

5:31-6

LOCAL AUTHORITIES – FINANCIAL ADMINISTRATION

5:31-6.1 Surety bond for authority employees and officials

The governing body of an authority shall by resolution designate authority employees and officials required to furnish surety bonds and determine minimum bonds for each such employee and official. The minimum requirement for the surety bond shall be determined with due regard for the duties and responsibilities of each such designated employee and official. Each person in the office handling funds shall be bonded in accordance with their responsibility. An authority is encouraged to provide a fidelity bond with faithful performance coverage for the individual holding overall management responsibility for the chief financial officer that is separate from the local unit's blanket fidelity bond. The schedule set forth in N.J.A.C. 5:30-8.2 should be used as the basis for the bond amount.

5:31-6.2 Notice of occurrences

It is the duty and responsibility of the individual holding overall management responsibility for the authority's finances to advise the Director of the Division of Local Government Services, as early as possible, in any case where there might be a default in the payment of principal or interest of any of the authority's debt obligations, or such a default has occurred.