

RESOLUTION 2023-217

RESOLUTION OF THE TOWNSHIP COMMITTEE OF THE TOWNSHIP OF CHATHAM, IN THE COUNTY OF MORRIS, STATE OF NEW JERSEY, ESTABLISHING PROCUREMENT CARD POLICIES AND PROCEDURES

WHEREAS, by Resolution 2023-217, the Township of Chatham authorized the use of Procurement Cards (P-Cards); and

WHEREAS, the Township wishes to establish the following policies and procedures for use of the P-Card as required by law;

PROCUREMENT CARDS (P-Cards)

I. UTILIZATION OF P-CARDS

- a. P-Cards can be used for supplies or services under the following circumstances:
 - i. When payment to vendors is required in advance of the delivery of goods or services and the goods or services cannot be obtained from any other source at a comparable price.
 - ii. 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.
 - iii. When placement of orders for goods and services is made through an electronic computerized transaction (i.e. order is placed from computer to computer via the internet or similar computer network) as authorized by N.J.S.A. 40A:5-16.
- b. 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.

II. CARD ELIGIBILITY AND USE

- a. 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.
- b. 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.
- c. The cardholder is responsible to determine that the price quoted for a product or service is the best price that can be obtained.
- d. Cardholders should be certain that the total amount, including shipping and handling charges, will not exceed the single purchase limit on the P-card.

III. RESTRICTIONS AND CONTROL

- a. Use of the P-card to purchase any product or service must comply with those permitted by the Township's Procurement Policies and be in compliance with Local Public Contract Laws.
- b. The P-card must never be used to purchase items for personal use or for non-Township purposes.
- c. 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.

IV. SPENDING LIMITS

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

V. CARD SECURITY / LIABILITY

- a. 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.
- b. In case of loss, theft or misappropriation of the card account number, immediately contact the Chief Financial Officer.
- c. 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 loss is detected by the individual.

VI. CARD MAINTENANCE

- a. Card Activation - Once the cardholder has successfully completed training, the P-card Administrator will activate the card for immediate use.
- b. Cancellation
 - i. 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.
 - ii. 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.
- c. Card Changes - If a Cardholder needs to make changes to name, address, phone, or account numbers, use the Cardholder Maintenance Form or send an e-mail to the Purchasing Card Program Administrator.
- d. Assignment - A P-card may not be transferred or assigned to another person. P-cards are the property of Chatham Township and the Designated Financial Institution and must be turned in to the Chief Financial Officer upon changing departments or leaving the Township.

VII. P-CARD ORDER/PURCHASE PROCESS

- a. Purchases of appropriate items using the P-card may be made from any vendor who accepts the VISA® card.
- b. An approved requisition based upon written quote or screen shot needs to be obtained prior to ordering.
- c. Notify the vendor that the purchase is exempt from New Jersey State sales tax, use tax and Federal excise tax. Provide the vendor with the Township's New Jersey State Tax Exempt Number (printed on the card). 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.

- d. Contact the Finance Office if the vendor requests a copy of the Township's Exempt Use Certificate Form ST-4.

VIII. PURCHASING CARD ADMINISTRATOR/PROGRAM MANAGER

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

NOW, THEREFORE BE IT RESOLVED, by the Mayor and Committee of the Township of Chatham that the above policies and procedures for the use of P-Cards for purchases by the Township of Chatham be adopted and included in the Township's Purchasing Manual.

Adopted: November 28, 2023

TOWNSHIP OF CHATHAM IN
THE COUNTY OF MORRIS

Attest:

By _____
Ashley Felice, Mayor

Gregory J. LaConte, Clerk