

RESOLUTION 2021-166

**RESOLUTION OF THE MAYOR AND COUNCIL OF THE BOROUGH OF
MAGNOLIA ESTABLISHING POLICIES AND PROCEDURES FOR THE USE OF
PROCUREMENT CARDS**

WHEREAS, the Qualified Purchasing Agent has recommended that procurement cards be utilized where appropriate for purchases of and/or for the Borough of Magnolia; and

WHEREAS, the use of procurement cards can be a highly beneficial tool for local governments looking to further utilize e-commerce and strengthen their purchasing controls; and

WHEREAS, 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 law, N.J.S.A. 40A:5-16(c) establishes the specific circumstances when procurement cards can be used; and

WHEREAS, the Mayor and Borough Council agree with the Qualified Purchasing Agent recommendation; and

WHEREAS, the Mayor and Borough Council find that a procurement card program would be beneficial to the Borough and wish to authorize their use and establish policy and procedures for their use as required by law.

NOW, THEREFORE, BE IT RESOLVED, that the Mayor and Council of the Borough of Magnolia hereby adopts the following policies and procedures for the use of procurement cards for purchases of and/or for the Borough of Magnolia.

Borough of Magnolia, NJ – Policies and Procedures for Use of Procurement Cards

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/CFO, Director of Finance, and Borough Council has 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 computer network

- ii. Vendor requires immediate payment
 - iii. The QPA/CFO, Director of Finance, and Borough Council 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.
 - 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. 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 Borough's bid threshold.
 4. The program manager 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 mayor and program manager 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:
 - a. Mayor
 - b. Borough Clerk
 - c. CFO/Treasurer/QPA
 - d. Superintendent of Public Works
 - e. No other employee shall have a card issued in their name or authority to use the P-card
 9. The program manager, Mayor, Borough Clerk, and Superintendent of Public Works 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 Borough 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

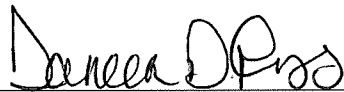
- c. Sufficient funds are encumbered from the proper accounts to cover any charges the user is authorized to make
- d. Program participants are aware of the program and approved vendors with whom the cards may be utilized, dependent upon contracts awarded by the governing body
- e. When applicable and 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. This would require authorization by Mayor and Council, as these payments under bid requirements are to be paid by purchase order

11. 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.

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

BE IT FURTHER RESOLVED, that the Qualified Purchasing Agent is hereby authorized to execute a Corporate Card Program and other documentation as required to implement a procurement card program for the Borough of Magnolia.

ADOPTED: October 21, 2021



Daneen D. Fuss, RMC
Municipal Clerk



Steven Whalen
Councilman

CERTIFICATION

I, Daneen D. Fuss, Municipal Clerk of the Borough of Magnolia, County of Camden, State of New Jersey, do hereby certify that the foregoing Resolution 2021-166 was duly adopted by the Mayor and Council of the Borough of Magnolia at a regular meeting held on Thursday, October 21, 2021.



Daneen D. Fuss, RMC
Municipal Clerk