APPLICATION FOR COVERAGE

NORTH DAKOTA INSURANCE DEPARTMENT
STATE BONDING FUND
SFN 54369 (9-2006)

1. GENERAL INFORMATION

Name of Obligee (Insured)			Bond Number
Contact Person			
Address	City	State	Zip Code
Telephone Number	Fax Number	Email Address	

2. UNDERWRITING INFORMATION

Locations	Number of Class I Employees	All Other Employees

Class I Employees include management positions (directors, accountants, auditors, treasurers, commissioners, etc.) and other employees who have access to money, securities and/or property (cashiers, bookkeepers, clerks, etc.)

3. AUDITS

Are the books audited by an Independent C.P.A. or Office of the State Auditor? ☐ Yes ☐ No If Yes, (Provide Name, Address, and Telephone Number)

Name	Address	Telephone Number

Is the audit complete and unqualified? ☐ Yes ☐ No If No, Describe Limitations

If an independent C.P.A. or Office of the State Auditor is not retained, who is responsible for auditing the books? (Provide Name, Address, and Telephone Number)

Name	Address	Telephone Number

Briefly explain the scope and limitations of such audit

Does the audit include all locations? ☐ Yes ☐ No

How Often Audited?

4. INVENTORY CONTROL

Is a complete inventory made with physical check of all personal business property for all locations? ☐ Yes ☐ No	By Whom?	How Often?
If No, Why?		

5. BANK ACCOUNT CONTROL

Do the employees who reconcile the monthly bank statements also:

Sign Checks? ☐ Yes ☐ No

Handle Deposits? ☐ Yes ☐ No

Have access to check signing machines or signature plates? ☐ Yes ☐ No

It is inadvisable for the reconciliation to be done by an employee who also signs checks, handles deposits, or who has access to check signing machines or signature plates because under such circumstances losses may be concealed.

If any answer above is Yes, will you correct this weakness? ☐ Yes ☐ No	Is countersignature of checks required? ☐ Yes ☐ No	Over What Limit?

(CONTINUED ON BACK)

6. COMPUTER CONTROL

Are pre-authorization controls maintained for all operators?	☐ Yes	☐ No
Are the duties of operators separated?	☐ Yes	☐ No
Is the output reconciled by persons who do not prepare or process the input?	☐ Yes	☐ No
Are computerized check writing operations segregated from departments that authorize checks?	☐ Yes	☐ No

7. REVENUE AND SECURITIES

What is the total amount of revenue received from all sources at all locations for previous twelve (12) months, plus value of securities held separately (CD's, money market accounts, etc.)

Revenue	
Negotiable Securities	

Where are the securities kept?

If safe deposit boxes are used, has the bank been instructed to require that 2 individuals be present before entry to the box is permitted?
☐ Yes ☐ No - Answer Below:

Name of Person(s) Having Access to Safety Deposit Box	Position of Person(s)

Please attach details of security controls for all locations with significant cash exposure.

8. COVERAGE REQUESTED

Amount of bond coverage should be based on the amount of money and property handled and the opportunity for defalcation and any other condition imposed by law. The guideline for coverage is twenty-five percent of the total of question 7 above.

Limits Requested

9. DECLARATION AND SIGNATURE

The undersigned declares that to the best of his or her knowledge and belief the statements set forth herein are true.

Signature _____ Date _____

Return the completed form to:

State Bonding Fund
1701 South 12th Street
Bismarck, ND 58504
Telephone: (701) 328-9600
Fax: (701) 328-9610