



**STATE OF MISSISSIPPI  
OFFICE OF THE STATE AUDITOR  
SHAD WHITE  
STATE AUDITOR**

**OSA Circular No. 16 (effective July 1, 2021)**

**OFFICIAL REGULATIONS  
PUBLIC OFFICER OR EMPLOYEE BOND REGULATIONS WHO HANDLES OR HAS  
CUSTODY OF PUBLIC FUNDS**

The following regulations are established by the Office of the State Auditor to be followed when any public officer or employee is handling or having the custody of public funds by virtue of his or her office or employment unless such is incidental to his or her employment or job duties, in accordance with House Bill 136, Laws of 2021 codified as Section 25-1-12. These regulations are effective July 1, 2021.

1. House Bill 136, Laws of 2021, requires that any public officer or employee who handles or has custody of public funds, whereby the handling of money is not incidental to his or her employment, must carry a bond of not less than twenty-five thousand dollars (\$25,000.00).
2. Any person who, in the regular course of their duties, spends, receives, or has custody of public funds would require a bond.
3. Incidental to his or her employment in the context of this Bill and not requiring a bond would be an occasional, not regularly recurring, handling of funds which is random and infrequent or in immaterial amounts of money. Anyone who is otherwise statutorily required to have a bond must continue to be bonded.
4. The governing authority should document the reasons, in its minutes, why the handling or having custody of public funds is considered to be incidental to the employment or job duties of the position.
5. Examples of employees who do not need to be bonded include an employee who goes to one out-of-town conference a year and uses the department's credit card to pay for their travel expenses or a teacher who occasionally collects money for a field trip from students.

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6. Examples of employees who would need to be bonded include: the employee who regularly physically holds the credit card, distributes it to other employees as needed and who approves or disapproves of the expenditures on the credit card, any employee who handles material amounts of public money on daily/weekly/monthly basis.