Loan Management – Process Document

Description

Loan management module is used to manage Loan process .

Pre-Conditions

1. User will have to log-in into SmartHR using valid user ID and password
2. Employee who completes one year of continuous service in SDL will have rights to view, apply and cancel loan request
3. Functional head will have rights to view and approve/reject loan request for members associated with their account
4. HR will have rights to view and Verify/reject loan request approved by the operations head
5. Finance Team will have rights to view and process loan approved by the HR

Business Rules

1. Employee who completes 1 year of continuous service in SDL is eligible for loan
2. Employee can avail this benefit only once in a year.
3. Employee can avail loan for following reasons,
4. Medical Emergency for self or dependents
5. Education Expense (When incurred in one bulk payment)
6. Expenses incurred for last rites ceremony of dependent
7. Self or dependent’s marriage
8. Loan cannot be availed when employee is in notice period
9. Loan cannot be availed until previous loan balance are fully paid
10. The maximum Loan amount cannot exceed two months gross salary or -------- whichever is lesser
11. For availing this benefit, employee has to raise a request in SmartHR. Once a request is raised an email notification will be sent to “Functional Head” along with the work order “Recommend Loan”. In addition employee has to submit supporting documents to Functional Head in person for recommendation. After recommendation, employee will submit the documents to HR team for verification
12. Functional Head will “Recommend” or “Reject” loan request
13. If functional head recommends loan request, an email notification will be sent to “HR” team along with the work order “Very Loan” for verifying loan request and status will be moved to “Recommended” status
14. If functional head rejects loan request, an email notification will be sent to the requester and status will be moved to “Rejected” status
15. Once loan is recommended, HR will verify and upload documents in SmartHR. If documents are valid, a work order “Process Loan” will be assigned to “Finance” Team and status will be moved to “Verified” status. If documents are invalid, status will be moved to “Rejected” status
16. Once loan is verified, Finance team will process the request and record payment mode
17. Payment mode will be “Issue cheque” or “Deposit cheque in employee bank account”
18. When user selects payment mode as “Issue cheque”, user will record “Cheque readiness date” and once it is submitted an email notification will be sent to the “Requestor”, “HR” and “Function Head” and status will be marked as “Settled”
19. When user selects payment mode as “Deposit Cheque in employee bank account”, user will enter “Cheque deposited date” and an email notification will be sent to the “Requestor”, “HR” and “Function Head” and status will be marked as “Settled”
20. SLA for processing loan request is 2 days. Hence an email notification should be sent to Finance team when loan request is not Settled within 2 days from date of verification
21. **Loan amount deduction need to discuss (If loan amount is settled after 15th of a month, do we need to deduct on the following pay cycle or on next pay cycle?)**