

MICHIGAN HOMES FOR VETERANS
BOARD MANUAL

BOARD OF MANAGERS OPERATING POLICIES AND PROCEDURES

BP-002

Member Advance Policy

Reviewed 11/19/14

PURPOSE: To provide a standardized policy and procedures for authorizing advances to members.

PROCEDURES:

The Board of Managers recognizes that there will be situations involving a need for the Homes, under certain circumstances, to extend advances to its members. Therefore, to clarify these situations, the Board-establishes this Member Advance Policy.

The Homes may authorize advances to members when, through no fault of the member and, in the judgment of the Home's Administrator or designee, circumstances arise in which withholding an advance would result in personal needs not being met or humanitarian concerns not being addressed.

- A. Advances will be made to members by authorizing an overdraft of their personal pension trust account.
- B. It shall be the responsibility of the Administrator or designee to administer the Member Advance program to ensure the monthly collection of advances.
- C. The maximum advance limit for individual members is \$200.00.
- D. Authorized finance department personnel may disperse up to \$20.00 for each member advance from the Post Fund Member Services Account when appropriate.
- E. An advance in an amount in excess of \$20.00 or in an amount which would place an individual's personal account in an overdraw status greater than \$20.00 must be pre-authorized by the Administrator or designee.
- F. Any advance that would overdraw a member's personal account in excess of \$200.00 must be pre-authorized by the Board of Managers of the Michigan Homes for Veterans.
- G. All advances shall be recouped from the member's pension trust account as soon as personal funds become available.

- H. Circumstances which would justify an advance causing the member's pension trust account to be overdrawn would include, but not be limited to, the following situations:
- An unexpected death in a family.
 - A critical illness in a member's family.
 - Other family or personal crisis.
 - Delays in the transfer of personal funds.
 - Unexpected losses of income, (lost income checks, cut off income checks, etc.).
- I. The Member Advance program will be monitored to ensure that a member's account is not continuously in an advance status. Steps will be taken to ensure that continuous advance participation by a member is avoided.

PROCEDURES FOR MAKING ADVANCE REQUESTS

- 1) The member must request the advance from the finance department and state the reason for the advance. The member will sign for receipt of the funds as documentation of the advance.
- 2) The Finance Department will review the member's pension trust account to determine the member's ability to repay the advance and comply with this policy (BP-002).
- 3) In determining the disposition of the member's request for an advance, the finance officer will consider the reason for the request, the frequency of requests, the status and history of the member's room and board payments, the current balance of the member's pension trust account and other related factors.
- 4) All requests in excess of \$20.00 or requests which will place an individual pension trust account in an overdrawn status of more than the member's ability to repay the advance will be referred to the Administrator or designee for authorization.
- 5) If an advance is not authorized, the member may request a compliance conference with the Administrator in accordance with Administrative Rules R 32.83 and R 32.84.

- 6) The decision of the Administrator may be appealed in accordance with Administrative Rules R 32.85 through R 32.89.