

Electronic Funds Transfer & Claimant Certification

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Local Finance Notice 2018-13

Local Finance Board adopted substantial changes to N.J.A.C 5:30-9A & 5:31-4 implementing N.J.S.A. 40A:5-16.5

- All local units may adopt policies & procedures permitting specific officer & employees to pay claims electronically
- Strongly recommended incorporating those policies into your existing payment of claims policies adopted by resolution or ordinance
- Chief Financial Officer SHALL ensure that the controls set forth in the regulations are put into place and adhered to
- Local authorities SHALL designate the individual(s) authorized to initiate and authorize the EFT disbursement
- Officials must be able to review transaction history, activity reports and reviews

Bill List & Audit Trail

- The Bill List must indicate the type of technology utilized in each EFT transaction
- Must create audit trail
- Verification of payment
- Storing transactional data
- Reconciliation monthly

Large vs. Small Is there a Difference?

- ▶ Payment of Claims Ordinance - update to include EFT
- ▶ Cash Management Plan - Insert your policy here

Section of Cash Management Plan

D. No municipal funds shall be disbursed by the Chief Financial Officer prior to the approval of the City Council except for:

1. Debt Service Payments
2. Investments
3. Payroll turnovers to agencies
4. Subject to Ordinance No 75 dated 10/29/86 section D

E. The Chief Financial Officer is authorized to designate employees who may, from time to time, initiate and confirm wire transfers.

F. **Electronic Disbursement**/Claimant Certification; In accordance with N.J.S.A. 40A:5-16(c) and Regulatory N.J.A.C 5:30 9.6 when adopted that up to or below the Bid threshold, payments to Vendors do not require Claimant Certification unless in order to satisfy the City on the integrity of the received good or services is required will not be necessary.

Continued.... Large vs. Small Is there a Difference?

- ▶ Purchasing Manuals - Outlines the Procedures and Processes
- ▶ Educating Staff - Ownership to the Plan
- ▶ Working with all partners - Bringing the Plan into action

Procurement Cards (P-Cards) Charge Cards

- ▶ Not much has changed
- ▶ Schools still not permitted to use
- ▶ QPA = Program Manager
- ▶ CFO = Ultimately Responsible
- ▶ Local Public Contracts Law Rules!
- ▶ Controls Controls Controls!

Cyber Security Measures ??????

- ▶ System Hosting
- ▶ Data Encryption
- ▶ Password Policy and Staff Security
- ▶ System Risk Assessment and Security Updates
- ▶ Personal Information
- ▶ Backup, Storage and Disaster Recovery
- ▶ Cyber Security Incident Response Plan and Response Team
- ▶ GET YOUR MIS INVOLVED !

Claimant Certification Updates

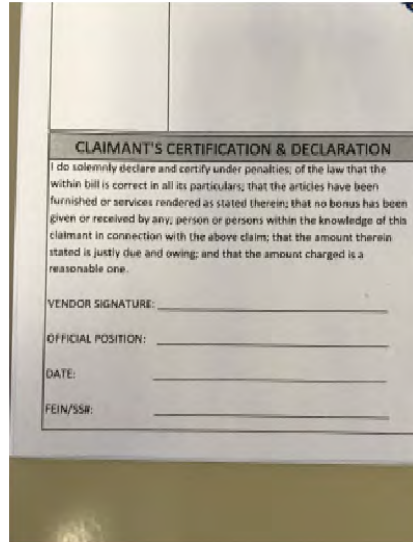
- N.J.A.C. 5:30-9A.6 & 5:31-4.1 allows greater flexibility in implementing requirements set forth in N.J.S.A. 40A:5-16
- Does not apply to boards of education
- More options than the original "Wet" Signature
- It allows for discretionary circumstances
- It does NOT allow to be waived for reimbursements of employee expenses or sole proprietary type vendors

More Options to the "Wet" Signature or "Original Signature"

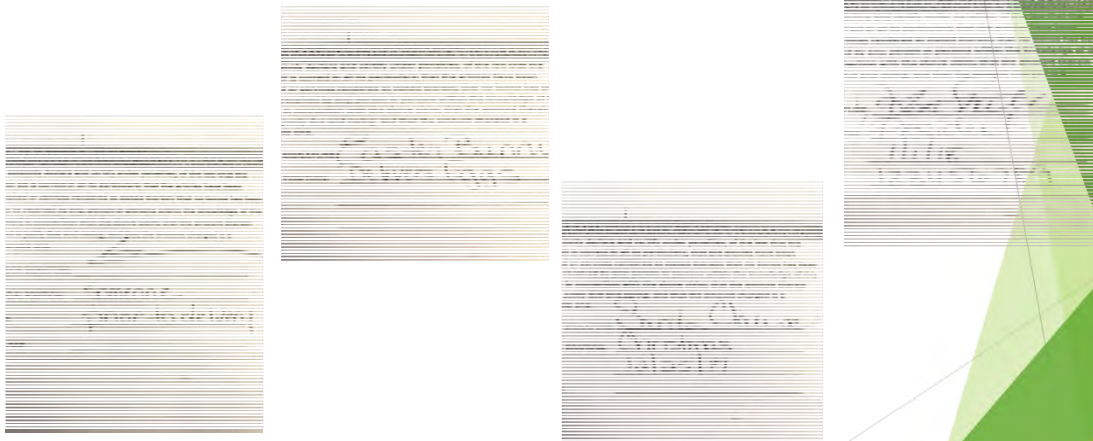
- ▶ Claimant by signature stamp
- ▶ Facsimile signature
- ▶ Electronic Signature
- ▶ OR

▶ NO SIGNITURE ??????????

What's the fuss with a Claimant's Certifications?



Verifying the Authenticity's of the Signer



Officers Certification = Accountability

OFFICER'S CERTIFICATION	
The items specified in the above account were necessary for the purpose of this department and were authorized by the undersigned, in conformity with the ordinances of Atlantic City, for the use and benefit of said City. Each item has been received and its quality is as ordered. The work specified has been completed and each price charged is correct. No price higher than the prevailing market price as far as we can ascertain, or more than the contract price.	
DEPARTMENT/SIGNATURE	DATE
VENDOR - THIS VOUCHER SHALL BE SIGNED AND RETURNED TO THE COMPTROLLER'S OFFICE, ROOM 308 CITY HALL	

Implementing When the Claimants Certification is Necessary

► By Ordinance or Resolution

- Cash Management Plan is done by Resolution and can be updated when necessary
- Define transaction types - By thresholds, categories or types.

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No Waiving Claimant Certification for -

Advance Payments*

Payments for employee reimbursements

Payments to vendors who are individuals or sole proprietors

*Exception on Advance Payments

*Exception to Advanced Payment of Goods and Services

- ▶ Payments to State or Federal Governments
- ▶ Memberships, Education Courses for CEU's, Registrations for Conferences or Conventions to non-profit organization.
 - ▶ Examples- Rutgers , GFOA, TCTA, NIGP.
- ▶ Website hosting, including registration and maintenance of a domain name.

Any Questions

