DEPARTMENT OF THE ARMY
U.S. Army Corps of Engineers
WASHINGTON, D.C. 20314-1000

1 MAY 1998

REPLY TO
ATTENTION OF:

CECW-ON

MEMORANDUM FOR COMMANDER, MAJOR SUBORDINATE COMMANDS

SUBJECT: Recreation Policy Letter 98-04 - Bonding of Fee Collectors

1. References: ER 37-2-10, Sections 28.203.1 and 2, and ER 1130-2-500, Chapter 10 (the Volunteer Program) paragraph f. (1) and (2). This memorandum provides clarification of policy guidance provided in the referenced ERs.

2. Contract Gate Attendants.

a. Contractors are authorized to collect funds when the contractor is fully bonded and insured. Persons required to furnish a bond to the Government may; 1) deposit certain United States bonds or notes in an amount equal at their par value to the penal sum of the bond, or 2) furnish a certified cashiers check, bank draft, post office money order or currency in an amount equal to the sum of the bond, or 3) furnish an irrevocable, unconditional letter of credit in lieu of a bond or guarantee.

b. If the contractor elects to, or is required by contract to, furnish a bond, a fidelity bond is sufficient to meet the bonding requirement.

3. Volunteers.

a. Volunteers who collect money must obtain a surety bond from a federally-approved bonding institution for losses.

b. A fidelity bond will also satisfy the bonding requirement for volunteers.

4. This clarification is provided because of expressed concerns that other more expensive bonds, such as performance or surety bonds, increase the cost of operating and are not necessary.

FOR THE COMMANDER:

RUSSELL L. FUHRMAN
Major General, USA
Director of Civil Works