

Faithful Performance Bonds

Objective:	To provide information on the faithful performance bonds (official undertakings) required by New York State and County Law for designated Public Officials and Employees.	Policy/Procedure Number:	10-13
Reference: (All applicable federal, state, and local laws)	County Law, Section 403; NYS Public Officers Law, Article 2, Section 11-13; NYS Public Officers Law, Article 4 (Powers and Duties of Public Officers); Tompkins County Charter and Code.	Effective Date:	January 12, 1981
Legislative Policy Statement:	The County shall comply with County Law, Section 403; NYS Public Officers Law, Article 2, Section 11-13; NYS Public Officers Law, Article 4; Tompkins County Charter and Code, Section C-2.06; NYS Archives, Schedule CO-2.	Responsible Department:	County Administration
General Information:	County Law requires that the County Clerk, County Treasurer, District Attorney, Sheriff, and such other County officers as are required by law shall, before entering the duties of the office, execute an official undertaking (surety bond for faithful performance of the duties of the office) as provided in Section 11 of the NYS Public Officers Law. Bond coverage (individual or blanket) is a type of insurance required by NYS law to protect County funds. Bonds reimburse the County for losses caused by a public official or an employee of the County who commits fraudulent or dishonest acts, including actions of malfeasance and neglect breaching the financial integrity of the County.	Modified Date (s):	March 31, 2010; April 16, 2019
		Resolution No.:	2019-84
		Next Scheduled Review:	April 2024

I. Definitions:

Employees and Public Officials - Includes all persons filling positions of any rank within County government, including elected or appointed officials, administrators, paid staff, volunteers, members of the Legislature, any administrative board, commission, or agency of that government.

Faithful Performance Bond - A bond guaranteeing that the principal (employees & officials) will discharge his or her obligation as required by law and account for all monies and property received by virtue of his or her position or employment.

Surety Bond - A three party agreement whereby one party (the surety – insurance company) is bound with the person bonded (the principal – employees & officials) to a third party (the obligee – Tompkins County). The bond guarantees the surety's performance or monetary compensation to the obligee should there be a failure by the principal to perform specified acts within a stated time period.

II. Policy:

A. To comply with legal requirements issued by the State of New York and procure insurance coverage as needed, the County shall provide for and maintain a blanket public employees faithful performance bond.

B. Individual County officials do not need to file individual bonds. In Tompkins County this legal requirement for official undertakings will be met by a blanket employees and public official's faithful performance bond through an insurance carrier.

III. Procedure:

A. The County Risk Manager is responsible for determining appropriate amounts of insurance coverage for County employee and elected official positions to minimize exposure to the County and taxpayers, and to comply with NYS law.

B. The County Risk Manager will review exposures created by all County positions annually and place appropriate insurance policies for the entire workforce under a blanket policy.

C. Insurance policies will be kept on file at County Administration in perpetuity.

D. Per NYS retention schedule, undertakings or bonds of public employees will be kept on file for a minimum twenty (20) years after coverage expires. After the twenty (20) year period, the documentation may be disposed of.