

Explanation of Bond Requirement for Special Community Benefit Districts

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The code requires that the bond on the position of Treasurer, or Fiscal Officer must be in an amount not less than the total amount of funds budgeted to be disbursed to the community in the current fiscal year, plus any cash held by the community that consists of tax dollars previously disbursed by the county to the community, but not yet spent.

This bond coverage is necessary to make sure that your organization is able to recover funds under the bond should your treasurer or fiscal officer cause a loss. This coverage does not benefit the County. It is solely for the benefit of your community organization.

The form of the bond approved by the County Controller requires that the position of Treasurer, not the individual named to that position, be bonded either by public official's bond, a surety bond, or by a form of surety bond called fidelity bond /employee dishonesty coverage. If the employee dishonesty form of coverage is chosen, then the community must make sure that the policy is amended to cover the position of treasurer or fiscal

officer as a volunteer position, not as an employee position, if in fact the Treasurer administers his duties to the community as a volunteer.

No funds can be distributed directly to your organization until your bond complies with the code, and the bond information actually reaches the County. The bond must be submitted directly from your insurance agent.

Most bonds are valid for one year from time of purchase and must be renewed each year. The renewed/updated bond will need to be submitted to the County Office of Finance directly from your insurance agent prior to any disbursements.

As for obtaining a bond, and the cost of the bond, you would need to reach out to your insurance agent for that information.

§ 4-7-101

Administration by civic or community association. Except as otherwise provided for a particular district, the administration of the district shall be conducted by a civic or community association that is an incorporated association and that provides for membership for each property owner in the district. If more than one association seeks to administer the same district, the district shall be administered by the civic or community association that presents to the Budget Officer a petition that is signed by a majority of the property owners in the district and that supports administration of the district by that association.