



EMPLOYEE DISHONESTY AND FAITHFUL PERFORMANCE OF DUTY COVERAGE

Under O.R.C. 3.061, an “employee dishonesty and faithful performance of duty policy,” such as a coverage document issued by a joint self-insurance pool, like PEP, can protect a public entities from financial or property loss in lieu of giving a surety bond for public officials that are required to be bonded under O.R.C. 3.061

PEP’s Governmental Property Agreement is an advantage over surety bonds, as it will provide coverage if there is a loss of funds while the public officials are performing their duties in office. With a surety bond, public officials’ private assets are pursued by the bonding company to satisfy any payment of loss.

If an PEP Member elects employee dishonesty and faithful performance of duty coverage provided under the PEP Governmental Property Agreement, the PEP Member must, pursuant to O.R.C. 3.061, pass a resolution to authorize PEP’s coverage document as a, “employee dishonesty and faithful performance of duty policy,” in lieu of surety bonds, for various positions within the entity, including, but not limited to, the following: Trustee, Fiscal Officer, Assistant Fiscal Officers, Deputy Fiscal Officer, Zoning Inspector, Assistant Zoning Inspector, Road Superintendent, Constable, Fire Chief, Police Chief and Administrator.

Please contact your Agent to elect PEP coverage in lieu of surety bonds. The Faithful Performance Application included below must be completed, signed and returned. In addition, a sample resolution which must be passed by each public entity opting for the coverage is included below.

PEP FAITHFUL PERFORMANCE APPLICATION



MEMBER INFORMATION:

Entity Name: _____
Mailing Address: _____ City: _____
County: _____ State: _____ Zip: _____ Phone Number: _____
Email Address: _____

HAS A FORMAL RESOLUTION BEEN PASSED AUTHORIZING THE USE OF AN EMPLOYEE DISHONESTY AND FAITHFUL PERFORMANCE OF DUTY POLICY AS REQUIRED BY ORC 3.061? PLEASE ATTACH A COPY OF PASSED REOLUTION:

Yes Date it was passed: _____
No Date scheduled to be passed: _____

TOTAL ANNUAL OPERATING EXPENDITURES:

DATE OF LAST AUDIT:

DID THE AUDITOR MAKE ANY INTERNAL CONTROL RECOMMENDATIONS DURING THE LAST AUDIT:

Yes No

WERE THERE ANY:

Finding for Recovery?	Yes	No
Material Weakness?	Yes	No
Material Non-Compliance?	Yes	No
Reportable Conditions?	Yes	No

ANY PRIOR BOND OR FAITHFUL PERFORMANCE OF DUTY LOSSES IN THE PAST 5 YEARS? IF SO, PLEASE EXPLAIN:

Yes No

PEP FAITHFUL PERFORMANCE APPLICATION



APPOINTED OR ELECTED OFFICIALS REQUIRED TO BE BONDED (INCLUDE ADDITIONAL PAGES IF NECESSARY):

Name:	Title:	Amount:	Effective Date:	Current Bond Company & Price:

The undersigned applicant hereby certifies that the answers given are the truth without reservation:

Authorized Representative (Type or Printed)

Signature

Title

Date

RESOLUTION



WHEREAS, _____, in _____ is a member of the Public Entities
(Entity) (County)
Pool (PEP), a political subdivision risk pool established pursuant to Ohio Revised Code hereinafter "ORC,"
2744.081;

WHEREAS, in accordance with ORC 3.061, the "political subdivisions", (meaning counties, townships, "municipal corporations," including villages and cities) must adopt a policy by resolution to allow the use of an "employee dishonesty and faithful performance of duty" coverage document, rather than a surety bond, to cover loss by fraudulent or dishonest actions of employees and failure of employees to faithfully perform duties; the following shall apply to the policy:

1. An officer, employee, or appointee shall be considered qualified to hold the office or employment, without acquiring a bond, on the date the oath of office is taken, certified, and filed as required by law.
2. An officer, employee, or appointee shall have the employee dishonesty and faithful performance of duty policy in effect before the individual's term of office or employment and the officer, employee or appointee shall not commence the discharge of duties until coverage is documented.
3. All officers, employees, or appointees who would otherwise be required to file a bond before commencing the discharge of duties shall be covered by and are subject to the employee dishonesty and faithful performance of duty policy instead of a surety bond requirement.
4. The coverage amount for an officer, employee, or appointee under an employee dishonesty and faithful performance of duty policy shall be equal to or greater than the maximum amount of the bond otherwise required by law.
5. Elected officials, prior to taking the oath of office and holding office, shall obtain approval of the intent to use the PEP coverage agreement and affirm that the public entity's coverage complies with ORC
6. 3.061. Said approval shall be obtained by the _____, in _____
(Entity) (County)

WHEREAS, _____, in _____'s, "employee dishonesty and faithful
(Entity) (County)
performance of duty policy" through the PEP coverage document complies with ORC 3.061: and

NOW, THEREFORE, BE IT RESOLVED, that on this date _____, the _____, in
(Entity)
_____ hereby authorizes the public entity to purchase and use "employee dishonesty
(County)

and faithful performance of duty policy" through PEP instead of individual surety bonds for officers, employees, and appointees who are otherwise required by law to acquire a bond before entering upon the discharge of duties.