

10A NCAC 97C .0403 FIDELITY BOND REQUIREMENTS

(a) Grant recipients shall carry fidelity bond coverage pursuant to the "Administrative Procedures Manual for Federal Block Grant Funds", published by the Department of Administration in October of 1982.

(b) For the purposes of this Section, a fidelity bond is defined as a bond indemnifying the grant recipient against losses resulting from fraud or lack of integrity, honesty, or fidelity of one or more employees, officers or other persons.

(c) A grant recipient is required:

- (1) to bond its finance officer for an amount to be fixed by the governing board, not less than ten thousand dollars (\$10,000) nor more than two hundred fifty thousand dollars (\$250,000); and
- (2) to bond each officer, employee, or agent that handles, has custody of or access to assets valued at one hundred dollars (\$100.00) or more.

(d) A grant recipient may adopt a system of blanket faithful performance bonding as an alternative to individual bonds. If such a system is adopted, statutory requirements of individual bonds for the finance officer still apply. However, although an individual bond is required for a finance officer, such an officer may also be included within the coverage of a blanket bond if the blanket bond protects against risks not protected against by the individual bond.

(e) Any bonds required under the provisions of this Rule shall be obtained from companies holding certificates of authority as acceptable sureties. A list of these companies is published annually by the Department of Treasury.

History Note: Authority G.S. 143-16; 143-16.1; 143B-10; 143B-276; 143B-277; 143-323(d); 143-341(7),(10); 159-29;

Eff. December 1, 1983;

Amended Eff. July 1, 1988; October 1, 1984;

Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. April 25, 2015.