

# NATIONAL ASSOCIATION OF BLACK JOURNALISTS

## Fidelity Bond Requirement

All affiliate chapters of the National Association of Black Journalists (NABJ) are required to have a fidelity bond by Dec. 1 of each year. As an affiliate chapter of NABJ you must agree to bond your governing board and adopt the procedures outlined in the attached document entitled “Required Financial Controls.” The purpose of the bond is simply to insure the chapter against any possible misuse of funds.

Typically volunteers who serve on the chapter’s board of directors know and trust each other. The idea that a friend and neighbor might misuse the local chapter’s funds is unthinkable. However, such misuse can and does occur in non-profit organizations. All it takes is presumed financial need, opportunity and the individual’s ability to rationalize the behavior for a dishonest act to occur. For example, many offenders felt they were only “borrowing” the money, say to meet some unexpected financial need. The problem is that more often than not this “borrowing” is not discovered until a period of time has elapsed and the loss become substantial.

NABJ along with Travelers Bond has developed a Fidelity Bonding Program that will provide affiliate chapters with coverage at extremely affordable prices. Each affiliate chapter is required to maintain coverage. The coverage options are outlined below.

### **Coverage Agreement I: Employee Dishonesty**

### **Coverage Agreement II: Forgery or Alteration**

1. NABJ has arranged for all affiliate chapters to have the opportunity to purchase this coverage through its insurance program with Travelers Bond. *Please see attached order form.*
2. The cost of the bond depends upon the number of board members serving and the limit of coverage determined sufficient by the board. NABJ has set a minimum bond limit of \$10,000 per chapter. However, higher limits of coverage are available to larger chapters that may have more significant fund balances and/or higher revenue generation
3. If your affiliate chapter’s board members are already bonded at work, that bond does not cover the money handled by them for the chapter. The chapter itself must have a separate bond.
4. Please have your board review the attached “Required Financial Controls” document. Then have your treasurer sign and return this form with the date your chapter adopted these measures. Mail this document to NABJ along with the attached bond order form and payment.

# **NABJ Fidelity Bond Program**

## **Don't Leave Assets At Risk**

The National Association of Black Journalists has developed a Fidelity Bonding Program, which will provide affiliate chapters with the following required coverage at extremely affordable prices. NABJ developed this program to make the acquisition of bond coverage easy and affordable. The coverage options are outlined below.

### **Agreement I-Employee Dishonesty Coverage Form**

This broad coverage protects the Employer from the Dishonest Acts of Employees. "Employees" include volunteers, members of committees, officers and directors.

### **Agreement II-Forgery of Alteration Coverage Form**

This often overlooked coverage protects the insured from losses due to forgery or alteration of checks, drafts, promissory notes that are made or drawn by or upon you. This coverage form protects the insured from non-employee threats; remember, forgery by an employee is a "Dishonest Act" by an employee and would be covered under Coverage Form A as described above.

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In order to make the acquisition of coverage as easy as possible, simply complete the attached order form and return it along with the signed financial controls resolution and a check for the appropriate premium to the following address:

NABJ  
Attn: Professional Chapter Audits  
1100 Knight Hall, Suite 3101  
College Park, MD 20742

**The premium must be paid to NABJ prior to Dec. 1 of each year to secure coverage.**

Make check payable to the National Association of Black Journalists  
(You will receive a certificate of coverage soon thereafter)

## NABJ FIDELITY BOND ORDER FORM

Name of NABJ Affiliate Chapter: \_\_\_\_\_

Chapter Address: \_\_\_\_\_

**PLEASE CIRCLE THE REQUESTED AMOUNT OF COVERAGE AND CORRESPONDING PREMIUM:**

*Coverage period: From processing of payment until canceled or not renewed.  
Below are the annual premium charges for the various coverage packages.*

Total number of board members and other volunteers that handle or have access to money or securities	<i>Amount of Coverage (Agreements I &amp; II)</i> \$10,000 limit \$250 deductible	<i>Amount of Coverage (Agreements I &amp; II)</i> \$25,000 limit \$250 deductible	<i>Amount of Coverage (Agreements I &amp; II)</i> \$50,000 limit \$500 deductible
1 to 5	\$84.00	\$128.00	\$176.00
6 to 10	\$113.00	\$174.00	\$237.00
11 or more	\$145.00	\$218.00	\$293.00

**PLEASE NOTE:** If your chapter has experienced a loss within the last three years, please attach a summary of the occurrence, and more importantly what your chapter has done to prevent such a loss in the future.

No losses in the past three years check here \_\_\_

\* Employee counts over 20 must be submitted for specialized rating.

**Signatures:**

\_\_\_\_\_  
Chapter Treasurer

\_\_\_\_\_  
Date

\_\_\_\_\_  
Chapter President

\_\_\_\_\_  
Date

**NABJ Affiliate Chapter Required Financials Controls**

I \_\_\_\_\_, duly elected/appointed Treasurer of  
(Name of Treasurer)

\_\_\_\_\_ (hereinafter "affiliate chapter")  
(Name of Chapter)

hereby certify that at a meeting of the Board of Directors of the affiliate chapter, duly called and held on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, at which a quorum was present and acting throughout, the following financial controls were adopted and are now in full force and effect:

- **Bonding**: Requires that all officers handling money, especially the President and Treasurer, be bonded.
- **Banks**: Require countersignature of all checks regarding funds distribution, purchases, dues etc. The affiliate chapter can set certain thresholds, but in no case shall the threshold be more than \$150. Make sure the signature cards are changed *immediately* after new officers are elected.

**Copies of all bank statements, including canceled checks, will go to someone other than the Treasurer. Those statements should be reconciled monthly by the Treasurer, but reviewed by the President or another member/members of the executive board or finance committee.**

- **Budgets and financial reports**: start every fiscal year with a budget prepared by the affiliate chapter President and Treasurer and approved by the affiliate chapter's full Board of Directors.

Require that the affiliate chapter's Treasurer submit a monthly, quarterly and annual profit and loss statement and balance sheet to the Board of Directors, whether or not there is a monthly meeting.

If possible, keep permanent financial records on financial software. The affiliate chapter Treasurer should have access to a computer and a copy of the disc containing the financial records. This information should be updated at least quarterly and should always be in the possession of a second affiliate chapter officer, preferably the President.

- **Finance committee**: **appoint a Finance Committee with at least three members. Besides sharing the responsibility for the affiliate chapter's finances, it will also provide continuity. Other than the Treasurer and President there should be another chapter member familiar with the organization's financial records and history. This will also assist in identifying future candidates for Treasurer.**

- **Incoming funds**: all incoming funds, including dues and monies raised for affiliate chapter activities, should be in the form of checks made payable to the affiliate chapter and deposited into a bank checking account. Under **no circumstances** should checks be made payable to individuals. Checks should be turned over to the Treasurer immediately, who will then make the bank deposits. Every dues paying member should receive a receipt.

Signatures:

\_\_\_\_\_  
Chapter Treasurer

\_\_\_\_\_  
Date

\_\_\_\_\_  
Chapter President

\_\_\_\_\_  
Date