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ARMY REGULATION }  
No. 600-13

HEADQUARTERS  
DEPARTMENT OF THE ARMY  
WASHINGTON, DC, 19 April 1971

PERSONNEL—GENERAL

BONDING OF PERSONNEL

Effective 1 June 1971

*This revision reflects changes in Army policy and procedure and clarifies current procedures. It also adds certain positions for personnel assigned to the Defense Commercial Communications Office, Europe. Local limited supplementation of this regulation is permitted but is not required. If supplements are issued, Army Staff agencies and major Army commands will furnish one copy of each to the Comptroller of the Army; other commands will furnish one copy each to the next higher headquarters.*

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1. **Statutory provisions.** The statutes listed below contain the requirements and provide the authority for the bonding of individuals in the Federal service at Government expense and matters relating thereto.

- a. 6 U.S.C. 2-7, 10, 14, 15.
- b. 10 U.S.C. 4834.
- c. R.S. 3614 (31 U.S.C. 481).
- d. R.S. 3639 (31 U.S.C. 521).
- e. 32 U.S.C. 708(b).
- f. Act 3 July 1926 (44 Stat. 888; 31 U.S.C. (103a)).
- g. Sections 2 and 4, act 29 December 1941 (55 Stat. 875; 31 U.S.C. 82c, 82e).
- h. 10 U.S.C. 2773.

2. **Authority and responsibility.** The head of each department in the executive branch of the Federal Government is authorized by 6 U.S.C.

14 to provide surety coverage for departmental personnel who are required by law, regulation, or administrative ruling to be bonded. The responsibility to obtain this surety coverage for Department of the Army personnel has been delegated by the Secretary of Defense to the Secretary of the Army and redelegated to the Assistant Comptroller of the Army for Finance and Comptroller Information Systems. The Assistant Comptroller of the Army for Finance and Comptroller Information Systems will—

- a. Obtain surety bond coverage for the civilian officers and employees and military personnel of the Army;
- b. Determine the positions to be covered by the bond or bonds and the penal amount for each position;
- c. Procure the bond or bonds in the manner and form required by 6 U.S.C. 14 and applica-

\*This regulation supersedes AR 600-13, 9 October 1969 and rescinds Reports Control Symbol FIN-124.

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ble regulations of the Treasury Department (31 CFR 226);

d. Pay the premiums for the bond or bonds as prescribed by the statute;

e. Provide continuous surety coverage; and

f. Fulfill all other requirements of 6 U.S.C. 14 and implementing regulations of the Treasury Department and the Department of Defense.

**3. Additional responsibility.** By direction of the Department of Defense the Assistant Comptroller of the Army for Finance and Comptroller Information Systems will also procure surety bond coverage for civilian officers and employees and military personnel of the Department of Defense who are assigned to bonded positions in DOD agencies or elements which are not part of a military department. The premium cost for the DOD positions will be reimbursed by the Department of Defense to the Department of the Army. The positions are located in the following DOD agencies or elements:

a. Secretary of Defense activities;

b. Joint Chiefs of Staff Organization;

c. Defense Atomic Support Agency;

d. Defense Communications Agency;

e. Defense Intelligence Agency;

f. Defense Supply Agency;

g. National Security Agency; and

h. Armed Forces Information and Education.

**4. Type and conditions of the surety bond.** a. The surety bond procured in accordance with the stated Department of Defense policy will be known as the Department of the Army-Department of Defense Position Schedule Bond. It will cover all individuals filling an Army or DOD position for which surety protection is or may be required by the respective department, including civilian officers and employees and military personnel of the Departments of the Navy and Air Force or other Government agencies who may be serving in one of the DA or DOD positions which are listed in this regulation and covered by the bond.

b. An individual is deemed to be filling a position when assigned the duties of the position permanently or when temporarily detailed thereto. The bond is solely in favor of the United States as obligee and is conditioned upon the faithful performance by the bonded individuals of their duties. It provides specifically that the term "faithful performance of duties" will include the proper accounting by each bonded individual for all funds or property received by reason of the position or employment, and the discharge of all duties and responsibilities now or hereafter imposed upon such individual or individuals by law or by regulation.

c. Where the appointment of an alternate to the prime designee in a position is authorized and made in order to assure the availability at all times of an official to execute the duties of the position, only the prime designee will be bonded. An alternate will perform the duties of the bonded position during periods when the prime designee is temporarily not available and is, in such cases, covered by the prime designee's bond; e.g., alternate to an imprest fund cashier or to a civilian payroll certifying officer. Such alternates will not be included in the report prescribed by paragraph 9.

**5. Bonded positions within Department of Army and Department of Defense.** a. Any military member or civilian officer or employee of the Army (including foreign nationals) regardless of grade, rank, or branch of service, or of other Defense or Government agencies who occupies a DA position will be covered by the DA-DOD position schedule bond in the penal amount shown when filling one of the positions listed below. Commanders will assure that each designee to a bonded position is eligible to fill the position. Several categories are established for the position of "Imprest Fund Cashier" and surety coverage will be obtained in that category which fully protects the amount of the authorized fund; e.g., for a fund of \$1,500 category "2" is applicable and the position will be reported in that category (para 9). Only the following personnel are covered by the bond when filling the position of property officer: commissioned officers appointed in, assigned to,

or detailed to the Quartermaster Corps (10 U.S.C. 4834), warrant officers, enlisted members, and civilian employees.

| <i>Position title</i>   | <i>Penal amount</i> |
|---|---------------------|
| <i>Disbursing positions:</i>  |                     |
| Disbursing Officer .....  | \$10,000            |
| Deputy to Disbursing Officer .....  | 10,000              |
| Special Disbursing Agent .....  | 5,000               |
| Deputy to Special Disbursing Agent .....  | 5,000               |
| Class B Agent to Disbursing Officer .....   | 5,000               |
| Cashier to Disbursing Officer .....   | 5,000               |
| Cashier to Disbursing Officer, Special Disbursing Agent, or Class B Agent .....   | 5,000               |
| Assistant to Finance and Accounting Officer, Corps of Engineers (finance and accounting officer must disburse public money for assistant to be covered under the bond) .....                  | 5,000               |
| <i>Logistical positions:</i>  |                     |
| Imprest Fund Cashier (Army National Guard, Active Army and DOD) (Also known as Cash Purchasing Agent):  |                     |
| Category 0 .....  | 500                 |
| Category 1 .....  | 1,000               |
| Category 2 .....  | 2,000               |
| Category 3 .....  | 3,000               |
| Category 4 .....  | 4,000               |
| Category 5 .....  | 5,000               |
| Quartermaster Clothing Sales Store Cashier  | 5,000               |
| Property and/or Sales Officer (vested with formal accountability for Government property (see AR 735-5) and/or Government library account(s)). See AR 735-17 and AR 40-2 .....                | 5,000               |
| Property Disposal Officer. See DOD 4160.21-M and AR 755-2 .....   | 5,000               |
| Commissary Officer. See AR 31-200 .....   | 5,000               |
| Commissary Officer's Representative. See AR 31-200 .....  | 5,000               |
| Commissary Chief Cashier, designated to assist in control of the store's change fund .....  | 3,000               |
| Medical Services Accountable Officer (includes only warrant officers and Civilian employees who are designated as accountable officers of the MSA at Army medical treatment facilities) ..... | 5,000               |
| United States Property and Fiscal Officer (N.G.) .....  | 10,000              |
| Inter American Geodetic Survey Cashier .....  | 5,000               |
| Sales Contracting Officer and Supervisory Contracting Specialist (property disposal operation, DOD) .....   | 10,000              |
| Cashier to Sales Contracting Officer (property disposal operation, DOD) .....   | 10,000              |

| <i>Position title</i>  | <i>Penal amount</i> |
|--|---------------------|
| <i>United States Disciplinary Barracks, Army Correctional Training Facilities, and Stockade positions:</i>   |                     |
| Custodian, Prisoners' Personal Deposit Fund (USDB & USACTF) .....  | \$10,000            |
| Custodian, Prisoners' Personal Deposit Fund (Stockade) .....   | 5,000               |
| Chief Clerk, Prisoners' Personal Deposit Fund .....  | 3,000               |
| Property Clerk, Prisoners' Personal Deposit Fund .....   | 3,000               |
| Chief Bookkeeper (Accountant) Prisoners' Personal Deposit Fund .....   | 3,000               |
| Bookkeeper (Cashier or Accountant) Prisoners' Personal Deposit Fund .....  | 3,000               |
| Mail Clerk, Prisoners' Personal Deposit Fund .....   | 3,000               |
| <i>Hospital Prisoner Ward positions:</i>   |                     |
| Custodian, Prisoners' Personal Deposit Fund, Hospital Prisoner Ward .....  | 2,000               |
| Cashier, Prisoners' Personal Deposit Fund, Hospital Prisoner Ward .....  | 1,500               |
| Bookkeeper, Prisoners' Personal Deposit Fund, Hospital Prisoner Ward .....   | 1,500               |
| <i>Hospital Patients' Trust Fund positions:</i>  |                     |
| Custodian, Patients' Trust Fund .....  | 10,000              |
| Cashier, Patients' Trust Fund .....  | 5,000               |
| Bookkeeper, Patients' Trust Fund .....   | 5,000               |
| Responsible Individual, Patients' Trust Fund .....   | 5,000               |
| <i>U.S. Civil Administration, Ryukyus, positions:</i>  |                     |
| Funding Officer, USCAR .....   | 10,000              |
| Deputy Funding Officer, USCAR .....  | 10,000              |
| Court Clerk, USCAR .....   | 5,000               |
| <i>Miscellaneous positions:</i>  |                     |
| Closing Attorney (Corps of Engineers) ..   | 5,000               |
| Department Certifying Officer .....  | 5,000               |
| Field Civilian Payroll Certifying Officer ..   | 5,000               |
| MAAG Certifying Officer .....  | 10,000              |
| Financial Postal Clerk .....   | 2,000               |
| Certifying Officer (DECCO-EUR) .....   | 10,000              |
| The term disbursing officer, wherever used above, also includes a finance and accounting officer who disburses public money. A field civilian payroll certifying officer requires bond only when not under the jurisdiction of a disbursing officer. |                     |
| b. The Assistant Comptroller of the Army for Finance and Comptroller Information Systems will obtain bond coverage for personnel in Department of Defense agencies and elements  |                     |

assigned to any of the above listed positions upon receipt of requests therefor submitted in accordance with instructions issued by the designated DOD official: the Director, Budget and Finance Branch, Office of the Secretary of Defense.

**6. Liability of surety.** *a.* If any individual fills, at the same time or at different times, two or more positions covered in the bond, the surety is liable for losses arising out of each position separately and for amounts up to the limit set forth in paragraph 5 for each position, the same as though the positions had been filled by different individuals.

*b.* In the event a loss is caused through the fraudulent or dishonest acts of two or more individuals filling positions covered by the bond, or through the failure of more than one individual to effect faithful performance of their duties in positions so covered, the surety will be liable to the aggregate of the penalties applicable to each such individual by virtue of the position filled by each.

*c.* Loss caused by any individual will not affect the liability of the surety for additional losses caused by any other individual.

**7. Limitation of action against surety.** If, upon the statement of the account of any official of the United States, or of any officer disbursing or chargeable with public money, by the accounting officers of the Government, it appears that he is indebted to the United States, suit therefor must be instituted within 5 years after such statement of account. If suit is not instituted within 5 years, the surety will not be liable for such indebtedness.

**8. Records.** All installation and activity commanders will maintain a record of all individuals occupying positions under their jurisdiction covered by the position schedule bond. These records consist of orders appointing individuals to positions covered by the bond, orders terminating such appointments, and such other records as may be considered necessary to establish the identity of the individual serving in each position covered by the bond at any

given time. If the installation or activity is deactivated, the records will be forwarded to the major commander or head of the Department of the Army staff agency or, in the case of Defense agencies or elements to the Director, Budget and Finance Branch, Office of the Secretary of Defense.

**9. Personnel Occupying Positions Covered by the Position Schedule Bond (Feeder for RCS TREAS-1037.)** *a. Purpose.* The information contained in this report will be used to obtain new bond coverage and in the preparation of a comprehensive report to be furnished the Secretary of the Treasury for inclusion in the annual report which he must submit to the Congress.

*b. Preparing agencies.*

(1) This report will be prepared by the installation or activity commander who is responsible for the appointment of incumbents to positions covered by a position schedule bond, and forwarded to the major commander or head of the Department of the Army Staff agency having command jurisdiction of the installation or activity.

(2) A consolidated command report will be prepared by the major commander or head of the Department of the Army Staff agency concerned. Negative reports are not required.

*c. Frequency.* The report will be prepared annually as of 30 June.

*d. Preparation instructions.* The report will be prepared in columnar form, the first column listing the applicable bonded positions shown in paragraph 5 and the second column reflecting the number of individuals (total military and civilian personnel) occupying the bonded positions. Alternates to prime designees will not be reported.

*e. Routing and due date.*

(1) Reports prepared at each installation or activity will be dispatched to the major command or Department of the Army Staff agency concerned.

(2) The consolidated report prepared by the major command or Department of the

Army Staff agency concerned will be dispatched, in original only, to the Commanding General, Finance Center, U.S. Army, ATTN: FINCY, Indianapolis, IN 46249, on or before the 12th working day of July, each year.

*f. Form.* Report will be forwarded in letter form citing, as the subject, the report title and reports control symbol.

*g. Reporting by DOD agencies and elements.* Reporting by DOD agencies and elements will be as prescribed by the Director, Budget and Finance Branch, Office of the Secretary of Defense. The Assistant Comptroller of the Army for Finance and Comptroller Information Systems, ATTN: FPD will receive the reports (either individual for each agency or consolidated) from the Department of Defense and forward them to the FCUSA. ATTN: FINCY.

10. *Losses.* *a.* Each loss case involving a bonded DA position will be processed in accordance with AR 37-103 for loss of funds; AR 735-11 for loss of property; AR 40-2 for loss of patients' personal property and funds; AR 210-174 for loss of prisoners' personal property and funds. When it is determined that an individual serving in a bonded position is pecuniarily liable for a loss, a report will be made to the Commanding General, Finance Center, U.S. Army, ATTN: FINCY, Indianapolis, IN 46249, which will contain a summarization of pertinent facts, the full name, grade, and social security number of the individual, copies of orders appointing him to and relieving him from the bonded position, the amount of the loss, and the date it occurred (exempt report, para 7-2t, AR 335-15). The FCUSA, will notify the bonding company of the possibility of a claim under the bond.

*b.* The command taking final action on the case will accomplish collection from the individual pecuniarily liable for the loss through normal methods. As soon as collection has been accomplished a notification thereof will be forwarded to the FCUSA, ATTN: FINCY making

reference to the previous notification and the collection voucher number on which the recovery was made. When installment payments are authorized, the FCUSA, ATTN: FINCY will be notified of the program for collection and of the date the first cash payment was made or the date the charge is first entered for collection on the payroll.

*c.* Losses involving bonded positions in DOD agencies or elements are processed within DOD in a manner similar to that prescribed by the Department of the Army for DA positions, subject to specific instructions issued to its agencies or elements by DOD. The FCUSA, FINCY, will receive the preliminary and case reports (as indicated in *a* and *b* above for Army) from the Director, Budget and Finance Branch, Office of the Secretary of Defense through the Assistant Comptroller of the Army for Finance and Comptroller Information Systems.

*d.* Any demand upon the bonding company involving positions covered by Army will be made by the FCUSA, FINCY. In the event such action becomes necessary, the headquarters approving the charge will furnish the FCUSA, ATTN: FINCY a complete copy of the approved report of survey or board proceedings, copies of all communications sent to the defendant and original replies, if any.

*e.* Any demand upon the bonding company involving positions in DOD agencies or elements will also be made by the FCUSA, FINCY. in accordance with information furnished by DOD to the Assistant Comptroller of the Army for Finance and Comptroller Information Systems. Substantiating documentation which may be required will be received by the FCUSA through channels indicated in *c* above.

*f.* The Commanding General, FCUSA, will compile the DA-DOD claims experience data needed for obtaining the annual DA-DOD position schedule bond from the documents received and processed in accordance with *a* through *e* above.

The proponent agency of this regulation is the Office of the Comptroller of the Army. Users are invited to send comments and suggested improvements on DA Form 2028 (Recommended Changes to Publications) direct to Commanding General, U.S. Army Finance and Comptroller Information Systems Command, ATTN: DACA-FIS-P, Washington, DC 20315.



By Order of the Secretary of the Army:

W. C. WESTMORELAND,  
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