



Mott Community College

Employee Computer Loan Program

Last Revision: August 1, 2002

Purpose: To encourage MCC employees to use computer technology for personal and professional development by providing convenient financing for home computer systems.

Applicability: Adhering to these procedures is a requirement for all employees who purchase a computer through this loan program extended by MCC to its full-time employees.

Administration of Program: Finance/Accounting Office - Payroll

Eligibility: Full-time regular employees only.

The qualifying purchase must be made when the individual is officially working for MCC as a full-time regular employee. Purchases made before or after the employment period will not be allowed for the computer loan program.

Qualifying Purchases: Purchases for home use, business and/or personal. The exact amount of the purchase price and all applicable sales tax will either be reimbursed to the employee directly or a college check will issued jointly to the vendor and employee.

Computer hardware and software, related equipment, furniture, accessories, upgrade parts, peripheral components and other items, within discretion of the Finance Officer of the college, are qualifying purchases. These items may be purchased as part of the original computer system, or subsequently as separate add-ons to enhance the system.

The Finance Officer will have final determination as to whether items qualify as computer-related under the intent of the loan program. Purchases that are deemed unrelated will not qualify for the program.

Limit: \$3,000 total outstanding per employee

Terms: Maximum of 24 Months or 52 pay periods (no penalty for early payoff), No Interest, Biweekly Payments through Payroll Deduction.

The employee must sign a promissory note, and bring invoice and proof of payment made for computer purchase (for reimbursement) or quote from vendor (for direct to vendor purchase), to be kept on file in Payroll, to participate in the loan program.

Upon termination, the entire balance outstanding will be taken out of the employee's final check or if the check is not sufficient to cover, the amount is due in full immediately from the employee.

Refinancing/Additional Loans: Up to the maximum amount of \$3,000 outstanding per employee at any given time, additional loans may be taken out and combined into existing loans. At the time each new loan is taken out, the new amount will be added to the existing loan and the total balance will be refinanced for a new loan term not to exceed 24 months. Monthly payroll deduction payments will also be adjusted accordingly.

(As of August 1, 2002, it is no longer a requirement that an employee must pay off their existing computer loan before another loan may be granted.)

Administrative Fee:

A fee equaling a minimum of \$30 or 2% of the amount of the qualifying purchase, whichever is higher, will be charged each time a loan is taken out. The maximum fee for each separate loan is \$60 (2% of \$3,000). The fee will be deducted in entirety from the first paycheck after the loan date.

(As of August 1, 2002, this is a new fee, intended to offset college costs for the program, which include foregone interest earnings for money lendted to employees, as well as administrative time to process loans)

Procedures:

The Payroll Technician in the Accounting/Finance Office does the processing for computer loans. Employees should contact Payroll at 810-762-0524 or come in to Curtice-Mott Room 1032 for assistance with the program.

1. Reimbursement to Employee – if paid with cash, check or credit card by employee
 - a. The employee must provide a copy of the receipt/credit slip indicating that the computer was paid for by cash/check/credit card.
 - b. The employee must read, approve, and sign the Computer Purchase Loan Note (promissory note) and the Payroll Deduction form, both available in the Accounting/Finance Office.
 - c. Accounts Payable checks will be issued within 5 business days, made payable to the employee to reimburse for cash or personal credit card purchases.

2. Direct Check to Vendor/Employee – if ordered by quote and paid with MCC check
 - a. The employee must provide quote or invoice from the vendor indicating line item detail and total to be paid.
 - b. The employee must read, approve, and sign the Computer Purchase Loan Note (promissory note) and the Payroll Deduction form, both available in the Accounting/Finance Office.

- c. Accounts Payable check will be issued within 5 business days, made payable jointly to the employee and the vendor name.

Payments:

Payments will be automatically deducted, beginning with the next pay date following the loan date and continue with every payroll check the employee is entitled to until the loan is paid in full.

Separation of Employment:

If the employee's employment at the college is terminated, for any reason, the total balance of the loan is due at the date of termination.

The balance will be deducted from the final paycheck if funds are available to cover the balance. If after the final paycheck there is still a balance owed by the former employee, the balance will be pursued by the college through its normal accounts receivable and collections procedures.

Unpaid leave status—If an employee becomes on leave and does not get a paycheck, the employee is still required to send payments to the college (deposit at the cashier office) on or before each pay date, which are the due dates for payments agreed to by the employee when he or she signed the Computer Purchase Loan Note.