Policy On Background Checks (Credit)



OBJECTIVE

[Company Name] seeks to employ qualified, fiscally responsible individuals in sensitive positions within the company. Therefore, all candidates and temporary staff who are selected for employment at [Company Name] for a position that regularly engages in handling credit cards, cash or other company funds must undergo a credit check. This includes new employees, existing employees who are transferring to such a position and temporary employees. Departments that regularly require a credit check include finance, accounting and customer service. Credit checks for temporary employees are conducted by the temporary agency that employs them. Credit checks for employees directly hired by [Company Name] are conducted by the human resource (HR) department or by a reputable third-party vendor providing this service.

[Company Name] complies with all applicable federal and state laws regarding the collection, storage, use and disposal of information obtained as part of a credit check. This includes the consent and disclosure provisions of the Fair Credit Reporting Act and the Fair and Accurate Credit Transactions Act. [Company Name] is an equal opportunity employer and does not discriminate with regard to race, sex, age, national origin, religion, disability, genetic information or other characteristics protected by federal, state and local fair employment practices laws.

PROCEDURES

When candidates apply for positions at [Company Name], they consent in writing to a credit check to be performed when determined to be necessary by the company.

Credit checks are not done for all candidates. They are conducted when an applicant has been interviewed and is selected as a final candidate for a qualifying position. Although results of the credit check may take a few days to obtain, every effort is made to avoid delay in the hiring process.

RESPONSIBILITY FOR CONDUCTING CREDIT CHECK

The HR department is responsible for obtaining and reviewing all credit checks for qualifying internal positions. The director of human resources reviews the information obtained when a credit check is required for a hiring decision and

provides the results to management personnel involved in the hiring process. Access to this information is strictly limited to employees of the HR department and others on a need-to-know basis to ensure that the privacy of the candidate is respected. Staffing agencies will conduct credit checks on temporary employees and will apply the following disqualification standards prior to referring for placement at [Company Name].

DISQUALIFICATION OF CANDIDATE

If the credit check reveals that the candidate for hire or transfer has a history of bad debt, the individual may be disqualified from the position. Candidates with bad debt, as defined below, will not be considered for positions that involve the handling of credit cards, cash or other company funds.

“Bad debt” is defined as debt that has been referred for collection, has a balance past due more than 60 days or has been written or charged off by the creditor. Bad debt is *not* considered a risk if it is more than five years old, the result of the candidate’s student loan obligations, or incurred through extensive medical care for the candidate or his or her immediate family members or dependents. Bad debt *is* considered a risk if it exceeds 10 percent of the salary for the position being filled, regardless of the time period in which the debt was incurred (excluding medical debt and student loans).

[Company Name] complies with all federal and state law requirements for consumer and credit reports when information contained in the reports is used as a basis for taking adverse action against the individual. If a credit check on a current employee provides adverse information, the employee will be referred to the HR department for review and resolution.