

RESOLUTION 2026-043

RESOLUTION OF THE TOWNSHIP COMMITTEE OF THE TOWNSHIP OF CHATHAM, IN THE COUNTY OF MORRIS, STATE OF NEW JERSEY ADOPTING THE TOWNSHIP OF CHATHAM PURCHASING MANUAL

WHEREAS, the Township of Chatham (the "Township") is required by the State of New Jersey to establish procedures to comply with the Local Public Contracts Law, N.J.S.A. 40A:11 et seq.; and

WHEREAS, uniform purchasing procedures are a necessary part of any encumbrance system along with control processes put in place to safeguard public funds; and

WHEREAS, the Township Committee desires to adopt the Township of Chatham Purchasing Manual attached hereto as Exhibit A (the "Purchasing Manual").

NOW, THEREFORE, BE IT RESOLVED, by the Township Committee of the Township of Chatham that authorization is given as follows:

1. The aforementioned recitals are incorporated herein as though fully set forth at length.
2. The Purchasing Manual attached hereto as Exhibit A is hereby adopted by the Township, subject to modification or revision deemed necessary or desirable by the Mayor and Township Administrator in consultation with counsel.
3. All purchases by the Township shall be guided by the policies and procedures set forth in the Purchasing Manual.
4. The Township Clerk shall deliver a copy of this resolution and the Purchasing Manual to all department heads in the Township for further distribution to their respective employees.
5. This Resolution shall take effect immediately.

Adopted: January 6, 2026

Attest:



Gregory J. LaConte, Clerk

THE TOWNSHIP OF CHATHAM
IN THE COUNTY OF MORRIS

By 

Jennifer Rowland, Mayor



TOWNSHIP OF CHATHAM PURCHASING MANUAL

Adopted: January 6, 2026

CHATHAM TOWNSHIP PURCHASING MANUAL

Table of Contents



I. POLICY	4
A. General.....	4
B. Narrative	5
C. Budget Cycle.....	5
II. METHODS OF PURCHASE	6
A. Purchase Order.....	6
B. Allowable Exceptions to The Requisition/Purchase Order Process	7
C. Blanket Purchase Order	7
D. Individual Purchases/Reimbursements	7
E. Procurement Cards (P-Card).....	8
1. UTILIZATION OF P-CARDS	8
2. CARD ELIGIBILITY AND USE.....	8
3. RESTRICTIONS AND CONTROL.....	8
4. SPENDING LIMITS	9
5. CARD SECURITY / LIABILITY	9
6. CARD MAINTENANCE.....	9
7. P-CARD ORDER/PURCHASE PROCESS.....	10
8. PURCHASING CARD ADMINISTRATOR/PROGRAM MANAGER.....	10

CHATHAM TOWNSHIP PURCHASING MANUAL

III.	THRESHOLDS.....	11
A.	Quotations - \$7,950 - \$ 17,499	11
B.	Window Contracts - \$17,500 - \$52,999	11
C.	Bidding - \$53,000+	12
D.	Prevailing Wage Act - \$19,375+	12
E.	State and Cooperative Purchasing	13
F.	National Cooperative Purchasing	13
G.	Fixed Assets - \$5,000+	14
IV.	PROCEDURES.....	15
A.	General Purchasing.....	15
1.	Purchase Orders	15
2.	Payment and Check Insurance	17
B.	Capital Purchasing	18
1.	Change Orders	18
2.	Canceling of Ordinances.....	18
C.	Emergency Procedures.....	19
D.	Purchase Order Quick Reference Guide.....	20
E.	Miscellaneous Forms	21

CHATHAM TOWNSHIP PURCHASING MANUAL

I. POLICY

A. General

It is the objective of the Township of Chatham to provide purchasing procedures, which will ensure effective control over the encumbrance and expenditure of public funds pursuant to state law and the regulations set forth by the Division of Local Government Services. At the same time, this will allow efficient purchasing operations. To this end, the methods of purchases and procedures in this manual will be employed. The Township Purchasing Agent shall coordinate purchasing activities. The Township will comply with the New Jersey State purchasing laws and all applicable federal laws.

These laws include, but are not limited to, the following: Please utilize the provided links to Local Finance Notices for your reference and education.

1. **Local Publics Contracts Law** – N.J.S.A. 40A:11
This outlines the general purchasing procedures that set bid limits and quote limits. It also identifies the areas of procurement (i.e., professional services, commodities, etc.)
2. **Pay-To-Play Law** – N.J.S.A 19:44A-20.4 et seq.
Requires disclosure from all vendors doing business with the Township in excess of \$17,500. The disclosure shows if a “partner” in the business has made donations to the campaigns or political parties of local governing body members, as well as their county and state counterparts.

[Local Finance Notice 2005-30](#)

[Local Finance Notice 2006-7](#)

[Local Finance Notice 2023-14](#)

3. **Prompt Pay Law** – N.J.S.A. 2A:30A-1 et seq.
Requires payments for improvements to real property and structures to contractors, engineers, architects, and other “like” vendors be made within 30 days of the invoice date, or in case of non-payment, vendors must be notified in writing of any concerns within 20 days of the invoice date.
A contracting unit must now make prompt payment to most vendors a contracting unit does direct business with for goods and services within 60 calendar days from date specified in the contract or the later of receipt of properly executed invoice; or the date the goods or services were received (as certified by an officer or duly designated employee).

[Local Finance Notice 2006-21](#)

[Local Finance Notice 2019-02](#)

4. **Business Registration Certification (BRC)** –
Required by the State of New Jersey, Department of Treasury for any vendor doing business with the Township in excess of the quote threshold. Without the BRC no items/work can be done by the vendor.

[Local Finance Notice 2004-24](#)

[Local Finance Notice 2005-12](#)

CHATHAM TOWNSHIP PURCHASING MANUAL

B. Narrative

The purpose of this manual is to set up guidelines for employees of the Township of Chatham to use when purchasing goods and services. This manual will be a guide from which all purchases will be made.

All purchases (with certain exceptions as shown later) will be made by means of a purchase order. Purchase orders should be submitted prior to any items/services being delivered. The purpose of this is to set funds aside (encumber funds) to ensure balances are sufficient to pay vendors for their service.

Confirming orders are prohibited. Confirming orders are purchases that are made and delivery of an item or service is completed prior to a purchase order being issued. These do not allow for good budget controls and make it difficult to project budget expenditures, especially at year-end.

It is important to keep in mind while referring to the guidelines in the following pages that we all need to be good planners in respect to budgeting and purchasing. **It is important to look ahead and not wait until the last minute when making a purchase.**

Township personnel should be good managers and plan ahead. Except in emergency situations, confirming orders (see below) are only to be made with the approval of the Purchasing Agent/Chief Financial Officer. Details and costs must be given, and the proper funds will be encumbered pending the submission of a requisition. Submission of the requisitions should be done as quickly as possible.

C. Budget Cycle

The Township of Chatham operates on a calendar year. That means that for the purposes of budget and financial matters our fiscal year is from January 1st – December 31st. For budget purposes, the current year's budget is called the **current budget**. At the end of the year the current budget is held open as the **reserve budget**.

All purchases can only be made from the **current budget**. The **reserve budget** is only to be used to pay for items that were ordered from the prior year and are still considered open.

CHATHAM TOWNSHIP PURCHASING MANUAL

II. METHODS OF PURCHASE

This section refers to the processing and ordering of goods and services in the “normal” fashion. This does not refer to emergency orders, internet purchases, utility bills, or blanket encumbrances.

A. Purchase Order

A purchase order is the method by which orders for services, materials, supplies, etc. are placed. No order should be placed, nor should any item be purchased without an approved purchase order and prior consent from the CFO and Township Administrator.

The first step in the purchase order process is to request a purchase requisition. The requisition is submitted by means of the computerized forms through Edmunds. **The requisition is not the mechanism for making a purchase or placing an order.** It is simply a request, by a department to the Purchasing Agent/CFO and Township Administrator, asking to purchase an item or service. Estimates and any supporting documentation shall be included with the initial purchase requisition by uploading the documents into Edmunds.

Upon review and final approval of the requisition, a purchase order will be printed by the Finance Office. When the purchase order is generated, the funds for this purchase have been encumbered, orders can now be placed. Departments also have access to view and print the purchase orders directly from Edmunds (without signatures). All back-up documentation must be scanned into Edmunds as an attachment to the requisition, this will automatically transfer as attachments to the PO. This includes, but is not limited to, PO’s with signatures, invoices, resolutions, state contracts and co-op contracts.

In the case where a purchase exceeds \$7,950.00, two quotations will be required to accompany the requisition. **Also, any purchases exceeding \$7,950.00 will require a New Jersey Business Registration Certificate (BRC).** In the case of state contracts or co-op contracts, no additional quotes will be needed. The contract number should be shown on the PO and noted whether State or Co-op contract. **State and Co-op’s do not require a BRC.**

Any purchases for Professional Services or Contracts approved by resolution will require a Certification of Availability of Funds by the CFO.

NO ORDERS FOR MATERIALS, SUPPLIES, WORK, ETC., SHOULD BE PLACED OR COMPLETED PRIOR TO THE DEPARTMENT RECEIVING AN APPROVED PURCHASE ORDER.

******THE PURCHASE ORDER PLACES THE ORDER******

CHATHAM TOWNSHIP PURCHASING MANUAL

B. Allowable Exceptions to The Requisition/Purchase Order Process

Requisitions and purchase orders completed prior to the order of a good or service will not be required for the services listed below, or in other cases at the CFO's discretion. A requisition/purchase order done in advance of the work will not be required for:

- Goods or services due to a State of Emergency
- Goods or services due to a Local Emergency that endangers the health and well-being of the public. (Must be documented by Department Head)
- Public Utilities- electric, telephone, etc.
- S.U.I. Reimbursable to the State of NJ
- FICA
- PERS & PFRS

While these are exceptions, if and when it is possible, the procedures for encumbering should be followed. If a service is needed and the price or estimate is available, a requisition should be done as normally required.

C. Blanket Purchase Order

Blanket Purchase Orders are an obligation that sets up a fixed dollar amount to be drawn down over a period of time. This should be used for vendors with professional contracts, agreements, reoccurring service/maintenance subscriptions and for "vital" purchases for which there is a timely need. Blanket purchase orders for "vital" purchases shall not exceed \$1,000. Blanket orders will be issued for a period not to exceed one year, and renewal will be required for each new calendar year.

You cannot over expend a blanket order. It is the departments' responsibility to make sure balances are sufficient on blanket orders to cover purchases that may be made. If it looks as though a balance may be too low to cover an item, then a new requisition should be done, and the prior purchase order should be canceled. Blanket PO's should be used sparingly while the Township is utilizing a Temporary Budget. The Blanket PO will tie-up funds and may restrict your buying power until the Adopted Budget is enacted. At no time will a Blanket PO amount be increased.

D. Individual Purchases/Reimbursements

(This is not standard practice and shall not be done on a regular basis.)

In the unlikely circumstance, it may be necessary for individuals to purchase supplies or materials and pay for these out of their own personal funds. **Purchases of this nature must be approved prior to the purchase by the Department Head and CFO. The requisition process should be followed as normal.** This will expedite the process of reimbursement to employees. Employees will be responsible for submitting receipts within 1 business day to their department head and the department head will then follow the normal procedure for submitting a requisition. It should be noted that any reimbursement shall not include state sales tax. A New Jersey Sales [Tax Exemption Form](#) shall be presented at the time of purchase to avoid having to pay for the sales tax out of their personal funds.

CHATHAM TOWNSHIP PURCHASING MANUAL

E. Procurement Cards (P-Card)

1. UTILIZATION OF P-CARDS

P-Cards can be used for supplies or services under the following circumstances:

- When vendor only accepts payment via credit card for goods or services and the goods or services cannot be obtained from any other source at a comparable price.
- When placement of orders for goods and services is made through an electronic computerized transaction (i.e., order placed from computer to computer via the internet or similar computer network) as authorized by N.J.S.A. 40A:5-16.

P-Cards cannot be used for the purchase of items or services of a personal nature for employees or officials. Travel, dining and room and board expenses are also not permitted.

2. CARD ELIGIBILITY AND USE

- The Chief Financial Officer shall designate a person who is authorized to use a P-card for departmental purchases of goods and services. All authorized cardholders must comply with the P-card policies outlined herein and ALL other procedures and requirements included within the Township's Purchasing Manual.
- The individual whose name is on the card is the only person authorized to make purchases using the card. The cardholder will be held accountable for any policy infractions. The cardholder shall follow proper procedures in order to obtain authorization to make a purchase.
- The cardholder is responsible for determining that the price quoted for a product or service is the best price that can be obtained.
- Cardholders should be certain that the total amount, including shipping and handling charges, will not exceed the single purchase limit on the P-card.

3. RESTRICTIONS AND CONTROL

- Use of the P-card to purchase any product or service must comply with those permitted by the Township's Procurement Policies and follow Local Public Contract Laws.
- The P-card must never be used to purchase items for personal use or for non-Township purposes.
- Any unauthorized or inappropriate use of a P-card will result in cancellation of the P-card and will subject the cardholder to disciplinary action including possible termination of employment and criminal prosecution.

CHATHAM TOWNSHIP PURCHASING MANUAL

4. SPENDING LIMITS

- The monthly spending limit is the maximum available credit for the billing cycle. The card will reject any transaction that exceeds this limit.
- The Township has established a limit on the card at \$5,000.00 per month.
- Only in approved instances by both the CFO and the Administrator can a procurement reach the maximum of 15% of the bid threshold by conducting a one-time approval based upon the circumstances.

5. CARD SECURITY / LIABILITY

- Cards must be strictly safeguarded. It is the responsibility of each cardholder to secure the card at all times. If a card is used infrequently, it must be stored in a secure location within the department.
- In case of loss, theft, or misappropriation of the card account number, immediately contact the Chief Financial Officer.
- The cardholder will not be liable for the unauthorized use of a stolen card by a third party as long as the card is reported stolen within 24 hours of when the loss is detected by the individual.

6. CARD MAINTENANCE

- Card Activation - Once the cardholder has successfully completed training, the P-card Administrator will activate the card for immediate use.
- Cancellation
 - Upon termination of employment, transfer to another department, or if the cardholder's responsibilities change within the Department and the P-card is no longer required in the newly assigned position, the cardholder must return the p-card to the approving manager. The approving manager must notify the Purchasing Card Program Administrator by submitting a Cardholder Maintenance Form. The Purchasing Card Program Administrator will deactivate the P-card.
 - The Purchasing Card Program Administrator will also require the cardholder to return the P-card in the case of misuse. In addition, the approving manager may require a cardholder to turn in a P-card for any reason.
- Card Changes - If a Cardholder needs to make changes to name, address, phone, or account numbers, send an e-mail to the Purchasing Card Program Administrator.
- Assignment - A P-card may not be transferred or assigned to another person. P-cards are the property of the Township and the Designated Financial Institution and must be turned into the Chief Financial Officer upon changing departments or leaving the Township.

CHATHAM TOWNSHIP PURCHASING MANUAL

7. P-CARD ORDER/PURCHASE PROCESS

- Purchases of appropriate items using the P-card may be made from any vendor who accepts the Master Card®.
- The vendor must comply with any State or Local rules with regards to purchasing (this includes being able to provide a BRC when necessary).
- An approved requisition based upon a written quote or screenshot needs to be obtained prior to ordering. **No orders should be placed until the requisition is approved and a purchase order is received by your department.**
- Please keep in mind the purchasing thresholds. They still apply when using a procurement card.
- Notify the vendor that the purchase is exempt from New Jersey State sales tax, use tax and Federal excise tax. If a cardholder is charged tax on a purchased item, it is the cardholder's responsibility to obtain credit from the vendor for the imposed tax.
- Contact the Finance Office if the vendor requests a copy of the Township's Exempt Use Certificate Form ST-4.

8. PURCHASING CARD ADMINISTRATOR/PROGRAM MANAGER

- The Chief Financial Officer shall be responsible for overall oversight of the P-Card program.
- Processes payment to Designated Financial Institution.
- Reevaluate Program on an as-needed basis, but not less frequently than annually.
- The Chief Financial Officer shall be responsible for day-to-day oversight and management of procurement in accordance with this policy and the LPCL.
- The Chief Financial Officer will be the designated Program Manager with the following responsibilities:
 - Card Acquisition - All cards are imprinted with both the users' names and the name of the local unit.
 - Ensure Program participants are fully trained to follow the Procurement Card section of the Purchasing Manual.
 - Responsible for administering and overseeing all policies and procedures of the Purchasing Card Program.
 - Reviews monthly statements and conducts an audit of P-card transactions.
 - Performs regular reviews of transactions and cardholder activity and reports any activity that does not comply with the Program's guidelines to the cardholder and the approving manager.
 - Reviews vendor activity for compliance with general procurement policies and procedures.
 - Helps resolve transactions that cannot be reconciled by the cardholder or approving manager.
 - Tracks card expiration dates and issues replacement cards. Tracks termination of cardholders. Cancels cards as required.

CHATHAM TOWNSHIP PURCHASING MANUAL

III. THRESHOLDS

A. Quotations - \$7,950 - \$ 17,499

Quotations from at least two vendors, where possible, are required for purchases between \$7,950 and \$17,499. These quotations will normally be obtained by department heads and should be properly recorded in Edmunds on page 2 of the requisition and the backup scanned and attached.

If it is clearly impossible or inappropriate to secure quotations on an item, an explanation to this effect should accompany the requisition. The Chief Financial Officer may, at their discretion, waive the requirement. The CFO may require, if he/she deems it appropriate, that price quotations be obtained on purchases of less than \$7,950.

Documentation required from vendor above the quotation threshold:

- [W-9](#)
- [New Jersey Business Registration Certificate](#)
- [Vendor Information Form](#)

B. Window Contracts - \$17,500 - \$52,999

Purchases between the Pay to Play Threshold of \$17,500 and the bid threshold of \$53,000 are known as window contracts. This threshold applies to single purchases or multiple small purchases over 12 months through the same vendor. Contact the Purchasing Agent for any purchases that fall within this threshold. These contracts can be awarded in two ways:

- The Fair and Open Process that follows similar procedures to formal bidding (publicly advertising, etc.)
- Non-Fair and Open Process that requires additional documentation from the vendor disclosing certain political contributions.

For Non-Fair and Open contracts, the same process applies as the quotation threshold outlined in the section above along with the proper documentation listed below.

The Chatham Township Committee, by resolution, has delegated the authority to award a window contract to the Qualified Purchasing Agent.

Documentation required from vendors for a Non-Fair and Open Contract:

- [W-9](#)
- [New Jersey Business Registration Certificate](#)
- [Business Entity Disclosure Contribution Form](#)
- [Ch. 271 Political Contribution Disclosure Form](#)

CHATHAM TOWNSHIP PURCHASING MANUAL

C. Bidding - \$53,000+

New Jersey law requires that one-time purchases, or annual cumulative purchases within a particular category of materials or services, which exceed the bid threshold set by statute are required to be advertised for public bidding. As of adoption of this manual, our threshold is \$53,000 for Chatham Township. This can change annually based on QPA status and state guidance.

A department with a category of purchases that is expected to be above the Township's bid threshold will inform the CFO and will work with the Township Clerk in the preparation of specifications for the bid, as necessary.

When a bid is accepted or a contract awarded, a purchase order should be prepared by the specified department for the full amount of the project. This ensures that proper funding will be available for the duration of the project.

Department heads should be aware that "cumulative" purchases that exceed the above-mentioned bid threshold are also required to be formally bid. Departments keep track of how often vendors are used and the amounts being purchased from vendors in order to know if the bid threshold will be exceeded. If a department knows or thinks that they may exceed the bid threshold on an item or with a vendor, then they should contact the CFO to evaluate whether or not a bid will be necessary.

D. Prevailing Wage Act - \$19,375+

The New Jersey Prevailing Wage Act applies to "public work" performed under contract and paid with funds of a "public body". "Public work" is defined as:

- "Construction, reconstruction, demolition, alteration, or repair work, or maintenance work, including painting and decorating, done under contract and paid for in whole or in part out of the funds of a public body, except work performed under a rehabilitation program.
- "Public work" shall also mean construction, reconstruction, demolition, alteration, or repair work, done on any property or premises, whether or not the work is paid for from public funds..."
- "Maintenance work" means the repair of existing facilities when the size, type or extent of such facilities is not thereby changed or increased. While "maintenance" includes painting and decorating and is covered under the law, it does not include work such as routine landscape maintenance or janitorial services.

Any purchase that falls within the definition of public work and the estimated cost will be more than \$19,375 the vendor's employees must be compensated based on New Jersey Prevailing Wage Rates.

CHATHAM TOWNSHIP PURCHASING MANUAL

In addition to the documentation required in the above sections, for any “public work” which exceeds \$19,375, the contractor is required to submit certified payroll records to the Township within ten (10) days of the payment of the wages. These payroll records should be forwarded to the Finance Office to be kept on file.

E. State and Cooperative Purchasing

Bids and quotes are not necessary when purchasing from State contracts, County contracts, or other Cooperative Purchasing Agreements. The basis of State and County contracts is that the State and County purchasing departments will go out for bid on any number of items. All items awarded under these bids are eligible for purchase by member towns and do not require additional bids or quotes. **ONLY COOPERATIVE PURCHASING AGREEMENTS APPROVED BY THE STATE AND THEN APPROVED BY TOWNSHIP RESOLUTION CAN BE USED.**

Items purchased under State, County, or various other Cooperative Purchasing Agreements contracts do not require two price quotes. However, the department head may still do so if he/she feels he can obtain a lower price. **If a State or County contract is being utilized, the contract number must appear on the purchase order. In the event that a Pricing Council contract is being utilized, the Pricing Council's State ID Number must appear on the purchase order.**

When utilizing State or Cooperative Contracts, the Prevailing Wage Act still applies. Any contracts for “public work” which exceed \$19,375, the contractor is required to submit a certified payroll records to the Township within ten (10) days of the payment of the wages.

F. National Cooperative Purchasing

National Cooperative Purchasing has been allowed under LFN 2012-10 and is an option after determining that the purchase through a National Cooperative has achieved cost savings versus bidding or an in-state cooperative.

[Local Finance Notice 2012-10](#)

Documentation required from vendors when utilizing a national cooperative:

- W-9
- New Jersey Business Registration Certificate
- Mandatory Equal Opportunity Language
- American with Disabilities Act
- State of Corporate Ownership
- Evidence of Procurement Process
- Iran Disclosure
- Non-Collusion Affidavit
- Buy American Statement

CHATHAM TOWNSHIP PURCHASING MANUAL

Once all the required documents are received a notice of intent to award through a national cooperative must be advertised in the newspaper at least 10 days prior to the awarding resolution.

When utilizing a National Cooperative, the Prevailing Wage Act also still applies. Any contracts for “public work” which exceed \$19,375, the contractor is required to submit certified payroll records to the Township within ten (10) days of the payment of the wages.

G. Fixed Assets - \$5,000+

These are items that are valued at \$5,000.00 or more and have a useful life of at least 5 years. All fixed assets purchased will be tagged with an inventory sticker as required by State Law.

Purchase Orders will be marked to indicate fixed assets by the Finance Department after review. Copies of the fixed assets will be on file in the Finance Department.

The Finance Department will make the final determination of whether an item is a fixed asset or not.

CHATHAM TOWNSHIP PURCHASING MANUAL

IV. PROCEDURES

In the paragraphs that follow, the term “Department Heads” will be defined to include heads of operating departments of the Township and Chairpersons of Boards, Commissions, and Committees.

The term “Township Employee” will be defined to include appointed members of boards, commissions, and committees, as well as paid personnel.

A. General Purchasing

1. Purchase Orders

Purchase Order Quick Reference Guide available in Subsection D.

- The purchase process will originate with the individual department, which will prepare a requisition in the Edmunds System. Complete requisitions will describe the items requested in sufficient detail to make them understandable to a layman and to make them readily identifiable to the vendor. The reason for the purchase will be given briefly. Requisitions will include prices for desired items. If exact prices are not available, estimated prices should be entered, along with an explanation, requisitions will not be approved without price. Department heads will be responsible for inserting the appropriate budget account numbers on all requisitions, making sure the request corresponds to their department budget request. All accompanying documentation will be scanned into Edmunds and attached to the requisition.
- Department heads will review all requisitions and change the status on approved requisitions to “**1st Approval**”.
- The CFO will then review, at least once daily under normal circumstances, all requisitions with a 1st Approval, and, if completed properly, will change the status on approved requisitions to “**2nd Approval**”.
- The Township Administrator will then review, at least once daily under normal circumstances, all requisitions with 2nd Approval. If a requisition is deemed necessary and appropriate, the Township Administrator will change the status on approved requisitions to “**3rd Approval**”.
- After 3rd Approval, Accounts Payable will create POs of all approved requisitions in 3rd Approval. This step has now encumbered the funds requested and you are now approved to order the product or service. If a vendor email address has been provided to Accounts Payable, Edmunds will automatically email a copy of the PO directly to the vendor, if there is no email provided the PO will be printed and mailed to the vendor. The employee who generated the requisition will also receive an email of the PO when it is generated.

CHATHAM TOWNSHIP PURCHASING MANUAL

- If your requisition has not been approved to purchase order status within five business days, from the time it reached 1st Approval, the Finance Department should be contacted.
- Departments should then follow-up with the vendor with any pertinent ordering information and requirements. Purchase orders returned to the Township for payment should go directly to the generating department to be certified by the department head or designee that the materials, supplies, or service have been provided.
- In the absence of the CFO the Assistant Treasurer will do 2nd Approvals. In the absence of the Township Administrator the CFO will do 3rd Approvals and the Assistant Treasurer will do 2nd Approvals.

If for any reason a requisition is not approved by the CFO or Township Administrator, the requisition's status will be changed to either "Denied" or "Needs Revision" with an explanation in Status Reason. It is the Department's responsibility to monitor their requisition status whether approved, denied or needing revision, there will be no direct notification from the CFO or the Township Administrator. In addition, a notifications tab can be found on the Edmunds home screen, located in the upper right corner of the screen.

It is incumbent upon the various departments to make sure funds are available in a particular line of their budgets and to manage these line items.

Transfers between departments are not allowed except during the months of November and December for the current year's budget. These transfers must be done by the CFO in the form of a resolution to be approved by the Township Committee. If there is a need for additional funds requiring a transfer, send an email to the CFO as soon as the need is realized, with a breakdown by budget line, the amount required and reason for request.

******NO ORDERS SHOULD BE PLACED UNTIL THE PURCHASE ORDER IS RECEIVED BY THE DEPARMENT, UNLESS PRIOR APPROVAL FROM THE TOWNSHIP ADMINISTRATOR OR CFO HAS BEEN RECEIVED. ******

The Finance Department reserves the right to hold, deny or prescribe corrections to purchase orders submitted for payment if any state laws or local guidelines set forth in this manual are not followed. If a purchase order is not submitted for payment for any reason, a statement of explanation will be included or administered to the department head.

CHATHAM TOWNSHIP PURCHASING MANUAL

2. Payment and Check Insurance

Claims against the Township will not be paid until the purchase orders are so certified. **It is the department head or designee's responsibility to make sure all goods and services have been received prior to paying any vendor.**

Purchase orders sent directly to the Finance Department by the vendor will be forwarded to the appropriate department head for certification that the goods or services have been provided. Afterward, the purchase orders should be scanned and attached to the corresponding PO, the PO status should be changed to "Received" for processing. It will be incumbent upon department heads to see that this is done.

Department Heads should be aware of the vendor terms and conditions for payments. It should also be known which purchase orders have been returned or are outstanding from vendors to ensure timely payments to vendors.

All Township purchases will be reviewed and approved by the Township Committee through a monthly bill list. The purpose of the bill list approval is to ensure compliance with Local Public Contract and Purchasing Laws.

Payments on purchase orders will be paid once a month at the last Township Committee meeting of the month. To ensure that a payment is included on a bill list, the line item on a purchase order must be marked received by the start of business the first business day of the week prior to the bill list meeting date.

Department Heads need to plan accordingly to ensure timely payments to their vendors within the New Jersey Prompt Payment guidelines provided. They should also be aware of requirements by vendors for timely payments to ensure reservations and enrollments.

CHATHAM TOWNSHIP PURCHASING MANUAL

B. Capital Purchasing

Capital purchasing will follow a separate set of requirements and procedures than those for general purchases through the current fund.

The state laws and regulations are the same. Those laws stated previously in this purchasing manual must still be followed when making a purchase from the Capital Fund. There are potentially, however, a few added local guidelines to adhere to. It is expected that Capital purchases are planned out in advance and have gained approval from the Township Committee. Purchases of capital goods or services tend to be "big ticket" items. For example, road paving, other major vehicles/machinery and major building improvements all fall under capital purchasing must meet the requirement of the Local Bond Law.

Capital goods or services are items that are purchased from the Capital Fund. **Items must have a useful life of at least 5 years, as outlined in the Local Bond Law.** The Capital Fund is funded through money that is obtained through borrowing, previous capital surplus or money appropriated to the capital improvement fund through the budget. Money can also be provided through grants. The money is then earmarked for specific purposes through an ordinance adopted by the Township Committee.

1. Change Orders

Change Orders occur when something "outside" of the scope of a project needs to be added/changed in order to complete the project. It is incumbent upon the department head to approve all changes and show that they are necessary. Also, the department head needs to notify the CFO of any change orders, in order to ensure that funding is available for the change. All **Change Orders must be approved by the Township Committee.** In the case that a project requires a change order the Finance Department will adjust the original purchase order following a Change Order Resolution approved by the Township Committee and sufficient backup will be attached to the original PO. **When change orders, in total, exceed 20% of the original bid/contract, please contact the CFO.**

2. Canceling of Ordinances

Ordinances, upon completion, can be canceled at the discretion of the Township Committee. It is important to inform the CFO when a project or ordinance has been completed. It is equally important to let the Finance department know if there is still work to be done on an outstanding project or outdated ordinance. This will avoid the funds being canceled prematurely. If you have questions about the status of an ordinance, please ask the CFO to check the status.

CHATHAM TOWNSHIP PURCHASING MANUAL

C. Emergency Procedures

When a genuine emergency occurs, materials or services may be obtained without a purchase order. You must notify the Township Administrator and CFO of the emergency.

In such cases, confirming purchase orders will be required. The department head involved will submit to the Finance Department, within the next eight (8) working hours, an appropriate requisition. Each of these requisitions will require a Tracking Id “EMERGENCY” when submitted. The words “EMERGENCY CONFIRMING” should be written in Reason when changing status to 1st Approved as well as a detailed explanation attached to the requisition.

It is expected that these instances will be restricted to those that impact on the safety and well-being of the public. These situations could include such things as utility breaks, vehicle breakdowns during non-working hours, or when the Director of Emergency Management declares a state of local emergency.

CHATHAM TOWNSHIP PURCHASING MANUAL

D. Purchase Order Quick Reference Guide

STEP	ACTION	RESPONSIBILITY	PURPOSE
1	Open Requisition	Department Personnel	Initiate purchasing, attach quotes/estimates, supporting documentation, memo explaining non-routine purchases
2	First Approval	Department Head	Ensure purchase is authorized and budgeted, requisition satisfies all requirements
3	Second Approval	CFO/Purchasing Agent	Ensure purchase conforms with all policies, procedures, and purchasing regulations, correct accounts utilized
4	Third Approval	Township Administrator	Final validation that previous reviews completed, purchase in accordance with operational plans
5	Purchase Order	Accounts Payable	Encumber funds and distribute Purchase Order to Department & Vendor

DEPARTMENTS	VENDORS
<ul style="list-style-type: none"> • Department contacts vendor to place the order referencing the assigned PO#. • Department verifies invoice and other paperwork, confirming both match corresponding PO. All necessary backup must be attached to PO in Edmunds including signed PO, invoice, resolution, and state/co-op contracts when appropriate. • Once services are rendered or product received, the Department Head signs Officer's Certification on PO. • Department will change PO line items from open to received when ready for payment to be made to vendor. At this time an invoice number shall also be provided to the specific line items. 	<ul style="list-style-type: none"> • Claimant Certification (Vendor) signature waived except for individual/sole proprietors and employees. • For individual/sole proprietors and employees, vendor signs Claimant Certification and returns to Department.

*See Exhibit A for Edmunds Purchasing Guide

E. Miscellaneous Forms

- [Tax Exemption Certificate](#)