

RESOLUTION 17-8-176: ESTABLISHES POLICES AND PROCEDURES FOR USE OF PROCUREMENT CARDS AND FULL IMPLEMENTATION OF THE PROCUREMENT CARD PROGRAM.

ATLANTIC COUNTY UTILITIES AUTHORITY
RESOLUTION 17-8-176

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

WHEREAS, a pilot program was established in July 2016 for the use of procurement cards where appropriate for purchases of and/or for the Atlantic County Utilities Authority; and

WHEREAS, it is requested that full implementation of a procurement card program be established for the use of procurement cards where appropriate for purchases of and/or for the Atlantic County Utilities Authority and the program be enacted as a result of the successful completion of a one-year pilot program;

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 Board of Commissioners of the Atlantic County Utilities Authority find that full implementation of a procurement card 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 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 Program Policy and Procedures attached hereto, and approves full implementation of the Procurement Card 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 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 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. Current titles authorized to use P-Cards are listed in Exhibit A.

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 B).

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 individual/title, amount, time and category of usage permissible. The President of the Authority will issue final approval for all cardholders, including limits.

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.

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, recommend limits by amount, period (time) and categories of permissible use for individual Cardholders to the President for approval (See Exhibit A);
 - 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 the Program vendor to ensure eligibility of payment for rebates;
 - Monitor and assess quality of internal controls performance on a continuing basis to ensure that all controls are actively pursued each cycle without exception;
 - Review monthly P-Card transactions and limits by cardholder;
 - Review monthly the report prepared by ACUA internal auditor for P-Card purchases;
 - Ensure annual assessment of internal controls is conducted by the internal and/or outside auditors.
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 the name of the 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 P-Card vendor to document the transaction and the completed transaction log which lists all P-Card purchases (See Exhibit C);
- Provide a monthly report of spending profiles and transactions by cardholder to the President and VP of Administration & Finance/CFO;
- 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.
- Notify the Program vendor of any unresolved disputed charges on the 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:

- Complete and acknowledge training for the Program and agree to adhere to all related procurement policies and guidelines (see Exhibit B);
- Notify vendors of tax-exempt status of purchases;
- Ensure the transaction is approved, under the transaction limit and that all necessary paperwork is in order prior to making the P-Card purchase (i.e. a P-Card Purchase Order has been issued by the Program Manager);
- Ensure that all transactions are made in accordance with Authorization for Procurement Card Use (see Exhibit D)
- In the event the P-Card is required to be used prior to a Purchase Order being issued, Cardholder must notify the Program Manager of the use by sending an e-mail to pcard@acua.com that must include the reason for the purchase, the vendor and the estimated transaction amount(s). As soon as practicable, a requisition for the purchase must be completed and funds encumbered;
- Expeditiously provide all receipts to the Program Manager;

- Complete the Procurement Card Transaction Log in Excel for every transaction on the day of the transaction or as soon as practicable;
- Discuss disputed charge with the merchant prior to contacting the Program vendor; if not resolved, promptly complete cardholder dispute form (See Exhibit E);
- 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 immediately after loss is realized to the Program Manager and complete Purchasing Card Lost or Stolen Report (See Exhibit F).
- Relinquish the P-Card to the Program Manager and reconcile all final transactions prior to a change of job duties, job title, separation from ACUA or at the request of the Program Manager. In addition, a Purchasing Card Return Form must be completed (See Exhibit G);

IV. OTHER PROGRAM SPECIFICS

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

- EZ Pass purchases
- Motor Vehicle Commission transactions
- 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 personnel otherwise authorized to approve purchases (i.e. 2nd approvers in Edmunds) and in accordance with NJAC 5:30-9A and NJSA 40A:5-16(c)

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

The following titles will be issued P-Card upon completion of required training. These titles and limits are subject to change as described in Section II of these Policies & Procedures:

Title	Division	Transaction Limit	Monthly Limit
Director of Finance, Research and Development	Administration	\$6,000	\$40,000
Facilities & Fleet Services Manager	Centralized Maintenance	\$1,000	\$6,000
Facilities Services Group Leader	Centralized Maintenance	\$1,000	\$6,000
Mechanical & Electrical Services Manager	Centralized Maintenance	\$1,000	\$6,000
Wastewater Systems Supervisor	Wastewater	\$1,000	\$6,000

EXHIBIT B

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 D

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 \$_____ in value for a single transaction for purchases and \$_____ total in any billing cycle.

Instructions:

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

EXHIBIT E
CARDHOLDER DISPUTE FORM

Dear Cardholder:

If you need additional space, please use the reverse side. Regulations regarding your dispute require that you notify Bank of America in writing within 60 days of your receipt of the statement reflecting the disputed charge. You are not required to use this form to notify Bank of America of your dispute, you may write us a separate letter. Attempts should be made with merchant to resolve the dispute before notifying the credit card company. Any response received after the above mentioned time frame may result in Bank of America's ability to assist you 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 F

PROCUREMENT CARD LOST/STOLEN REPORT

TO: Oren Thomas; Procurement Card Program Manager

FROM: _____
(Name & Title)

Card Number: _____

Employee Social Security Number: _____

Employee Signature: _____

Date of Loss: _____

Date Stolen: _____

Details: _____

EXHIBIT G

PROCUREMENT CARD RETURN FORM

TO: Oren Thomas; Procurement Card Program Manager

FROM: _____
(Name & Title)

Card Number: _____

Employee Social Security Number: _____

Employee Signature: _____

Date Card Returned: _____

Returned To: _____

Signature: _____

Reason: _____

Action/ Date Taken: _____
