



FLOYD COUNTY BOARD OF EDUCATION
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FLOYD COUNTY BOARD OF EDUCATION ISSUE PAPER
FOR ADDENDUM

Date: May 17, 2018

Consent Item: Consider/Approve Performance Bond of Treasurer and Finance Officer for FY 2019.

Applicable Statute or Regulation: [KRS 160.560](#).

Budgetary Impact: Premium cost is estimated to be approximately \$1,536.

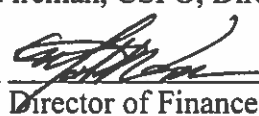
Background and Major Policy Implications: [Bond of Treasurer](#) requirements are summarized in [KRS 160.560](#). Accordingly, at the beginning of each fiscal year the board treasurer shall execute an official bond for the faithful performance of the duties of his/her office to be approved by the local board and the commissioner of education. The bond shall be guaranteed by a surety company authorized to do business in this state and shall be in an amount determined by the local board of education in accordance with the administrative regulations promulgated by the Kentucky Board of Education. The premium on the bond shall be paid by the local board of education. A copy of the bond shall be filed with the local board of education and with the Kentucky Board of Education. While it is not required by law for the finance officer to also be bonded it is believed prudent to do so.

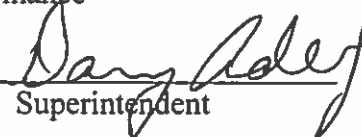
The requirements for the penal sum of the Bond of Treasurer are summarized in [702 KAR 3:080](#). Accordingly, it shall be the duty of each local board of education, on the advice of the Commissioner of Education, to determine the amount of the penal sum of the Bond of Treasurer and that of other school employees who are responsible for board of education funds. No treasurer's bond shall be approved which, in the opinion of the Commissioner of Education, is inadequate to safeguard the funds of the local board of education. Presently the penal sum required is \$400,000-\$600,000. The penal sum on the proposed bond exceeds that and is \$800,000.

Recommended Action: Approve

Contact Person (s): Tiffany Campbell, CPA, Treasurer
Matt Wireman, CSFO, Director of Finance


Treasurer


Director of Finance


Superintendent