

The TKE Fidelity Bond

One of the finest services offered your chapter is the \$10,000 fidelity bond.

While the loss of chapter funds due to misappropriation is rare, some chapters have been severely hurt by the fraudulent acts of their chapter Crysochylos.

The TKE Fidelity Bond was especially developed to meet the needs of TKE chapters. Your chapter is provided free of charge.

Following are some of the most commonly asked questions about the program and the answers to those questions.

- **Our chapter is composed of a group of friends organized as a social fraternity. Why do we need fidelity or dishonesty insurance?**
1) Experience has shown that in the past few years over 20 chapters have experienced losses of money from their chapter treasury through dishonest acts. 2) Most losses develop in groups where friendly associations continue over many years. 3) Suppliers of goods and services are more willing to do business with the chapter Crysochylos when they know he has bonding protection.
- **Exactly what is meant by fidelity or dishonesty insurance and who does it cover?**
This insurance provides a limit of \$10,000 per loss in the event of loss of chapter money or other property through the dishonesty of the chapter Crysochylos acting alone or in collusion.
- **What is the coverage of this bond?**
Coverage applies to dishonest acts committed by a chapter Crysochylos that result in loss of funds to the chapter or to the International Fraternity up to \$10,000.
- **Are there any other provisions of the in bonding agreement?**
Specifically, the insurance company agrees to indemnify your chapter and Tau Kappa Epsilon International Fraternity against any loss of money or other property which the chapter or the International Fraternity shall sustain (a) through any fraudulent or dishonest act or acts committed, or unauthorized advances for delinquent members for dues or allowances made, by a chapter Crysochylos, acting alone or in collusion with others, or (b) through the failure of a chapter Crysochylos to faithfully perform his duties as prescribed by the Constitution and Bylaws of Tau Kappa Epsilon Intl Fraternity, or through the inability of the chapter Crysochylos to comply with said Constitution and Bylaws because of said criminal act or acts committed by any person or persons other than the chapter Crysochylos covered under this bond.
- **We are a new chapter with rather small assets. Why do we need \$10,000 protection?**
Because of the difficulty in tailoring the amount of coverage to the assets of each individual chapter, the amount selected is an average, which will adequately protect practically all chapters and also make allowances for the growth of newer ones.
- **If members other than the chapter Crysochylos handle the funds of the chapter, would it be to our advantage to buy fidelity bond independently from the TKE International Plan?**
Yes. Anyone in the chapter who has the responsibility for the handling of the funds of the chapter should be bonded. Yet, the cost of bonding other members of the chapter may be expensive and should be checked into carefully prior to purchasing. Buying only \$1,000 protection as an individual chapter would cost about \$25. The coverage obtained through TKE International Fraternity will cost an individual chapter purchasing an independent bond considerably more and probably as high as \$250 per year.
- **Is it necessary to report the name of the person holding the post of chapter Crysochylos?**
No, coverage applies automatically to the frater holding that position.
- **What should be done when you become aware of a loss?**
The circumstances should be immediately reported to the Offices of the Grand Chapter so that they can report the loss to the insurance company. The Board of Advisors or the chapter officers should suspend the chapter Crysochylos until a full investigation has been conducted.
- **What if the chapter Crysochylos asks for a chance to repay the amount of the loss?**
The steps outlined in the previous question should still be followed in order not to jeopardize bond coverage for the loss or subsequent loss.
- **Is our chapter required to make periodic audits of all accounts? Does this mean by a CPA?**
Good business practice dictates that this is a sound idea. Complete audit must be made at least each 12

months. An Auditing Committee of the Board of Advisors will be satisfactory for an audit. The Board of Advisors shall make, or cause to be made, a careful investigation and audit of the books and accounts of the chapter at least once every 12 months.

- **Will the chapter receive a copy from the insurance company of the policy?**
No, the policy is given to Tau Kappa Epsilon International Fraternity, but each chapter in good standing is covered. A chapter in good standing is considered to be one that has not been declared dormant.