

1 STATE OF TEXAS § BOND NO. \_\_\_\_\_  
2 §  
3 COUNTY OF §

4 KNOW ALL BY THESE PRESENTS:

5 RE: Name of legal entity: \_\_\_\_\_  
6 Street address: \_\_\_\_\_  
7 City and State: \_\_\_\_\_  
8 Date of Incorporation: \_\_\_\_\_

9 That we, \_\_\_\_\_ As Principal  
10 (hereinafter called "Principal) and \_\_\_\_\_, as  
11 Surety (hereinafter called "Surety") are held firmly bound unto the Texas Department  
12 of Agriculture, as Obligee (hereinafter called "Obligee") in the sum of  
13 \_\_\_\_\_ Dollars (\$ \_\_\_\_\_) for the payment whereof,  
14 well and truly to be made, we do here bind ourselves, our heirs,  
15 executors, administrators, successors, and assigns, jointly and severally, firmly by these  
16 presents.

17 Signed, sealed, and dated the \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_\_.  
18 Whereas, the Texas Department of Agriculture has agreed to pay  
19 monies to the Principal, DBA \_\_\_\_\_, under  
20 TAC Title 4, Part 1, Chapter 25 covering the \_\_\_\_\_.

21 NOW, THEREFORE, the conditions of the obligation are such, that if (a) the  
22 Obligee has completed the audit of the Principal and the said Principal faithfully satisfies  
23 all net audit exceptions which may have been taken by the Texas Department of  
24 Agriculture for any audit period covered by the period duration of this bond,  
25 (b) the Obligee has attempted an audit of the Principal as discussed in (a) above and the  
26 said Principal's records were unavailable or unauditible and said Principal faithfully  
27 satisfies all exceptions determined to be owing as a result of Principal's failure to keep  
28 records substantiating its performance, or (c) the Obligee completes any other research,  
29 including but not limited to investigations, administrative reviews, or management  
30 evaluations, into the contractual performance of the Principal and said Principal shall  
31 satisfy all monetary exceptions for the contract period covered by the period of duration  
32 of this bond, this obligation shall be null and void, otherwise to remain in full force and  
33 effect.  
34 If the conditions of this obligation remain in full force and effect, the Surety is obligated  
35 to pay any net obligations shown to be owed to the Obligee within thirty days of  
36 receiving a demand letter from the Obligee.

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2 \_\_\_\_\_

3 \_\_\_\_\_

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5 Liability under this bond shall terminate as of the \_\_\_\_\_ day of  
6 \_\_\_\_\_, 20\_\_\_\_, as to any acts subsequent thereto, unless said bond is  
7 continued in force from year to year by the issuance of a Continuation Certificate signed  
8 by the Surety.

9 Provided, this bond may be canceled as a future liability by the Surety upon sixty (60)  
10 days written notice to the Principal and the Oblige; however such cancellation shall  
11 not discharge the Surety's liability accrued during the term of this bond or which shall  
12 accrue in said sixty (60) day period.

13 \_\_\_\_\_  
14 Legal Name of Principal

15 \_\_\_\_\_  
16 Signature

17 \_\_\_\_\_  
18 Printed Name of Person Signing

19 \_\_\_\_\_  
20 Title of Person Signing

21 \_\_\_\_\_  
22 Name of Surety

23 \_\_\_\_\_  
24 By: Signature of Attorney in fact

25 \_\_\_\_\_  
26 Printed Name of Person Signing

27 Name and address of Surety's local representative:

28 \_\_\_\_\_

29 \_\_\_\_\_

30 \_\_\_\_\_

31 \_\_\_\_\_

## **PERFORMANCE BOND**

### **Instructions**

#### **PURPOSE**

To provide security for public funds paid to Child and Adult Care Food Program (CACFP) sponsors.

#### **PROCEDURES**

##### **When To Prepare**

Complete the Performance Bond to apply or reapply for participation in the CACFP until relief is granted from the bonding requirement.

##### **Number of Copies**

Complete an original and one copy.

##### **Transmittal**

Send the original and the copy together with two copies of the signed agreement and other forms included in the packet to TDA.

##### **How To Obtain Copies**

A copy of this performance bond is available in Section 11000 of the CACFP Handbook.

##### **Form Retention**

Keep the Performance Bond for three years from the end of the program year.

**EXCEPTION:** If audit findings, claims, or litigation has not been resolved by the end of the retention period, all forms and records must be retained until all issues are resolved.

#### **DETAILED INSTRUCTIONS**

##### **PAGE 1**

**Line 1 - Bond No.** — The surety company issuing the bond will enter the number of the bond.

**Line 5 - Name of Legal Entity** — Enter the full legal name of the applicant organization that will assume full administrative and financial responsibility for the agreement with the Texas Department of Agriculture (TDA). The organization's legal name is the name that appears on the organization's notification of tax-exempt status from the Internal Revenue Service.

**Line 6 - Street Address** — Enter the street address of the applicant organization.

**Line 7 - City and State** — Enter the city, state, and ZIP code of the applicant organization.

**Line 8 - Date of Incorporation** — Enter the date applicant organization was incorporated as it appears on the organization's Articles of Incorporation.

**Line 9 - Principal** — Enter the full legal name of the applicant organization.

**Line 10 - Surety** — Enter the full legal name of the surety company as it appears in the most current version of U.S. Department of the Treasury Circular 570.

**Line 13 - Sum** — Enter the full value of the bond in words and in numbers.

**Line 17 - Signed, Sealed, and Dated** — Enter the date on which the bond was executed.

**Line 19 - DBA** — Enter the name the applicant organization does business under. If the name is the same as the name entered on Line 5 on Page 1, enter that name.

**Line 20 - Program** — Enter the name of the Program (Child and Adult Care Food Program) for which the applicant is obtaining the bond.

## **PAGE 2**

**Line 1 - Bond No.** — The surety company issuing the bond will enter the number of the bond.

**Line 2** — Enter the full legal name of the applicant organization.

**Line 3** — Enter the applicant organization's Payee Identification Number.

**Line 5-6 - Date of Termination** — The surety company will enter the date the bond is scheduled to terminate unless the surety company signs and issues a Continuation Certificate. The termination date on the bond or on a Continuation Certificate must be September 30 of the contract period for which application is being made.

**Line 13 - Legal Name of Principal** — Enter the full legal name of the applicant organization.

**Line 15 - Signature** — The person designated to act on behalf of the applicant organization to execute this bond must sign the document.

**Line 17 - Printed Name of Person Signing** — Type or print the name of the person signing on behalf of the applicant organization.

**Line 19 - Title of Person Signing** — Enter the title of the person signing on behalf of the applicant organization.

**Line 21 - Name of Surety** — Enter the full legal name of the surety company as it appears in the most recent publication of U.S. Department of the Treasury Circular 570.

**Line 23 - By: Signature of Attorney in Fact** — The attorney in fact is the representative of the surety and must sign the document.

**Line 25 - Printed Name of Person Signing** — Type or print the name of the person signing on behalf of the surety.

**Line 27-31 - Name and Address of Surety's Local Representative** — Enter the full physical and mailing address of the surety's representative nearest to the applicant organization.

# TEXAS DEPARTMENT OF AGRICULTURE

TODD STAPLES  
COMMISSIONER



To Whom It May Concern:

The Texas Department of Agriculture (TDA), Food and Nutrition Division (FND) requires all new nongovernmental organizations applying to participate in the Child and Adult Care Food Program (CACFP) as a sponsor to obtain the attached bond if they have less than three years of financial and administrative experience. The bond must be obtained from a company listed in the most current publication of Treasury Circular 570.

If you have questions about FND, CACFP or the bond requirements for CACFP, please contact TDA at (877) 839-6325.

Sincerely,

***Original Signature on File***

Angela Olige  
Assistant Commissioner  
Food and Nutrition Division

AO/MH/al

