
Borough Attorney /s/Robert L. Tarver, Jr. Esq.

**BOROUGH OF PENNS GROVE
COUNTY OF SALEM, NEW JERSEY**

ORDINANCE NO. 2023-5

**AN ORDINANCE AUTHORIZING AND CREATING STANDARDS
FOR A BOROUGH PROCUREMENT CARD**

WHEREAS, it is necessary to set forth standards for the use of procurement cards by the Borough for the acquisition of goods and services under the limited circumstances permitted by N.J.S.A. 40A:5-16(c), as may be amended from time to time,

NOW THEREFORE, BE IT ORDAINED by the Mayor and Council of the Borough of Penns Grove, County of Salem, State of New Jersey, as follows:

SECTION 1. Definitions.

Words and terms as used in this article are intended to have the meaning set forth in N.J.A.C. 5:30-9A.2, as may be amended from time to time.

SECTION 2. Issuance of procurement cards.

A procurement card shall not be issued unless it can be shown that such issuance is necessary for the conduct of ongoing operations in the normal course of providing government services.

SECTION 3. Training required.

(a) All authorized procurement card users, individuals responsible for supervisory review, individuals responsible for activity reconciliations, the Program Manager, and the CFO shall be required to complete training on the Borough's policies and procedures governing the use of procurement cards to acquire goods and services on behalf of the Borough.

(b) Prior to implementation of the procurement card program, the CFO and Program Manager shall receive training in all aspects of the system.

(c) The CFO and Program Manager, with the advice and consent of the Finance Committee, shall identify positions within the Borough that will benefit from use of a procurement card, establish limits, period and categories of permissible use, and organize training for each individual whose duties may at any time include the use of a procurement card, supervisory review or reconciliation of activity in the P-Card program, which positions shall be approved by the Borough Council. The Program Manager shall notify in writing every employee so identified to obtain his/her consent for the required training. Employees may decline the responsibility associated with becoming a

associated with becoming a procurement card user without any negative consequences. However, if the employee declines, he or she shall not be eligible to utilize a P-Card.

(d) The Program Manager shall initiate training for all authorized procurement card users, individuals responsible for supervisory review, individuals responsible for activity reconciliations. The topics the Program Manager shall cover in procurement card user training include the following:

- (1) Explanation of the state regulations and benefits of P-Card usage.
- (2) Borough policies and procedures regarding P-Card usage.
- (3) Requirement for expeditious submittal of receipts to the Program Manager within 48 hours of use.
- (4) Requirement of expeditious handling of returns within 48 hours of determination that a return is necessary or appropriate to ensure the Borough is not billed for the goods or services, or is receiving proper credit.
- (5) Explanation that procurement card users may only use P-Cards at preapproved vendors for preapproved merchant codes as established by the Chief Financial Officer and Program Manager with the exception of statutorily qualified emergent matters.
- (6) Explanation that the use of the P-Card for travel/room and board, or for cash advances is expressly prohibited.
- (7) Requirement that lost or stolen P-Cards are to be reported immediately to the Chief Financial Officer or Program Manager, who will in turn immediately cancel said P-Card.
- (8) Requirement that the P-Card shall be relinquished to the Chief Financial Officer and Program Manager upon retirement, termination of employment or other circumstances where the employee's P-Card privileges are terminated.
- (9) Requirement that procurement card users shall not permit vendors to retain the P-Card or otherwise institute a "running total" for the P-Card.
- (10) Requirement that procurement card users shall notify the Chief Financial Officer and Program Manager of suspected fraudulent acts.
- (11) Explanation that the improper use of a P-Card shall result in the employee being personally responsible for any such payment, and that improper use of the card may result in the termination of the employee's procurement card user privileges and disciplinary action up to and including termination in accordance with the Borough's Personnel Policies and Procedures Manual, as may be amended from time to time.
- (12) All employees trained in procurement card use, upon completion of the requisite training, shall complete and sign an agreement to abide by the Borough's P-Card policies and procedures, including financial responsibility for misuse of the P-Card, in the form prepared by the Chief Financial Officer and Program Manager and approved by the Borough Council.

SECTION 4. Procurement card transactional limits and requirements.

The use of procurement cards is authorized and permitted in the following circumstances:

- (a) When payment to the vendor is required in advance of the delivery of certain goods or services that cannot be obtained from any other source at a comparable price;
- (b) When ordering, billing and payment transactions for goods or services are made through a computerized electronic transaction; or
- (c) When an individual transaction does not exceed either 15% of the statutory bid threshold or the Borough's established threshold if less than 15% of the statutory bid threshold.
- (d) The maximum threshold on procurement card transactions specified in Paragraphs (a) through (c) above cannot exceed either 15% of the local unit's bid threshold or Borough's established threshold if less than above. In no circumstance should expenditures exceed what was appropriated.
- (e) Items purchased under the P-card program must be tangible supplies, parts or materials necessary for ongoing operation and function of the Borough (for example, office supplies, auto supplies) or non-tangible items (for example, publications, conference and training fees), or items purchased in transactions where vendor certification would not normally be readily available at the time of purchase.

SECTION 5. Prohibited transactions.

Authorized procurement card users are prohibited from using procurement cards for personal business, for any circumstances that are not authorized in N.J.S.A. 40A:5-16(c) or N.J.A.C. 5:30-9A.3, or to purchase personal property or services, including travel and dining expenses for government employees, volunteers, or officials. Existing law N.J.S.A. 40A:5-16.1 provides mechanisms for employees to receive travel and expense funds in advance

SECTION 6. Fidelity bond or blanket honesty policy coverage.

A procurement card shall only be issued to individuals who are covered by a fidelity bond or by a blanket honesty policy held by the Borough of Penns Grove. If an individual to whom a procurement card has been issued becomes ineligible for coverage under the fidelity bond or blanket honesty policy, that individual's procurement card shall be cancelled.

SECTION 7. Documentation of procurement card transactions.

At the time of a procurement card transaction, authorized procurement card users shall obtain and retain the original receipts. When procurement cards are used to purchase goods over the Internet, telephone or fax, such purchases must be evidenced by an order confirmation along with either the original packing slip that accompanied the purchased goods or an itemized receipt. A voucher must be prepared at least on a monthly basis detailing expenditures with all receipts noted above attached.

SECTION 8. Procurement card program oversight, management, control and monitoring.

The day-to-day oversight and management of the procurement card program and procurement card usage, including management of supervisory review and reconciliation of procurement card activity, shall be the responsibility of the appointed Program Manager, or if no Program

Manager is appointed by the Borough, then by the Chief Financial Officer who shall serve as the Program Manager, to assure that all controls are actively pursued each cycle without exception

SECTION 9. Other laws applicable.

Use of the procurement card does not change or eliminate any bid thresholds or other limits set forth in the provisions of the Local Public Contracts Law, N.J.S.A. 40A:11-1 et seq., or the provisions established under the By-Laws of the Borough Council of the Borough of Penns Grove, County of Salem, State of New Jersey.

SECTION 10. Violations.

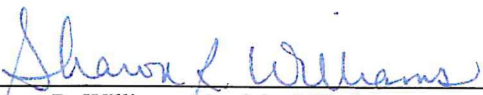
Violations of the Borough's policies and procedures governing the use of procurement cards shall result in appropriate disciplinary action as outlined in the Personnel Policies and Procedures Manual, Borough of Penns Grove, without regard to the position held by the card user.

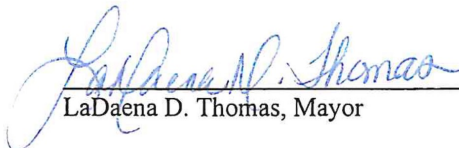
SECTION 11. Effective date.

This chapter shall take effect upon its final passage and publication as required by law.

BE IT FURTHER ORDAINED that this Ordinance shall take effect upon adoption and publication according to law.

ATTEST:

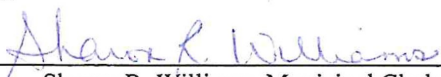

 Sharon R. Williams, Municipal Clerk


 LaDaena D. Thomas, Mayor

Intro:

Council	MOVED	SECONDED	Y	N	ABSTAIN	ABSENT
Scott, President A.		X	X			
Carter			X			
Marinero	X		X			
Rambo			X			
Scott, D.					X	
Worley			X			

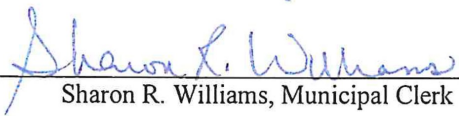
Notice: The above ordinance was introduced and passed on the first reading at the meeting of the Mayor and Council of the Borough of Penns Grove in the County of Salem held on May 2, 2023 and will be considered for final passage at a meeting to be held by the Mayor and Council at Borough Hall, Broad Street and State Street, Penns Grove, New Jersey on June 7, 2023 at which time any interested person will be given an opportunity to be heard.


 Sharon R. Williams, Municipal Clerk

FINAL:

Council	MOVED	SECONDED	Y	N	ABSTAIN	ABSENT
Scott, President A.	X		X			
Carter			X			
Marinero						X
Rambo			X			
Scott, D.						X
Worley		X				

Notice: The above ordinance was introduced and passed on the first reading at the meeting of the Mayor and Council of the Borough of Penns Grove in the County of Salem held on May 2, 2023 and was adopted, after a public hearing was held by the Mayor and Council at Borough Hall, 1 State Street, Penns Grove, New Jersey on June 7, 2023



Sharon R. Williams, Municipal Clerk