



June 11, 2024

Workforce Program Policy Letter 23-01

TO: Employers, Participating and/or Partner Agencies Local Workforce Development Boards (LWDB)

FROM: Matt Damschroder, Director Ohio Department of Job and Family Services

SUBJECT: WPPL 23-01 Federal Bonding Program

I. Purpose

The U.S. Department of Labor (USDOL) established The Federal Bonding Program (FBP) in 1966 to provide Fidelity Bonds for “at-risk,” hard-to-place job seekers. The bonds cover the first six months of employment at no cost to the job applicant or the employer.

II. Effective Date

IMMEDIATELY

III. Background

The FBP has proven successful in providing fidelity bonds to employers, giving them access to job seekers and opening doors of opportunity. A fidelity bond is a form of business insurance that protects an employer against losses caused by its employees’ fraudulent or dishonest actions. The Ohio Department of Rehabilitation and Correction (ODRC) has, for decades, provided such bonds to employers that hire former ODRC residents. With this policy, ODJFS seeks to expand the eligible population to support more employers in hiring job seekers with barriers, including individuals from low-income, marginalized, and under-represented populations.

FBP bonds protect the employer against losses caused by the fraudulent or dishonest acts of the bonded employee. Examples of such acts of employee dishonesty include theft, forgery, larceny, and embezzlement. Employers receive the FBP bonds free-of-charge as an incentive to hire these applicants. Each FBP bond has a \$5,000 limit with \$0 deductible and covers the first six months of a selected individual’s employment.

IV. Requirements

Employers may apply to ODJFS for the issuance of a bond covering a new employee. Employers may request a bond for any new hire with a barrier to employment whom the employer would not have hired if the worker were not bonded. Examples of individuals with barriers may include, but are not limited to:

- **Individuals with Limited Work History**
Individuals with barriers to employment who are chronically unemployed or have an inconsistent work history as defined by the local area.
- **Qualified TANF Recipient**

An individual who is a member of a family who is receiving Temporary Assistance to Needy Families (TANF).

- **Qualified Veteran**

For federal bonding purposes, a qualified veteran is an individual who has been separated from the military under a dishonorable or general separation.

- **Immigrant, asylee, or refugee authorized to work in the United States**

This includes lawful permanent residents, holders of a Green Card (Form I-551 Permanent Resident Card), and holders of nonimmigrant visas that authorize work for a specific employer such as an H-1B visa.

- **Individuals recovering from opioid or other substance use disorders**

- **Qualified Justice-Involved Individual** An individual who has been convicted under any federal or state law including a felony or misdemeanor.

Note: The federal bonding process is managed by the ODRC for individuals released from the state's adult correctional facilities. ODJFS will forward any applications it receives for workers in this category to ODRC for processing.

- **Designated Community Resident**

An individual whose principal residence is within an empowerment zone or rural renewal county. For the State of Ohio, the following areas will be the most common for this category:

- **Empowerment Zones (D1)**

Ohio Areas – may include Cleveland, Cincinnati, Columbus and Ironton

- **Rural Renewal Counties (D2)**

Ohio Counties: may include Monroe, Crawford, Paulding, Seneca and Van Wert

Verification that an employee resides in an Empowerment Zone or Rural Renewal County can be found at the following site.

[WOTC Address Locator - Google My Maps](#)

- **Vocational Rehabilitation Referral**

An individual who has a physical or mental disability resulting in a substantial barrier to employment who was referred to the employer upon completion of (or while receiving) rehabilitation services by Opportunities for Ohioans with Disabilities, or an employment network under the Ticket to Work program.

- **Summer Youth**

An individual must be between the ages of sixteen and seventeen years old and both:

- work for the employer between May and September and
- live in an Empowerment Zone (see Category D).

Qualified Recipients of Supplemental Nutrition Assistance Program (SNAP) Benefits

- **Qualified Supplemental Security Income (SSI) Recipients**

An individual who is receiving SSI benefits under the Title XVI of the Social Security Act

(including benefits of the type described in section 1616 of the Social Security Act or section 212 of Public Law 93-66) for any month ending on the hiring date.-

- **Qualified Long-Term Unemployment Recipients**

An individual who has experienced unemployment within the year prior to hire.

V. Federal Bonding Program Application Process

As the agency funding the federal bonds for employers through the United States Department of Labor (USDOL), ODJFS will accept and process applications according in the following manner:

a) Application

To request a federal bond, the employer must complete the federal bonding application form for each new hire (ODJFS form [JFS01842](#)) and submit a signed a letter on company letterhead documenting the eligible individual's:

- (i.) start date;
- (ii.) hourly wage or annual salary amount, and
- (iii.) job title.

Employers must also submit the completed application to Ohiobonds4jobs@jfs.ohio.gov

b) Processing

ODJFS Federal Bonding staff will verify the worker's eligibility based on the application form and signed letter. For eligible workers who were released from an ODRC correctional facility, ODJFS will forward the documentation to ODRC for processing. For eligible workers from all other categories, ODJFS will request and pay for the federal bond via the USDOL application process.

c) Notification

For new hires who do not meet the eligibility or documentation requirements, ODJFS will send the employer a denial letter and an explanation of the reasons for denial. Any corrections that may lead to approval of a subsequent application will also be explained.

The employer will receive the bond paperwork from the union insurance group once the application has been approved and processed. This process usually takes about 7 to 10 business days.

VI. Inquiries

Please direct any questions about this policy, or any other relevant inquiry to ODJFS Ohiobonds4jobs@jfs.ohio.gov

VII. References

[The Federal Bonding Program | Fidelity Bonds for Hard-to-Place Job Seekers \(bonds4jobs.com\)](http://bonds4jobs.com)

[Bonds4Jobs | OhioMeansJobs](#)

Federal Bonding Program Rack Card (ODJFS form JFS 01808)

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