are on education leave for degree completion or in those cases where the funding available through the Professional Development Policy does not suffice to cover the costs of potentially expensive educational programs such as online master's degrees.
4. The college reserves the right to limit the number of education loans given out in any fiscal year.
5. Interest-free loans will be provided based on satisfactory completion of probation, an approved educational plan, support by the employee's in-scope and out-of-scope supervisor and approval of the President.
6. Interest-free loans are available in increments of \$1,000 up to a maximum of \$10,000. The specific amount of any loan extended within this range will be at Great Plains College's sole discretion.
7. Employees who are currently paying back a previous loan will not be eligible to participate again until their current loan is repaid in full.
8. Loan recipients will be solely responsible for the CRA tax consequences associated with the interest-free loan.
 - The taxable benefit the employee receives in the tax year is the interest on the loan calculated at the prescribed rates for the periods in the tax year during which the loan was outstanding.
9. To obtain an educational loan, employees must agree to the following terms and conditions:
 - Terms of repayment are not to exceed 36 months
 - Terms of repayment will include an automatic payroll deduction
 - Disbursement of funds will occur only after proof is provided of acceptance into the chosen program of study

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- Payments must start no later than three months following return to work from an education leave, or for employees who choose to work while continuing their education, one month following receipt of the proceeds of the interest-free loan
 - The college shall have the right to recover outstanding loan amounts where an employee resigns, retires or is terminated prior to completion of the loan payment plan. Recovery of outstanding loan amounts may be deducted from any monies owed to the employee by the college or by other means.
10. If an employee does not return to employment at Great Plains College for any reason, the loan is due and payable in full unless payment arrangements are made in writing with the Director of Human Resources prior to resignation or termination.