

MERCHANTVILLE-PENNSAUKEN WATER COMMISSION Resolution

ESTABLISHING POLICIES AND PROCEDURES FOR THE USE OF PROCUREMENT CARDS AND AUTHORIZING THE EXECUTION OF A CORPORATE CARD PROGRAM LINKING AUTHORIZATION CONTRACT WITH THE STATE OF NEW JERSEY AND OTHER DOCUMENTATION AS REQUIRED TO IMPLEMENT A PROCUREMENT CARD PROGRAM FOR THE COMMISSION

WHEREAS, N.J.S.A. 40A:5-16(c) permits the use of Procurement Cards and The Merchantville - Pennsauken Water Commission has a need to implement a procurement card program (P-Card) for specific circumstances to be used for certain payments, and

WHEREAS, the statute permits a contracting unit to adopt policies, and permit specifically named employees to use a P-Card for the purchase of goods and services. The transactions must comply with Local Public Contracts Law, N.J.S.A. 40A:11-12, and

WHEREAS, the Treasurer, the Chief Operating Officer and the Designated Qualified Purchasing Agent have recommended that procurement cards be utilized where appropriate for purchases of and/or for the Water Commission; and

WHEREAS, FIA Card Services, N.A., a Bank of America Company, has been awarded to the State of New Jersey contract to provide agencies the ability to purchase goods and services through the use of a P- Card Index#T-1654, Contract #84675, and

WHEREAS, the following internal controls are set for compliance with the statutory authorization and the Local Finance Notice 2013-17 rules will be in place, and

WHEREAS, the law, N.J.S.A. 40A:5-16(c) establishes the specific circumstances when procurement cards can be used; and, the rules adopted by the Local Finance Board governing the use of procurement cards are set forth in N.J.A.C. 5:30-9A; and

WHEREAS, the Commissioners find that a procurement card program would be beneficial to the Commission and wish to authorize their use and establish policies and procedures for their use as required by law; and

WHEREAS, the Commissioners also wish to authorize the Qualified Purchasing Agent to execute a Corporate Card Program Linking Authorization Contract with the State of New Jersey, and other documentation as required to implement a procurement card program for the MPWC.

NOW, THEREFORE BE IT RESOLVED that the Commission hereby adopts the following policies and procedures for the use of procurement cards for purchases of and/or for the MPWC and that the policies and procedures for the use of procurement cards as stated herein shall be included in the MPWC Purchasing Procedures:

PROCUREMENT CARDS

A. How Procurement Cards Can Be Used

1. P-Cards can be utilized for tangible supplies or non-tangible items under the following conditions:

a. When payment to vendors is required in advance of the delivery of certain materials or services that cannot be obtained from any other source at comparable prices. (N.J.S.A. 40A:5-16(c)(1):

- i. Advance payment is required by the vendor;
- ii. Comparable pricing is not otherwise obtainable for such goods or services to be available at the time and place required;
- iii. The QPA and C.O.O and Director of Engineering have all approved such item for purchase from a particular vendor.

b. When ordering, billing and payment transactions for goods and services are made through a computerized electronic transaction (N.J.S.A. 40A:5-16(c)(2):

- i. An order is placed from computer to computer, such as on the Internet or similar computernetwork;
- ii. Vendor requires immediate payment;
- iii. The Qualified Purchasing Agent (QPA) has approved such item for purchase from a particular vendor.

c. When certification is not obtainable (N.J.S.A. 40A:5-16(c)(3)

- i. Certification is not readily obtainable by the contracting unit; but such exceptions shall not include reimbursement of employee expenses or payment for personal services

2. Transactions cannot exceed the amount designated and authorized below.

3. P-Cards cannot be used for the purchase of items or services of a personal nature for employees, volunteers or officials.

B. Procurement Card Program Oversight

1. The Qualified Purchasing Agent (QPA) shall serve in the capacity of program manager if one is so employed and appointed as QPA by the Commission. If the Commission has not appointed a Qualified Purchasing Agent, the Chief Operating Officer (C.O.O.) shall serve in the capacity of program manager.

The program manager shall be responsible for day-to-day oversight and management of supervisory review of procurement card usage. Supervisory review means confirming the propriety and accuracy of P-Card usage by all authorized users.

2. The role of a program manager in overseeing the P-Card program does not exempt that individual from accountability to those above them in the organization.

3. Should the program manager not hold a QPA certification, the maximum threshold on P-Card transactions shall not exceed 15% of the Commission's bid threshold.

4. The program manager and C.O.O. shall assure that internal controls are maintained concerning the integrity of vendor payments, accumulated costs for goods and services as well as other Local Public Contract Law requirements.

5. The C.O.O., the program manager, the Director of Engineering, and all personnel holding a QPA certificate shall receive training in all aspects of the system.

6. The program manager will develop and administer a supervisory review process, identify and manage all risks associated with P-Card use; as well as engage in any other oversight or management duties required to ensure their proper utilization.

7. P-Cards must be issued in the name of a specific individual upon completion of the requisite training, and cannot be issued to personnel who are neither covered by a fidelity bond or a blanket honesty policy held by the local unit (or become ineligible for said coverage after being issued a P-Card).

Violations of policies governing P-Card use shall result in appropriate remedial or disciplinary action.

8. P-Cards shall only be issued in the names of the C.O.O. and the Director of Engineering. No other employee shall have a card issued in their name or authority to use the P-Card.

9. The program manager, C.O.O., Director of Engineering, and all personnel holding a QPA certificate, shall sign an acknowledgement of Procurement card training and agreement to abide by policies and procedures for procurement card usage and said agreement shall be retained by the Commission in their personnel file.

10. The Program Manager shall also ensure that:

- a. all cards have imprinted on them both the users' names and the name of the local unit
- b. the merchant code is accurate;
- c. Sufficient funds are encumbered from the proper accounts to cover any charges the user is authorized to make;
- d. Program participants are aware of the program and approved vendors with whom the cards may be utilized, dependent upon contracts awarded by the governing body;
- e. When applicable and bids are advertised, the bid documents include that the payments may be made by procurement card so the local unit receives in their bid prices any discount for timely payments.

11. All purchases with the P-card shall be approved by both the C.O.O. and the program manager in advance, and reported monthly and separately to the Commission.

12. Purchases by each P-Card user shall be limited to \$3,400.00 per purchase and an aggregate of \$6,000.00 per month per user.

13. Users shall expeditiously provide all receipts to the program manager, who will compare receipts to the computer-generated usage report provided by the card company. Returned material must be reported to the program manager quickly to ensure either the charge is cancelled or the local unit receives proper credit.

14. The C.O.O. and program manager are authorized to create P-Card procedures to assure compliance with these requirements.

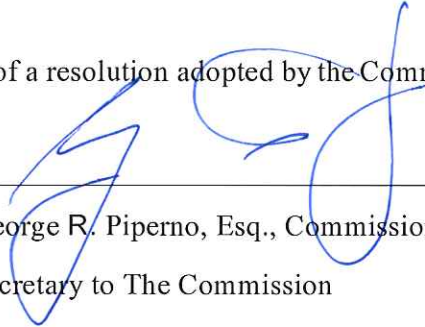
C. Nothing in this policy shall change regulations or requirements pursuant to Local Public Contracts Law (N.J.S.A. 40A: 11-1 etseq.)

BE IT FURTHER RESOLVED that the Commission Designated Qualified Purchasing Agent is hereby authorized to execute a Corporate Card Program Linking Authorization Contract with the State of New Jersey, and other documentation as required to implement a procurement card program for the Merchantville-Pennsauken Water Commission.

ALSO, BE IT RESOLVED, that the Merchantville- Pennsauken Water Commission does hereby authorize the use of a Procurement Card in accordance with the N.J.S.A. 40A:5-16(c) and N.J.A.C. 5:30-9A, and

BE IT FURTHER RESOLVED, that the Merchantville- Pennsauken Water Commission hereby enables and authorizes Michael Saraceni to sign the Linking Authorization Contract with FIA Card Services, N.A. for Procurement Card Services on its behalf.

I hereby certify the foregoing to be a true copy of a resolution adopted by the Commission at a meeting held on June 8, 2017.



George R. Piperno, Esq., Commissioner and
Secretary to The Commission