

**RESOLUTION 16-7-139: ESTABLISHES POLICES AND PROCEDURES FOR USE OF
PROCUREMENT CARDS AND IMPLEMENTS A PROCUREMENT CARD PILOT PROGRAM.**

ATLANTIC COUNTY UTILITIES AUTHORITY
RESOLUTION 16-7-139

RESOLUTION AUTHORIZING
THE ESTABLISHMENT OF POLICIES AND PROCEDURES
FOR THE USE OF PROCUREMENT CARDS DURING PILOT PROGRAM
AND IMPLEMENTATION OF A PROCUREMENT CARD PILOT PROGRAM
FOR THE ATLANTIC COUNTY UTILITIES AUTHORITY

WHEREAS, the Qualified Purchasing Agent has recommended that a pilot program be established for the use of procurement cards where appropriate for purchases of and/or for the Atlantic County Utilities Authority; 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 Vice President of Administration and Finance/Chief Finance Officer agrees with the Qualified Purchasing Agent's recommendation; and

WHEREAS, the Board of Commissioners of the Atlantic County Utilities Authority find that a procurement card pilot program would be beneficial to the Authority and wish to authorize their use and establish policy and procedures for their use as required by law; and

WHEREAS, the Procurement Card Pilot Program Policy and Procedures are attached.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Atlantic County Utilities Authority hereby adopts the Procurement Card Pilot Program Policy and Procedures attached hereto, and approves implementation of the Procurement Card Pilot Program.

This resolution shall take effect upon approval by the Atlantic County Executive pursuant to law.

ATLANTIC COUNTY UTILITIES AUTHORITY

MARVIN EMBRY, CHAIRMAN

(SEAL)

BRIAN G. LEFKE, SECRETARY
Date adopted: _____



Procurement Cards PILOT Program Policy & Procedures

I. PURPOSE

The ACUA Purchasing Card Program has been established to provide a convenient method to purchase goods and services. Only purchasing cards issued by a bank or major credit card provider with a generally pre-established credit limit can be utilized.

N.J.S.A. 40A:5-16(c), establishes specific circumstances when p-cards and EFT transactions can be used. The rules at N.J.A.C. 5:30-9A.3(a), subsection (c), elaborate on the law and provide the additional necessary direction, as follows:

1. When vendors require payment in advance for the delivery of certain goods or services that cannot be obtained from any other source at comparable prices;
2. When ordering billing and payment transactions for goods or services are made through a computerized electronic transaction;
3. Paying out monies without requiring a vendor certification. The circumstances which qualify the use of a procurement card under this section are as follows:
 - Comparable pricing is not otherwise obtainable for goods and services to be available at the time and place required.
 - The Cost of purchases is comparable to costs available from other vendors who can provide the required goods and services in a timely manner.
 - Items are purchased in a transaction where vendor certification would not normally be readily available at the time of purchase.
 - The Vendor requires immediate payment AND the Purchasing Agent, or Finance Officer, has approved such use for a purchase from a particular vendor for a particular item.
 - Purchase is from a “big box” or other store that does not accept vouchers, purchase orders or checks.

Purchasing Cards or Electronic Transactions will not change or eliminate any provision of the Local Public Contracts Law and will be administered in accordance with the rules enumerated in N.J.S.A. 40A:5-16(c) notwithstanding the provisions of N.J.S.A. 40A:5-16(a) or N.J.A.C. 5:309A.1 et seq.

II. POLICIES

Purchasing cards will only be distributed to select personnel during the PILOT Program on a per needed basis, which shall be determined by the Authority President in consultation with the Purchasing Agent and/or Vice President of Administration & Finance/CFO.

The Director of Finance/R&D will be issued the first card during the PILOT program. Additional cards may be issued if deemed necessary. The PILOT program will run as long as deemed necessary to determine whether to expand the program or to discontinue it.

All authorized procurement card users will be required to complete training provided by the program manager on the policies and procedures governing the use of the procurement card and shall complete and sign a contract of understanding that includes the financial and legal responsibility for misuse (See Exhibit A).

Procurement cards shall be issued in the name of a specific individual but under no circumstance shall be used to purchase personal property or services, including travel and dining expense.

Limits on cards will be established by amount, time and category of usage permissible with a transaction limit not to exceed \$1,000 during the PILOT.

An authorized procurement card user is prohibited from using P-card to conduct personal business or for any circumstance that are not authorized in N.J.S.A. 40A:5-16(c) or N.J.A.C. 5:309A.1.

The President or Vice President of Administration & Finance/CFO must authorize all P-Card transactions in writing or by e-mail, in advance. The employee requesting use of a P-Card must include the request on the requisition.

III. RESPONSIBILITIES

1. The Vice President of Administration & Finance/CFO, or his/her designee, shall:
 - Identify positions within the authority that will benefit from use of a P-Card;
 - Pursuant to ACUA policies and procedures, establish limits by amount, period (time) and categories of permissible use for individual Cardholders (See Exhibit B);
 - Ensure that card activity is reconciled along with payments made to the issuing financial institution;
 - Ensure monthly reconciliation of all Cardholder accounts and that the reconciliation information remains on file for future audits;
 - Ensure timely payment to Program vendor to ensure eligibility of payment for rebates;
 - CFO will monitor and assess quality of internal controls performance on a continuing basis to ensure that all controls are actively pursued each cycle without exception;
 - CFO will review monthly report prepared by ACUA internal auditor for P-Card purchases;
 - Ensure annual assessment of internal controls is conducted by outside auditors. In addition, during the testing stage ensure that outside auditors provide greater attention to P-Card purchases.
2. The Purchasing Agent is hereby appointed "Program Manager". The Program Manager shall:
 - Ensure that all Cardholders understand the Program, and procurement policies and guidelines by providing them with relevant training and documents;

- Ensure that all Cardholders are aware the proper and approved vendors with whom the P-Cards may be utilized;
- Provide assistance to all Cardholders throughout the Program and disseminating updates;
- With the VP of Finance & Administration/CFO, develop an appropriate Merchant Category Codes and Merchant Category Code Group (“MCCG”) master template, and if necessary an individualized Cardholder MCCG template;
- Act as point of contact with Program vendor;
- Enroll Program participants, including the establishment of participant profiles, such as transaction and time limits and categories of permissible use by Cardholders;
- Complete Program forms and maintain Program files;
- Receive and distribute P-Cards after verification of accuracy of card data (must have both Cardholders name and name of authority imprinted on card);
- Ensure sufficient funds are encumbered from the proper accounts to cover any charges the Cardholder is authorized to make;
- For approved P-Card transactions, create a P-Card purchase order in Edmunds Accounting System;
- Evaluate transaction activities for appropriate use and informing the VP of Finance & Administration/CFO of inappropriate card activities;
- Reconcile all P-card transactions with receipts and invoices to the computer-generated usage report provided by the card company to document the transaction and the completed transaction log which lists all P-Card purchases (See Exhibit C);
- Notify the Program vendor of any unresolved disputed charges on monthly statement;
- Promptly notify the Program vendor in writing of Program participant changes and cancellations to affected vendors from whom recurring transactions have been authorized;
- Provide the Authority internal auditor with detail to review monthly P-Card transactions to ensure adherence to policy and that proper documentation has been completed;

3. The Cardholder shall:

- Understand the Program and all related procurement policies and guidelines;
- Notify vendors of tax-exempt status of purchases;
- Ensure transaction is approved and under the transaction limit and that all necessary paperwork is in order prior to making the P-Card purchase;
- Expeditiously provide all receipts to the Program Manager;
- Discuss disputed charge with the merchant prior to contacting the Program vendor; if not resolved, promptly complete cardholder dispute form (See Exhibit D);
- Expeditiously handle returns to ensure that ACUA receives credit or is not billed;

- Report fraudulent charges immediately to the Program Manager;
- Report lost or stolen card immediate after loss is realized to the Program Manager and complete Purchasing Card Lost or Stolen Report (See Exhibit E).
- Relinquish the P-Card to the Program Manager and reconcile all final transactions prior to a change of job duties or separation from ACUA. In addition a Purchasing Card Return Form must be completed (See Exhibit F);
- Ensure the monthly bill list includes detailed P-Card transactions for Board approval (will be prepared by Accounting Specialist) to pay the P-Card vendor.

IV. OTHER PROGRAM SPECIFICS

The procurement cards permissible categories of use shall fall within the following classification:

- EZ Pass purchases
- Electronic computerized purchases (i.e., office supplies vendors, social media, conference registrations)
- Membership dues, publications and subscriptions
- Utilities
- Purchases for auto parts, repair parts, sanitation supplies, and purchases made from local vendors that do not accept vouchers
- On a case by case basis as approved by the President or Vice President of Administration & Finance/CFO

P-Cards will be issued in the name of a specific individual upon the completion of the required training, only to personnel covered by a fidelity bond or blanked honesty policy held by the Authority.

Violations of policies governing the use of procurement cards shall result in appropriate remedial or disciplinary action without regard to the position held by the card user. Any violation of the policies governing use of the procurement card will result in immediate forfeiture of the ability to use such card and may result in other disciplinary action including but not limited to suspension, termination and criminal prosecution. The ACUA will also retain all rights to any funds misappropriated and will seek restitution of said funds through garnishment of wages, forfeiture of benefits and legal actions in a court of law.

UNDER NO CIRCUMSTANCES SHALL ANY P-CARD OR ELECTRONIC TRANSACTION BE USED FOR PERSONAL USE.

EXHIBIT A

Acknowledgement of Procurement Card Training and Agreement to Abide by Policies and Procedures for Procurement Card Usage

I, _____, hereby certify that I have been trained in the permitted
(Name of Cardholder)
use of procurement cards for the Atlantic County Utilities Authority and that topics as per attached have been explained.

I hereby agree to follow the provisions of the Procurement Card Program, its policies and procedures. I understand that violators of these rules may result in revocation of privilege of use and/or disciplinary action up to and including termination of employment. I also understand that inappropriate use may require that I reimburse all costs associated with such improper use.

Cardholder Signature

Cardholder - Print Name

Date

Assigned Card Number

Signature of Program Manager

Signature of Chief Financial Officer

Signature of Authority President

EXHIBIT B

AUTHORIZATION FOR PROCUREMENT CARD USE

TO: _____

FROM: Oren Thomas, Purchasing Card Program Manager

SUBJECT: ACUA Procurement Card Purchasing Program – Authorization for Procurement Card Use

You are hereby delegated to purchase goods and services using the ACUA Procurement Card issued by Bank of America. Your purchases may not exceed \$1,000.00 in value for a single transaction.

Instructions:

1. Please read and sign the Cardholder's Agreement (Exhibit A) to acknowledge your understanding of the Procurement Card Program Policy and Procedures and your receipt of the Purchasing Card.
2. Return this form (Exhibit A) to the Procurement Card Program Manager listed above.

EXHIBIT D
CARDHOLDER DISPUTE FORM

Dear Cardholder:

If you need additional space, please use the reverse side. Regulations regarding disputes require that the ACUA notify Bank of America in writing within 60 days of your receipt of the statement reflecting the disputed charge. Attempts should be made with merchant to resolve the dispute before the Program Manager notifies the credit card company. Any response received after the above mentioned time frame may result in Bank of America's inability to assist the ACUA with your dispute.

CARDHOLDER NAME: _____

CARD NUMBER: _____

ACUA PHONE NUMBER: _____

MERCHANT NAME: _____

DATE OF DISPUTED TRANSACTION: _____

DISPUTE TYPE:

_____ Incorrect Charge

_____ Credit Not Received

_____ Duplicate Charge

_____ Replacement Not Received

_____ Erroneous Charge

_____ Other

EXPLANATION OF DISPUTE: _____

MERCHANT'S RESPONSE: _____

CARDHOLDER'S SIGNATURE: _____ DATE: _____

EXHIBIT E

PROCUREMENT CARD LOST/STOLEN REPORT

TO: Oren Thomas; Procurement Card Program Manager

FROM: _____
(Name & Title)

Card Number: _____

Employee Signature: _____

Date of Loss: _____

Date Stolen: _____

Details: _____

EXHIBIT F
PROCUREMENT CARD RETURN FORM

TO: Oren Thomas; Procurement Card Program Manager

FROM: _____
(Name & Title)

Card Number: _____

Employee Signature: _____

Date Card Returned: _____

Returned To: _____

Signature: _____

Reason: _____

Action/ Date Taken: _____
