

**BONDING REGULATIONS
(DIVISION 7.1)**

Authority: *Bonding Act*, section 11

B.C. Reg. 11/68 (Division 7.1 en. B.C. Reg. 260/89) Effective September 1, 1989
Amended by B.C. Reg. 289/90 Effective August 31, 1990
Amended by B.C. Reg. 260/93 Effective July 30, 1993
Amended by B.C. Reg. 304/07 Effective October 5, 2007
Lieutenant Governor in Council Regulations

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**Division (7.1)
Bonds Under *Independent School Act***

Definitions

7.101 In this Division

"authority" has the meaning given it in section 1 of the *Independent School Act*;

"fees" means any money received by an authority for any purposes from or on behalf of a student or a person applying to become a student other than money paid for post-secondary education;

"post-secondary education" has the meaning given it in section 1 of the *Private Post-Secondary Education Act*.

[en. B.C. Reg. 260/93]

Amount of bond

7.102 (1) An authority that applies for or is granted a certificate of group 4 classification under the *Independent School Act* shall furnish and maintain one of the following bonds:

- (a) up to and including the 45th day after the first day of instruction of the first year of the school's operation, a bond in the minimum amount of \$100 000;
- (b) after the 45th day after the first day of instruction of the first year of the school's operation, a bond in the minimum amount of the greater of
 - (i) \$100 000, and
 - (ii) \$5 000 per student based on the number of students enrolled on the 30th day after the first day of instruction;
- (c) subject to subsections (2) and (3), for a school that operated in the previous school year a bond in a minimum amount equal to 75% of the total of all fees received by the authority operating the school during the 6 month period of either July 1 through December 31 or January 1 through June 30, of the previous school year - whichever period generated the most fees.

(2) On the request of an authority the minimum amount of a bond is decreased in accordance with subsection (3) if the inspector is satisfied that the fees for the current school

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year will decrease by 20% or more compared to the previous school year based on enrollment on September 30 of the current school year.

- (3) The adjusted bond will be in the amount of 75% of 1/2 of the sum of
- (a) the projected income for the current year, and
 - (b) half of the difference between the projected income and the previous year's income.

(4) A bond must be furnished no later than September 1 of the school year to which it applies unless it is a bond under subsection (1) (b) in which case it must be provided before the 45th day referred to in subsection (1) (b).

(5) An authority shall provide a new bond on September 1 of each school year.

(6) The bond must provide for the pro rata repayment to students of all fees when courses are not taken or completed by students as a result of

- (a) the authority closing the independent school, or
- (b) the inspector suspending or cancelling the certificate.

[en. B.C. Reg. 260/93]

Minimum Amount of bond

7.103 Despite section 7.102 (1) to (3), the minimum amount of a bond may not be less than \$100 000.

[en. B.C. Reg. 260/93]

Acceptable security

7.104 Despite section 8 of this regulation, acceptable security for a bond for the purposes of the *Independent School Act* must consist of one or more of the following types of security:

- (a) short term deposits, not to exceed 3 years, issued by a savings institution and registered in the name of the minister;
- (b) registered marketable bonds that are
 - (i) in fully registered form, issued or guaranteed by the government of Canada or the government of any province, with a maturity date of not longer than 3 years away, and
 - (ii) accompanied by a duly executed, irrevocable power of attorney that authorizes the minister to realize the security;
- (c) treasury bill notes issued by the government of Canada or the government of any province;
- (d) irrevocable letters of credit, issued by a savings institution, with a termination date beyond the required term of security and containing a promise to pay the minister a specified sum on written demand;
- (e) surety bonds, issued by a surety licensed under the *Insurance Act*.

[en. B.C. Reg. 304/2007]