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BONDED PERSONNEL 7.40

I. The Superintendent and the designated Chief School Financial Officer (CFO) shall be bonded at an amount fixed by the State of Alabama in a reputable surety company authorized to do business in Alabama. A certified copy of such bond shall be placed on file with the State Department of Education.

II. The Superintendent or his/her designee shall secure surety bonds, in an amount for all employees of the Dale County School System who may be charged with the responsibility for handling public school funds.

III. Bonding Requirements:

A local board of education is required to provide for the bonding of the local superintendent of education, (or interim superintendent, or acting superintendent) and the chief school financial officer for a minimum amount of $100,000 each. A certified copy of the bond must be filed with the State Superintendent of Education in accordance with the forms and procedures provided by the Alabama Department of Education.

If the individual appointed as the chief school financial officer has a bond filed with the State Superintendent with the position titled “Custodian of School Funds”, (or other title), the surety provider should be notified to change the title of the bonded individual from “Custodian of School Funds” to “Chief School Financial Officer”. [No change is required if the individual is bonded as the Chief School Finance Officer.] The local board of education must provide a copy of the surety provider’s written acknowledgement of the change in the position title for the bonded individual to the Alabama Department of Education.

If the individual appointed as the chief school financial officer does not have a bond filed with the State Superintendent, the surety company should be contacted to begin the process for bonding the chief school financial officer.

Any other employee handling local board of education funds should be covered by a fidelity bond, also called an Employee Dishonesty Bond. A blanket bond, or similar type of coverage, is required in order to provide coverage for these other employees. A blanket bond that provides for a minimum amount of $100,000 coverage, either per occurrence or annual coverage, is required. Other types of similar bonds that may provide adequate coverage may be called Blanket Position Bonds, Blanket Public Official Bond, Blanket Position Public Official Bond, Name Schedule Bonds, Name Schedule Public Official Bonds, and Position Schedule Bonds. [Blanket bonds and bonds for
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principals, school bookkeepers, cashiers, etc., do not need to be submitted to the State Department of Education.]

Errors and Omissions Insurance may be purchased to provide coverage for employee negligence, mistakes, or failure to take appropriate action in the performance of business or professional duties. However, this type of insurance does not provide the same coverage, and cannot be used as a substitute for fidelity bond coverage.

STATUTORY AUTHORITY: CODE OF ALABAMA
16-1-30

LAW(S) IMPLEMENTED: CODE OF ALABAMA
16-11-7, 16-13-8, 16-13-9,
16-3-13

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