**Salary Advance Policy**

1. Staff compensation, including salary, benefits and allowances are designed to meet normal living requirements of staff members and their dependents. When exceptional and unexpected situations occur and additional monies are needed, UNDP may extend an advance under specific circumstances and conditions defined in this Policy.
2. As UNDP is not a financial (lending) institution, staff members are advised to approach available lending institutions such as banks or the United Nations Federal Credit Union (UNFCU) for all personal financial needs.
3. This policy implements Staff Rule 3.16.

# Applicability

1. Staff members holding Permanent, Fixed-term and Temporary Appointments, as well as holders of Regular International and National Personnel Services Agreements (IPSAs and NPSAs) may request, and UNDP may grant, a salary advance in accordance with the conditions described below. Unless specified otherwise, the terms and conditions related to salary advances apply to all personnel types listed above.

# General Conditions

1. The following conditions apply to all salary advances:
2. they are recovered in full through regular payroll deductions;
3. advances for internationally recruited staff members and IPSAs are always recovered in USD. Such advances can be disbursed in the local currency of the duty station. Where an advance is paid out in a currency other than USD, the amount of that advance will be converted to USD at the official UN exchange rate in effect when the advance was issued, and that USD amount is what will be recovered;
4. locally-recruited staff members and NPSAs can only receive advances in the currency in which their salary is paid and the advance must be repaid in the same currency;
5. recovery begins with the first end-month pay day after the advance has been given unless otherwise stipulated at the time of the approval;
6. unless otherwise specified, they are liquidated at a constant rate of up to a maximum of twelve (12) consecutive pay periods not extending beyond the expiry date of the appointment / agreement;
7. no new advances may be granted while a previous advance or any part thereof is outstanding, except:
	1. for advances for major medical expenses pending reimbursement by a UN medical insurance scheme; or
	2. if based on security determinations and approved duty station-wide in accordance with the UNDSS Security Manual; or
	3. for advances exceptionally approved in specific emergency situations by the Assistant Administrator and Director, BMS.
8. the request for an advance must explain, in detail, the exceptional and unexpected situation for which the funds are needed and attach supporting documentation. It must also include a written undertaking that if the staff member / PSA holder separates from service, any outstanding balance of an advance is recovered in full against final emoluments. Any balance that exceeds the final emoluments due must be paid immediately and in full prior to separation.

# Authorization of Salary Advances and Responsibility for Recovery

1. Requests for salary advances by locally recruited staff members and NPSAs outside of Headquarters (HQ) must be submitted using UNDP’s employee self-service platform along with the necessary documentation as required under this Policy. The request is reviewed and approved by staff designated with these roles in the Office. Typically, the Approver role is with the Head of Office (Resident Representative) who may delegate it to the Deputy Resident Representative (operations) or a similar function.
2. For locally recruited staff members and NPSAs at HQ, advances must be approved by the Director of the relevant office, who may delegate to the Deputy Director, or similar function.
3. The Office approving the advance is responsible for ensuring that the payment is being made and recovered in line with this Policy. The Assistant Administrator and Director, BMS may revoke the delegation of authority of the Head of Office, or Director of the staff member’s office, to approve salary advances if advances are approved in breach of this policy.
4. Except for personal emergency advances, salary advances of internationally recruited staff members and IPSAs, must be approved by both the Global Payroll Services (GPS) and Benefits & Entitlement Services (BES) Manager. The GPS and BES Managers are responsible for ensuring that all salary advances are approved and recovered within the framework of this policy. In the case of personal emergency advances, the Assistant Administrator and Director, BMS must approve the salary advance.

**Types of Salary Advances**

# Advances upon initial appointment

1. Where a staff member / PSA holder has not yet been enrolled in active payroll in Quantum HCM, a one-time initial appointment advance may be granted. Should a duplicate payment be disbursed, a recovery will be made in full in the next payroll.

# Advances due to non-receipt of salary

1. Where a staff member / PSA holder does not receive a regular salary due to a banking or other technical issue or a partial first month salary due to timing of payroll processing, an advance shall be granted in the amount due. Should a duplicate salary be disbursed, a recovery will be made in full in the next payroll.

# Advances upon separation from service

1. Where a staff member / PSA holder separates from service and final settlement of pay accounts cannot be made at the time of departure, an advance not exceeding 80 per cent of estimated final net payments due may be granted.

# Advances for medical expenses

1. A staff member / PSA holder may, exceptionally, request a salary advance for major and unforeseen medical expenses incurred by them or a dependent recognized by UNDP. Request for such advances will be considered only if (i) the staff member / PSA holder, including the named dependent, are enrolled in an official UN medical Plan, (ii) direct billing/payment facility is not available between the health provider and the insurance company and (iii) the bills are required to be paid prior to receipt of insurance payment.
2. It is expected that most medical expenses will be covered by a UN medical insurance scheme. However, if a staff member / PSA holder or a dependent recognised by UNDP, incurs major medical expenses that are beyond the limits of the medical insurance scheme and is faced with undue financial hardship, a salary advance may be considered under the provisions for personal emergency salary advances.
3. The advance may not exceed the lowest of (i) two months’ net pay, (ii) the maximum reimbursable amount under the applicable medical insurance scheme or (iii) the amount of the hospital bill. Advances for medical expenses can be granted concurrently with an existing salary advance.
4. The advance for medical expenses must be settled through the applicable insurance scheme or by the staff member / PSA holder within four months from when the advance is granted.

**Advances for pre-payment of rent**

1. Internationally recruited staff members may be granted a rental advance where three or more months' rent must normally be paid in advance to secure accommodation as stipulated in the lease agreement. The request for advance must specify the amount of the rent, the number of months for which the lease agreement indicates it is to be prepaid, the amount and currency of the advance requested.
2. The number of months of advance must be in line with the normal practice for rental properties in the duty station as confirmed by the Head of Office.
3. The amount of the advance covers only rent; it does not cover security deposits (generally returned to tenant at the end of the lease), agents’ fees or recurring costs such as electricity, water or other utilities where these are paid separately from rent.
4. The amount of the advance will be recovered within the term of the lease for which the advance was requested or within the staff member’s current contract period, whichever comes first.
5. Advances for pre-payment of rent are not authorised for staff members assigned to Group I duty stations under the [post adjustment system](https://icsc.un.org/Resources/COLD/Booklets/PABooklet.pdf?r=02131246)[.](https://popp.undp.org/node/5956)

**Advances for purchase of a private vehicle**

1. Internationally recruited staff members from grades P-1 to P-4 may be granted a salary advance for the purchase of a private automobile of up to US$7,500.00 or the local currency equivalent at the prevailing United Nations Operational Rate of [Exchange (](http://treasury.un.org/operationalrates/OperationalRates.aspx)UNORE, <https://treasury.un.org/operationalrates/OperationalRates.php>).
2. The requests for advance for this purpose will be considered, one-time only, within six months of initial appointment or reassignment. The Head of Office must certify that the vehicle is necessary in connection with the staff member's assignment.
3. The request for advance must specify the amount, currency and where the advance should be paid. Advances for the purchase of a private automobile are granted on the understanding that the staff member intends to keep the vehicle for at least two years or for the duration of the assignment, whichever is shorter.
4. Advances for the purchase of a private vehicle are not authorised for staff members assigned to Group 1 duty stations under the [post adjustment system](https://icsc.un.org/Resources/COLD/Booklets/PABooklet.pdf?r=02131246)[.](https://popp.undp.org/node/5956)
5. Staff members on Temporary Appointments are not eligible for this type of advance.

**Emergency Advances**

*Bulk Emergency Advances to groups of staff members*

1. Salary advances may be exceptionally approved to groups of staff members / PSA holders, in specific emergency situations by the Assistant Administrator and Director, BMS in accordance with the conditions and procedures specified at the time of approval.
2. Bulk salary advances as may be proposed by the Head of Office or United Nations Country Team (UNCT) to respond to an emergency situation in a duty station, must be approved by the Assistant Administrator and Director, BMS.

*Personal Emergency Advance*

1. Staff members / PSA holders may be granted an advance for personal emergencies of up to two months’ net pay to meet genuine urgent, non-recurring, needs. These requests will be considered on the merit of each individual case, including evidence provided, and granted based on the best judgment of the Head or Director of the Office, in the case of locally recruited staff and NPSAs or the Assistant Administrator and Director, BMS, in the case of internationally recruited staff and IPSAs.
2. Situations that may be considered for advances for personal emergencies include:
	1. major expenses to repair a private residence damaged by natural or man-made disasters (e.g., fire, flooding, etc.). Advances of this type may often be approved on a duty station-wide basis as part of a Bulk Emergency Advance;
	2. major expenses related to undertaking security-related measures (fences, alarm system, etc.) on a staff member’s / PSA holder’s primary residence based on written recommendation of the UNDP security officer or UNDSS and submission of a vendor invoice or estimate;
	3. crimes causing serious financial loss, evidenced by an official police report or an insurance claim, to the staff member and/or dependent as recognized by UNDP;
	4. funeral expenses in the event of death of an immediate family member;
	5. expenses related to essential medical or dental procedures and treatments for staff members / PSA holders and/or their dependents as recognized by UNDP that are not covered by their insurance scheme and upon submission of a provider’s invoice or estimate.
3. Only one personal salary advance for emergencies may be granted during any twelve-month period.

**Unauthorized Requests**

1. Salary advances shall not be authorised for purposes outside those covered by this policy. These include but are not limited to the following:
2. weddings, parties, or other such gatherings;
3. school or college fees;
4. holiday or other personal travel;
5. purchase of a house or land;
6. construction of houses, buildings or extension of existing premises;
7. renovation or repair of houses or buildings through normal wear and tear;
8. purchase of household furnishings and personal effects;
9. payment of personal debts, bank loans or mortgages.

**Annex: Summary of Payment, Recovery and Other Conditions**

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| --- | --- | --- | --- | --- | --- | --- |
| **Type of Advance** | **Request Initiated by**  | **Advance Approved by** | **Eligibility** | **Maximum Amount** | **Maximum Recovery Duration** | **Other Terms & Conditions** |
| Upon Initial Appointment | HR Focal Point | Ma Manager, Global Payroll Services (GPS) and Manager, Benefits & Entitlement Services (BES)  | All personnel | Monthly Net Pay | Full recovery in next regular payroll |   |
| Non-receipt of salary |   |
| Separation from Service | 80% of Final Pay | Full recovery from Final Pay |   |
| Medical Expense | Staff Member | Head of Office or Designate | Lowest of: (i) 2 months Net Pay (ii) insurance reimbursable (iii) hospital bill | Over 4 months or by end of contract whichever comes first |  Must be covered by a UN or UNDP medical insurance plan. |
| Rent | Manager, Global Payroll Services (GPS) and Manager, Benefits & Entitlement Services (BES)  | IP Staff outside of Group 1 Duty Stations | Per signed Lease | Term of Lease or end of contract whichever comes first  | In line with local rental market practice |
| Vehicle | IP Staff (P1-P4) except TAs, outside of Group 1 Duty Stations | $7,500 | 12 months or end of contract whichever comes first  | Once only within 6 months of initial appointment or reassignment |
| Emergency - Bulk  | HR Focal Point | Assistant Administrator and Director, BMS | All personnel at specific Duty station | As determined at time of approval |
| Emergency - Personal | Staff Member/PSA holder | Head or Director of the Office or Assistant Administrator and Director, BMS | All personnel | Two (2) month's net pay | 12 months or end of contract whichever comes first | (1) For defined specific conditions related to staff/PSA holder or dependant as recognised by UNDP(2) Official proof of emergency is required(3) Only one advance over a 12-month period |