

Jefferson/Franklin Consortium Bonding Policy

Bonding is an agreement between a bonding or insurance company and an entity whereby the insurance or bonding company guarantees payment of a specified dollar amount as damages, in the event covered employees cause financial loss to the entity. Bonding requirements ensure that the awarding entity is indemnified against financial losses caused by officers and employees who hold fiduciary positions with Subrecipients.

All LWDB personnel who have access to and/or control funds received will be bonded to provide protection against losses. Individuals who may handle mail or assist in the preparation or distribution of checks or any financial documents will also be covered.

- When grants being utilized for a program year total less than \$500,000, a minimum of \$50,000 coverage will be carried.
- When grants being utilized for a program year total \$500,000 or more, a minimum of \$100,000 coverage will be carried.