

RESOLUTION NO. 2019 – 577

A RESOLUTION CONFIRMING THE OFFICIAL CASH  
MANAGEMENT PLAN FOR THE CALENDER YEAR 2020.

**WHEREAS**, N.J.S.A. 40A:5-14 provides that:

“Each local unit shall adopt a cash management plan and shall deposit, or invest, or both deposit and invest, its funds pursuant to the plan”; and

**WHEREAS**, the Chief Financial Officer has worked with other municipal officials and employees and advisors in preparing the Calendar Year 2020 Cash Management Plan of the City of Vineland.

NOW THEREFORE BE IT RESOLVED, by the Council of the City of Vineland that:

1. The Calendar Year 2020 Cash Management Plan as incorporated herein by reference hereto is hereby adopted; and
2. The Chief Financial Officer shall deposit and invest all monies of this municipality as designated by the Cash Management Plan in accordance with the provisions of the Plan and in accordance with N.J.S.A. 40A:5-14.
3. The City Clerk shall file a certified copy of this resolution with the Chief Financial Officer of the City of Vineland and the City Auditor.

Adopted: \_\_\_\_\_

\_\_\_\_\_  
President of Council

ATTEST:

\_\_\_\_\_  
Deputy City Clerk

**CASH MANAGEMENT PLAN OF THE CITY OF VINELAND  
IN THE COUNTY OF CUMBERLAND, NEW JERSEY**

**I. STATEMENT OF PURPOSE**

This Cash Management Plan (the "Plan") is prepared pursuant to the provisions of N.J.S.A. 40A:5-14 in order to set forth the basis for the deposits ("Deposits") and investment ("Permitted Investments") of certain public funds of the City of Vineland, pending the use of such funds for the intended purposes. The Plan is intended to assure that all public funds identified herein are deposited in interest bearing Deposits or otherwise invested in Permitted Investments hereinafter referred to. The intent of the Plan is to provide that the decisions made with regard to the Deposits and the Permitted investments will be done to insure the safety, the liquidity (regarding its availability for the intended purposes), and the maximum investment return within such limits. The Plan is intended to insure that any Deposit or Permitted Investment matures within the time period that approximates the prospective need for the funds deposited or invested so that there is not a risk to the market value of such Deposits or Permitted Investments. The intent of the Plan is to also assure the operational receipts and disbursements of funds are managed in accordance with New Jersey statutory guidelines.

**II. IDENTIFICATION OF FUNDS AND ACCOUNTS TO BE COVERED BY  
THE PLAN**

- A. The Plan is intended to cover the deposit and/or investment of the following funds and accounts of the City of Vineland:

- Current Fund/General Account/Disbursing Account
- General Capital Fund/General Capital Accounts
- Animal Control Fund/Animal Control Accounts
- Other Trust Funds/Trust Accounts
- Assessment Trust Fund/Assessment Trust Accounts
- Electric Operating Fund/General Account
- Electric Capital Fund/Electric Capital Accounts
- Electric Trust Fund/Electric Trust Accounts
- Water Operating Fund/General Account
- Water Capital Fund/Water Capital Accounts
- Water Assessment Trust Fund/Water Assessment Accounts
- Solid Waste Operating Fund/General Account
- Solid Waste Capital Fund/Solid Waste Capital Account

B. It is understood that this Plan is not intended to cover certain funds and accounts, specifically:

- Municipal Court (General and Special Bail) Accounts
- Change and Petty Cash Funds
- Trust Funds to the extent that the deposit of such funds to an interest bearing account would require by law the payment of interest to the provider of funds

### **III. DESIGNATION OF OFFICIALS OF THE CITY OF VINELAND AUTHORIZED TO MAKE DEPOSITS AND INVESTMENTS UNDER THE PLAN**

The Chief Financial Officer of the City of Vineland is hereby authorized and directed to deposit and/or invest the funds referred to in the Plan. The Chief Financial Officer is hereby authorized to designate in writing an alternate to act in his/her capacity during an absence. Prior to making any such Deposits or any Permitted Investments, such officials are directed to supply to all depositories or any other parties with whom the Deposits or Permitted Investments are made a written copy of this Plan which shall be acknowledged in writing by such parties and a copy of such acknowledgment kept on file with such official.

### **IV. DESIGNATION OF DEPOSITORIES**

The following banks and financial institutions are hereby designated as official depositories for the deposit of all public funds referred to in the Plan, including any Certificates of Deposit which are not otherwise invested in Permitted Investments as provided for in this Plan:

- Ocean First Bank
- South Jersey Federal Credit Union
- Branch Banking and Trust (BBT)
- Newfield National Bank
- Members First Federal Credit Union
- TD Bank
- Bank of America
- PNC Bank
- NJ Cash Management Fund
- Bay Atlantic Credit Union
- Century Savings

All such depositories shall acknowledge in writing receipt of this Plan by sending a copy of such acknowledgment to the Designated Official(s) referred to in Section III above.

**V. RECEIPTS AND DISBURSEMENT OF FUNDS**

A. City Council shall establish by resolution adopted at its reorganization meeting of said administration the required signatories to all municipal bank accounts.

1. All warrants or checks for the disbursement of money shall be made by any two (2) of the following officials for the following account types:

Current Funds, Capital Funds, Grant Funds, Tax Title Lien Redemption/premium, and Trust Funds:

MAYOR  
CHIEF FINANCIAL OFFICER  
BUSINESS ADMINISTRATOR  
TREASURER  
ASSISTANT TREASURER

2. All warrants or checks for the disbursement of money shall be made by one (1) of the following officials for the following account types:

City Clerk Election Account:

MAYOR  
CHIEF FINANCIAL OFFICER  
BUSINESS ADMINISTRATOR  
TREASURER  
ASSISTANT TREASURER

3. Without City Council Resolution or Ordinance shall be two Municipal Court bank accounts, governed by the NJ Judiciary with audit oversight by the Municipality, and with signatures designated by the Municipal Court Director. All warrants or checks for the disbursement of money shall be made by any two (2) of the following officials for the following account types:

Municipal Court – General and Bail Accounts

JUDGE  
MUNICIPAL COURT DIRECTOR  
MUNICIPAL COURT ADMINISTRATOR  
DEPUTY MUNICIPAL COURT ADMINISTRATOR  
VIOLATIONS CLERK

B. All municipal funds received by any official or employee shall be deposited within 48 hours to an interest bearing account in the name of the City of Vineland, or shall be turned over to Central Collection within 48 hours or receipt without exception. Additionally, funds can be received utilizing methods of electronic payment such as Electronic Funds Transfer (EFT) and/or Automated Clearing House (ACH) with prior CFO approval and ACH information on File in the Finance office.

- C. All revenues received by Central Collection shall be deposited to interest bearing accounts in the legal depositories with the exception of the items identified in Section D below.
- D. The following funds shall not be required to be maintained in interest bearing accounts:
  - 1. Change Funds
  - 2. Petty Cash Funds
  - 3. Trust Funds to the extent that the deposit of such funds to an interest bearing account would require by law the payment of interest to the provider of funds.
  - 4. Any grant funds required by the grant agreement not to be placed in interest bearing accounts.
  - 5. Bond and Interest Accounts for Debt Service Payments.
  - 6. Compensating balances maintained for the purpose of obtaining specific services from financial institutions. Such accounts may be established at the discretion of the Chief Financial Officer based on his/her determination of their cost effectiveness. The Chief Financial Officer shall have the authority to execute written agreements for said accounts.
  - 7. Any other funds or balances which due to reasons of practicality or requirements of some regulatory authority must be placed in non-interest bearing accounts.
- E. No municipal funds shall be disbursed by the Chief Financial Officer prior to approval of the City Council except for:
  - 1. Debt Service Payments
  - 2. Investments
  - 3. Payroll and Payroll agency turnovers
  - 4. School and County Tax Payments
  - 5. Reimbursement to Self Insurance Funds
  - 6. Economic Development Loans where City Council has previously approved an UEZ application submission and said application has been approved by the State UEZ Board.
  - 7. Any other vouchers necessary for smooth and efficient operations of the City of Vineland as determined by the Chief Financial Officer.

Items 1,2,4,5,6, and 7 shall be submitted to City Council for ratification on the bill resolution presented at the next Council meeting following the payments.

- F. The Chief Financial Officer is authorized to designate employees who may initiate and confirm wire transfers or other types of transfers.
- G. Electronic Disbursement/Claimant Certification – In accordance with N.J.S.A. 40A:5-16 (c) and Regulatory NJAC 5:30 9-6, payments to vendors do not require Claimant Certification under certain circumstances, including but not limited to
  - 1. When payment to vendors is required in advance of the delivery of certain materials or services that cannot be obtained from any other source at comparable prices; or
  - 2. When ordering, billing and payment transactions for goods or services are made through a computerized electronic transaction; or
  - 3. When claim or demand is less than a threshold as set by the Qualified Purchasing Agent (QPA)-(the bid threshold) and the certification is not readily obtainable by the contracting unit; but such exceptions shall not include reimbursement of employee expenses or payment for personal services.
- H. The Chief Financial Officer is authorized to electronically transmit pay checks to regular salaried employees of the City of Vineland at the rates approved by Mayor and Council.
- I. N.J.S.A. 40A:5-43 et seq. and N.J.S.A.2B:1-5 respectively provide for Municipal Courts and municipal agencies to be authorized to establish a system to accept electronic payments such as court imposed obligations, or other valid municipal charges.
- J. All systems established for receipt of electronic payments are subject to the rules established by the Director of the Division of Local Government Services and the Rules of Court which are further delineated by Rule 7:14-4(c) which authorizes municipal courts to accept electronic payments and N.J.A.C. 5:30-9.1 et seq. which are established by the Division of Local Government Services providing guidelines for local governments use and receipt of electronic payments.
- K. Definitions applied when utilizing electronic devices are in accordance with the definitions found in N.J.A.C. 5:30-9.2.
- L. Prior to utilizing a method of electronic payments, the Chief Financial Officer will have evaluated the process to ensure compliance with the rules and regulations and approved the accounting and control procedures to be utilized.
- M. Prior to utilizing a method of electronic payments including PCard, Credit Cards, ACH and wires, the Chief Financial Officer will have evaluated the process to ensure compliance with the rules and regulations and approved the accounting and control procedures to be utilized.
- N. Policy and Procedure Manuals for Credit Cards, PCards, and Electronic Payments (ACH/Wire) are attached in Appendix A.

**VI. DESIGNATION OF BROKERAGE FIRMS AND DEALERS WITH WHOM THE DESIGNATED OFFICIALS MAY DEAL**

The following brokerage firms and/or dealers and other institutions are hereby designated as firms with whom the Designated Official(s) of the City of Vineland referred to in this Plan may deal for purposes of buying and selling securities identified in this Plan as Permitted Investments or otherwise providing for Deposits. It will also be stated that, at any time, additional brokerage firms may be added at the discretion of the Chief Finance Officer.

Bank of New York Mellon  
Bank of America  
Barclays Capital  
Branch Banking and Trust Company  
Citigroup  
Goldman Sachs

Merrill-Lynch  
Morgan Stanley Smith Barney  
Charles Schwab  
Wells Fargo  
PFM Asset Management LLC

**VII. AUTHORIZED INVESTMENTS**

A. Investments shall be limited by the express authority of the Local Fiscal Affairs Law, N.J.S.A. 40A:5-15.1 and except as otherwise specifically provided for herein, the Designated Official is/ are hereby authorized to invest the public funds covered by this Plan in the following types of securities which, if suitable for registry, may be registered in the name of the local unit, and to the extent not otherwise held in Deposits, in the following Permitted Investments:

1. Bonds or other obligations of the United States Of America or obligations guaranteed by the United States of America;
2. Government money market mutual funds;
3. Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligations bears a fixed rate of interest not dependent on any index or other external factor;
4. Bonds or other obligations of the Local Unit or bonds or other obligations of school districts or which the Local Unit is a part or within which the school district is located;
5. Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law," P.L.1983, c. 313 (C.40A:5A-1 et seq.). Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Local Government Services in the Department of Community Affairs for investment by local units;

6. Local government investment pools;
  7. Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.S2:18A-90.4); or
  8. Agreement for repurchase of fully collateralized securities if:
    - a. the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection a; or are bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law," P.L.1983, c. 313 (C.40A:5A-1 et seq.;
    - b. the custody of collateral is transferred to a third party;
    - c. the maturity of the agreement is not more than 30 days;
    - d. the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c. 236 (C.17:9-41); and
    - e. A master repurchase agreement providing for the custody and security of collateral is executed.
  9. Certificates of Deposit in accordance with the following conditions: (a) the funds are initially invested through a public depository as defined in section 1 of P.L. 1970, c.236 (C.17:9-41) designated by the local unit; (b) the designated public depository arranges for the deposit of the funds in certificates of deposit in one or more federally insured banks or savings and loans associations, for the account of the local unit; (c) 100 percent of the principal and accrued interest of each certificate of deposit is insured by the Federal Deposit Insurance Corporation; (d) the designated public depository acts as custodian for the local unit with respect to the certificates of deposit issued for the local unit's account; and (e) at the same time that the local unit's funds are deposited and the certificates of deposit are issued, the designated public depository receives an amount of deposits from customers of other banks and savings and loan associations, wherever located, equal to the amount of funds initially invested by the local unit through the designated public depository.

=
- B. Any investment instruments in which the security is not physically held by the local unit shall be covered by a third party custodial agreement which shall provide for the designation of such investments in the name of the local unit and prevent unauthorized use of such investments.



- C. Purchase of investment securities shall be executed by the “delivery versus payment” method to ensure that securities are either received by the local unit or a third party custodian prior to or upon the release of the local unit’s funds.
- D. Any investments not purchased and redeemed directly from the issuer, government money market mutual fund, local government investment pool, or the State of New Jersey Cash Management Fund, shall be purchased and redeemed through the use of a national or State bank located within this State or through a broker-dealer which, at the time of purchase or redemption, has been registered continuously for a period of at least two years pursuant to section 9 of P.L. 1967, c.93 (C.49:3-56) and has at least \$25 million in capital stock (or equivalent capitalization if not a corporation), surplus reserves for contingencies and undivided profits, or through a securities dealer who makes primary markets in U.S. Government securities and reports daily to the Federal Reserve Bank of New York its position in and borrowing on such U.S. Government securities.
- E. For purposes of this section:
  - 1. “Government money market mutual fund” means an investment company or investment trust:
    - a. which is registered with the Securities and Exchange Commission under the “Investment Company Act of 1940,” 15 U.S.C. s. 80a-1 et seq., and operated in accordance with 17 C.F.R. s.270.2a-7, except that a government money market mutual fund may not impose liquidity fees or redemption gates regardless of whether permitted to do so under 17 C.F.R. s.270.2a-7;
    - b. the portfolio of which is limited to U.S. Government securities that meet the definition of an eligible security pursuant to 17 C.F.R. s.270.2a-7, securities that have been issued by New Jersey school districts, municipalities, counties, and entities subject to the “Local Authorities Fiscal Control Law,” P.L. 1983, c.313 (C.40A:5A-1 et seq.) that meet the definition of an eligible security pursuant to 17 C.F.R. s.270.2a-7, and repurchase agreements that are collateralized by such securities in which direct investment may be made pursuant to paragraphs (1), (3) and (5) of subsection A. of this section; and
    - c. which is rated by a nationally recognized statistical rating organization.
  - 2. “local government investment pool” means an investment company or investment trust:
    - a. which is managed in accordance with generally accepted accounting and financial reporting principles for local government investment pools established by the Governmental Accounting Standards Board;

City of Vineland, NJ

- b. which is rated in the highest category by a nationally recognized statistical rating organization;
- c. which is limited to U.S. Government securities that meet the definition of an eligible security pursuant to 17 C.F.R. s. 270.2a-7, securities that have been issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law," P.L. 1983, c.313 (C.40A:5A-1 et seq.), that meet the definition of an eligible security pursuant to 17 C.F.R.s270.2a-7 and repurchase agreements that are collateralized by such securities in which direct investment may be made pursuant to paragraphs (1), (3) and (5) of subsection A. of this section;
- d. which is in compliance with such rules as may be adopted pursuant to the "Administrative Procedure Act," P.L. 1968, c.410 (c.52:14B-1 et seq.) by the Local Finance Board of the Division of Local Government Services in the Department of Community Affairs, which may promulgate rules providing for disclosure and reporting requirements, and other provisions deemed necessary by the board to provide for the safety, liquidity and yield of the investments,
- e. which does not permit investments in instruments that: are subject to high price volatility with changing market conditions; cannot reasonably be expected, at the time of interest rate adjustment, to have a market value that approximates their par value; or utilize an index that does not support a stable net asset value;
- f. which purchases and redeems investments directly from the issuer, government money market mutual fund, or the State of New Jersey Cash Management Fund, or through the use of a national or State bank located within this State, or through a broker-dealer which, at the time of purchase or redemption, has been registered continuously for a period of at least two years pursuant to section 9 of P.L. 1967 C.49:3-56) and has at least \$25 million in capital stock (or equivalent capitalization if not a corporation), surplus reserves for contingencies and undivided profits, or through a securities dealer who makes primary markets in U.S. Government securities and reports daily to the Federal Reserve Bank of New York its position in and borrowing on such U.S. Government securities; and
- g. which does not impose liquidity fees or redemption gates.

- F. Investments in, or deposits or purchases of financial instruments made pursuant to this section shall not be subject to the requirements of the "Local Public Contracts Law," P.L. 1971, c.198 (C.40A:11-1 et. seq.).

**VIII. SAFEKEEPING CUSTODY PAYMENT AND ACKNOWLEDGEMENT OF RECEIPT PLAN**

To the extent that any Deposit or Permitted Investment involves a document or security which is not physically held by the City of Vineland, then such instrument or security shall be covered by a custodial agreement with an independent third party, which shall be a bank or financial institution in the State of New Jersey. Such institution shall provide for the designation of such investments in the name of the City of Vineland to assure that there is no unauthorized use of the funds or the Permitted Investments or Deposits. Purchase of any Permitted Investments that involve securities shall be executed by a "delivery versus payment" method to insure that such Permitted Investments are either received by the City of Vineland or by a third party custodian prior to or upon the release of the City of Vineland's funds.

To assure that all parties with whom the City of Vineland deals either by way of Deposits or Permitted Investments are aware of the authority and the limits set forth in this Plan, all such parties shall be supplied with a copy of this Plan in writing and all such parties shall acknowledge the receipt of that Plan in writing, a copy of which shall be on file with the Designated Official(s).

**IX. POLICIES REGARDING THE AMOUNT TO BE INVESTED AND OBTAINING RATES**

It shall be the responsibility of the Chief Financial Officer to analyze the cash flow and to invest funds in legal investments, with consideration for preservation of capital, liquidity, current and historical investment returns, diversification, maturity requirements, costs and fees, and when appropriate, policies of investment instrument administrators. The Chief Financial Officer will observe the following guidelines:

With regard to obtaining interest on the various investment pools from commercial banks, savings banks and Community banks and other depository institutions listed in Section IV above, the Chief Financial Officer shall attempt to obtain a minimum of three quotations and shall invest at the institutions offering the highest effective rate. If such investment together with all other deposits of the City of Vineland in said institution exceeds the Federal Deposit Insurance Corporation limit, then the institution must be covered by a current Government Unit Deposit Protection Act ("GUDPA") certificate

The Chief Financial Officer shall determine which type of legal investment will best serve the needs of the municipality and is authorized to place funds in any legal investment unless otherwise restricted by law or by the governing body.

The Chief Financial Officer is authorized to contract the services of a Financial Advisor, as needed.

The Chief Financial Officer shall develop procedures to insure internal controls are adequate to safeguard the City of Vineland funds.

City of Vineland, NJ

The amount invested should be limited to idle funds, as determined by the Chief Financial Officer. (The amount of funds remaining after forecasting and calculating bills to be paid, less compensating balance requirements are considered idle funds.)

For investments in any single bond anticipation note, temporary note, emergency note, special emergency note, tax anticipation note or other notes being sold by a municipality, county, board of education or fire district, which exceeds \$2.0MM, the receiving agency should have an underlying bond rating from a nationally recognized statistical rating organization (e.g. Standard & Poor, Moody's, or Fitch) equivalent to AA or higher.

**X. REPORTING REQUIREMENTS**

On or as close to the first day of each month during which this Plan is in effect, the Designated Official, referred to in Section III hereof shall supply to the governing body of the City of Vineland a written report of any Permitted Investments made pursuant to this Plan, which shall include, at a minimum, the following information:

- a) The name of any institution holding funds of the City of Vineland as a Permitted Investment:
- b) The amount of securities purchased-or sold during the immediately preceding month.
- c) The class or type of securities purchased.
- d) The book value of such Permitted Investments.
- e) The earned income on such Permitted Investments to the extent that such amounts are actually earned at maturity, this report shall provide an accrual of such earnings during the immediately preceding month.
- f) The fees incurred to undertake such Permitted Investments
- g) The market value of all Permitted Investments as of the end of the immediately preceding month.
- h) All other information which may be deemed reasonable from time to time by the governing body of the City of Vineland.

**XI. VII. TERM OF PLAN**

This Plan shall be in effect from January 1, 2020 to December 31, 2020. Attached to the Plan is a resolution of the governing body of the City of Vineland approving this Plan for such period of time. The Plan may be amended from time to time.



# **CITY OF VINELAND**

## **PROCUREMENT CARD (P-CARD) PROGRAM**

### **POLICY & PROCEDURE MANUAL**

**KEY TERMS - PARTIES INVOLVED**

1. **P-Card Issuer** – Financial Institution of contract whose services include issuing Procurement Cards (P-Cards) to City employees, providing electronic transaction authorizations and billing the Organization for all purchases made on the P-Cards.
2. **Organization (City of Vineland)** – Arranges with the P-Card Issuer, to have Procurement Cards issued to approved employees and agrees to accept liability for the employees' use of the P-Cards.
3. **Department Manager** – A City Department Head who shall be required to approve employee's initial request for a Procurement Card, assign Department Liaison, designate default accounting code for purchases on the Procurement Card, and submit application to the Procurement Card Coordinator. The Department Head will assign a backup for the liaison and or Cardholder in case of any leave or absence.
4. **Procurement Card Administrator** – The Business Administrator is located in the Administrative Office who administrates the Procurement Card Program for the City and acts as the City's intermediary in correspondence with the P-Card Issuer
5. **Procurement Card Coordinator** – The City's Coordinator is the CFO located in the Finance Department/Accounting Office who coordinates the Procurement Card Program for the City and acts as the City's intermediary in correspondence with the P-Card Issuer.
6. **Financial Approval** – Required for a department to process a transaction. At cycle end they will assemble documentation of all Cardholder's activity and back-up for all invoices. Submit this to the Department Head for approval and signature and finally forward the Finance Office.
7. **Managerial Liaison** – Employees within a department that have been designated by the Department Head to be responsible for PCard reconciliation and documentation.
8. **Cardholder** – An employee of the City who is approved by their Department Head, the Chief Financial Officer, the Procurement Card Administrator and the City's Program Manager to use the Procurement Card to execute purchase transactions on behalf of the City of Vineland.
9. **Proxy Cardholder** – A Cardholder who's electronic and report generating responsibilities are performed by another cardholder within that department. The proxy Cardholder shall be required to provide all invoices and receipts to the person performing these tasks on their behalf.
10. **Vendor/Contractor** – The merchant from whom a Cardholder is making an authorized purchase.
11. **Bank** – For this program the City selected bank is the financial institution responsible for the issuing and supporting the program.

- 12. Billing Cycle** – For the purpose of this program, the billing cycle will be one (01) month, with a seven (07) day grace period before payment is due.
- 13. Cardholder Agreement** – Terms & conditions that define Cardholder use of the Procurement Card.
- 14. Financial P-Card Settings**
- a. **Per Cycle Limit** - Dollar limit of purchases that may be made during the current bill cycle. An accumulation of daily purchases during the billing cycle.
  - b. **Discretionary** - The maximum amount that a P-Card can be utilized for while waiting for the manager to sign off on transactions. Once signed off by manager funds available to cardholder will be restored.
  - c. **Single Transaction Limit** - The maximum dollar threshold assigned for each P-Card on a per purchase basis by both the Procurement Card Program Coordinator and City Purchasing Program Manager.
- 15. Merchant Category Code (MCC)** - A method to control where spending is permitted. All Visa merchants are assigned an industry specific MCC code, which the City can restrict from Procurement Card access. Once an MCC code is blocked, all merchants within that category will be declined.
- 16. Procurement Card (P-Card)** - A Procurement Card issued to an employee for the purpose of purchasing approved goods, materials, supplies and/or services for use by and for the City.
- 17. Personal Purchases** - Any purchase of goods, materials or services that are not purchased for the direct use and/or ownership of the City. **These types of purchases are NOT permitted by the City and are restricted by New Jersey State Law under the program guidelines.**
- 18. Purchase Request** - The process to request additional funds on a P-Card. When doing a request you only need to supply four (04) items - 1). Vendor's Name, 2). Description of what you are buying, 3). Dollar Amount & 4). Budget Appropriation/Account Number (Operating/Capital/Trust/Grant).
- 19. Flag** - Process by which a transaction can be electronically sent back to the source for additional information and/or clarification.
- 20. Program Manager** – The Program Manager is the Individual possessing a Qualified Purchasing Agent (QPA) certification from the New Jersey Division of Local Government Services and who is responsible for the day-to-day oversight and management of procurement card usage.

## HOW THE P-CARD PROGRAM WORKS



1. The Business Administrator and/or Chief Financial Officer approves the Procurement Card Program Cardholder Agreement Form requesting that certain personnel be authorized to possess and utilize a Procurement Card (P-Card) issued to them.
2. The Finance Office/Purchasing Division shall coordinate the issuance of the Procurement Card between the issuing Bank and City personnel. This includes the required training and support on the basic use & limitations of the P-Card & the City's accounting software.
3. Cardholder presents the P-Card to a merchant for the purchase of goods/services.
  - a) Merchant processes the P-Card information to obtain authorization for the purchase.
  - b) Cardholder receives the merchandise & a copy of the receipt.
  - c) Cardholder maintains the original receipt, which is remitted to the Finance/Accounting Division with the monthly cycle reconciliation for signature.
  - d) Bank receives the transaction information electronically.
  - e) Bank verifies the account number along with the dollar amounts and transaction limits on the P-Card.
  - f) Merchant receives payment for the merchandise within 2-3 business days.
  - g) Transaction goes through - 1). A series of electronic reviews within department, Cardholder/Manager/Accountant, 2). Financial Filtering, 3). Purchase Request & 4). MCC Filtering.
4. Cardholder electronically produces a monthly statement for reconciliation and payment certification at the end of the cycle. Attach this report to all invoices to support charges.
5. The original report and backup documents are forwarded to the Finance/Accounting Division for review & processing.
6. Post to the proper Operating/Capital/Trust and/or Grant Account.
7. Accounting will collect and review all monthly reconciliation for each billing cycle. Once the review has been completed the Accounting Office will sign-off on each reconciliation and assemble payment packet.
8. The City Accounting Office will file the originals with payment document for the billing cycle.

### **PROCUREMENT CARD PROGRAM OVERVIEW**

1. Procurement Cards shall be issued **only** to pre-approved City of Vineland employees.
2. Employee's full name shall be embossed on front of the P-Card. Only Cardholder's whose name is embossed on the P-Card shall be authorized to use the card and is solely responsible for ensuring that all charges made with the card are in compliance with these Policies & Procedures and the New Jersey State Law that governs their use.
3. Procurement Cards shall NOT be permitted to be transferred between individuals or Departments/Divisions. (Note: Failure to adhere to this policy shall be just cause for the immediate termination of all P-Card privileges and the confiscation of the card).
4. Department Managers may be the reviewer for more than one (01) Cardholder.

City of Vineland, NJ

5. All Department Managers will be required to follow the guidelines of the City's Procurement Card Program Policies & Procedures Manual.
6. Business Administrator and/or Chief Financial Officer shall be required to approve the request for a P-Card.
7. Cardholders shall make purchases (using established guidelines) and the Business Administrator or Chief Financial Officer or designee print a monthly Cardholder statement.
8. The Department Manager shall have the responsibility of identifying transactions and approving requisitions.
9. The P-Card Issuer shall send consolidated invoices to Procurement Card Coordinator at the end of each monthly billing cycle.
10. An Automatic Clearing House (ACH) payment will be made to the P-Card Issuer within a period specified by the terms of the contract.
11. P-Cards are permitted to be utilized by suppliers utilizing an electronic swipe card machine, online purchases, as well as telephone orders.
12. No single P-Card transaction shall exceed the dollar threshold amount of \$6,000.00 without the prior written (e-mail) approval of the Purchasing Agent or his/her designees (All P-Card Team Members).
13. All P-Card transactions will be approved at the requisition level.
14. Cardholders can only purchase items from approved suppliers and transactions approved by the City's Purchasing Division. The Purchasing Division has identified the following contracts or regional/national purchasing coop suppliers to be utilized under this program:
  - a. City Contracts
    - i. City of Vineland Contract Vendors (COV).
  - b. County/Regional Contracts
    - i. Atlantic County Purchasing Cooperative Pricing System Vendors (ACCOOP)
    - ii. Cumberland County Cooperative Pricing System Vendors (CCCPS)
    - iii. Hunterdon County Cooperative Pricing System Vendors (34-HUNCCP)
    - iv. The Educational Services Commission of New Jersey Vendors (ESCNJ)
    - v. Cranford Police Cooperative Pricing System
    - vi. Middlesex Regional Educational Services Commission Vendors (MRESC)
  - c. State Contracts
    - i. New Jersey State Cooperative Procurement Contract Vendors (NJSC)
    - ii. New Jersey State Open Blanket Order Vendors (NJOB) (NJStart)
    - iii. New Jersey State Department of Corrections, Bureau of State Use Industries (DEPTCOR)
  - d. National Cooperative Contracts

City of Vineland, NJ

- i. NJPA Vendors
  - ii. IAP Vendors
  - iii. HGAC-BUY Vendors
  - iv. PACE Vendors
  - v. US Communities Vendors
- e. Other Preapproved Commodities
- i. Registration for Professional Educational Offerings & Meetings
  - ii. Professional Memberships & Licenses
  - iii. Legally Required Public Advertisements (Legal Ads)
15. **Note:** Only items specifically authorized by the above contracts are to be purchased based on this **preapproved** criteria. Any exceptions shall be authorized by the Program Manager or his assigned designees. Under normal circumstances the request shall be made via e-mail to the Program Manager. The Cardholder should strive to purchase from City, County, Regional, National, New Jersey State approved coop vendors and preferred merchants whenever possible to take advantage of pricing and terms negotiated on our behalf and in compliance with the established rules of the New Jersey Local Public Contracts Law and other applicable procurement laws. Please note that this does not always afford the best possible pricing, but ensures that the procurement requirements of the State of New Jersey have been met and that the approved contractors are familiar with the same.

### **CARDHOLDER RESPONSIBILITIES**

1. The Cardholder shall utilize the P-Card for legitimate City purchases only. The P-Card **SHALL NOT** be utilized for the following:
  - a. Items for personal use
  - b. Items for non-City purposes or uses
  - c. Prepared foods & beverages, including alcoholic beverages
  - d. Travel related expenses, including transportation, vehicle rentals, parking, lodging, dining, etc...
  - e. Gasoline or fuel for travel related purposes
  - f. Entertainment expenses
  - g. Recreation activities & sporting events
  - h. Financial services
2. To ensure P-cards shall not be utilized to purchase gift or prepaid cards, unless prior written approval from the Purchasing Agent has been granted for such purposes.
3. Misuse of the P-Card may subject the Cardholder to disciplinary action in accordance with the City Policies & Procedures relating to disciplinary action & possible termination for cause. The Cardholder shall be required to do the following:
  - i. Ensure the P-Card is utilized for legitimate City business purposes only.
  - ii. Ensure that only approved goods & services are purchased with the card.

City of Vineland, NJ

- iii. Maintain that the P-Card is in held safe & secure at all times. The card should not be left out on or in an unlocked desk and/or in the open for others to access.
- iv. Do not permit other individuals to utilize your Procurement Card under ANY circumstances.
- v. Adhere to the pre-established purchase limits and restrictions of the P-Card and ensure that the total transaction amount of any single transaction does not exceed the dollar amounts established by the Program Manager and Procurement Card Program Coordinator.
- vi. Obtain & reconcile all sale slips, register receipts, and/or Procurement Card slips to P-Card Issuer Cardholder Statement and provide same to Department Manager for reconciliation, approval & allocation of transactions.
- vii. Signoff on transactions electronically, reallocating & adding comments in a timely manner and/or as may be required.
- viii. Note that funds are not restored to the P-Card until both the Cardholder & the Department Manager have both signed off on the transactions.
- ix. When purchases or items are found to be defective, please return the item(s) to the merchant as soon as possible for full replacement or to receive a credit on the purchase.
- x. Ensure that an appropriate credit for the reported disputed items or billing errors appear on a subsequent Cardholder Statement.
- xi. Do not accept cash in lieu of a credit to the P-Card account.
- xii. Immediately report a lost or stolen P-Card to the P-Card Issuer (24 hours a day, 365 days a year) Customer Service Center.
- xiii. Notify the Department Manager and the City's Program Coordinator of any lost or stolen P-Cards at the first opportunity during normal business hours.
- xiv. Return the Procurement Card to Department Manager upon terminating employment with the City or transferring Departments within the City.
- xv. If a vendor does not accept the P-Card, contact the City's Program Coordinator as soon as possible for further assistance & guidance concerning this matter.
- xvi. Report erroneous & emergency transaction needs to the Department Manager during normal business hours.
- xvii. Make sure the vendor includes an itemized invoice with the delivery along with the packing slip, or ask the vendor to fax you an itemized invoice.
- xviii. Verify that only in-stock items are ordered. NO BACK ORDERS shall be accepted or processed. Please verify that all telephone orders are in stock and ready for immediate shipment.
- xix. Maintain a log of orders placed by each Cardholder to verify that supplier processes the order. Transactions only appear on statements, if the order is processed & shipped.
- xx. Enter on each transaction the contract type and/or number for the supplier (i.e. City Contract #: COV BID # 2019-01).

**DEPARTMENTAL MANAGER RESPONSIBILITIES**

## City of Vineland, NJ

The Business Administrator or Chief Financial Officer will review each Procurement Card application approved for employees. The Department Manager shall receive basic training before any employees in the department may receive a Procurement Card. Their responsibilities include the following:

1. Reviews budget for expenditure.
2. Check compliance of including a general description of items purchased from the New Jersey State Contracts Listing.
3. Reviews cardholder transactions on a regular basis.
4. Attempts to resolve any disputes with the vendor and/or P-Card Issuer that cannot be resolved by Cardholder.
5. Notifies the Procurement Card Coordinator within 2-3 business days of any unresolved disputes, noting the reason for the dispute.
6. Notifies the Procurement Card Program Coordinator of any lost or stolen P-Cards as soon as possible.
7. Request the Procurement Card Program Coordinator to cancel a Cardholder's P-Card (e.g. terminated employees, transferring department & loss of Procurement Card privileges) as approved by Department Manager..
8. Collects the canceled P-Cards from Cardholders & forwarding them to the Procurement Card Program Coordinator.
9. Notifies the Program Manager of a Cardholder request(s) to have a P-Card Issuer set up a vendor..
10. Assists the Cardholders with erroneous declines & emergency transactions.

### **BUSINESS ADMINISTRATOR AND/OR CHIEF FINANCIAL OFFICER RESPONSIBILITIES**

- a. Check all Cardholder charge slips and receipts for audit by internal and external auditors.
- b. Forward reconciled and signed statements to the Accounting Office monthly for payment within the timelines specified by the P-Card Program Coordinator.

### **PROCUREMENT CARD COORDINATOR RESPONSIBILITIES**

The CFO has been assigned as the Procurement Card Program Coordinator to be responsible for the over-all Procurement Card Program. Responsibilities shall include the following:

- a. City liaison with the P-Card Issuer.
- b. Utilizing software from the P-Card Issuer.
- c. Reviewing Department approved P-Card applications for completeness of required information.
- d. Submitting completed application to the P-Card Issuer and receiving the Procurement Card from the P-Card Issuer.
- e. Assisting in the training of the Department Manager and Department Heads and or any other related parties before releasing Procurement Cards.

## City of Vineland, NJ

- f. Assisting in the basic Cardholder training before releasing the Procurement Card.
- g. Ensuring that prior to the issuance of the card that the Cardholder has signed a Procurement Card Program Cardholder Agreement Form (Attachment #1), signifying agreement with the terms of the City's Procurement Card Program.
- h. Handling disputed charges/discrepancies not resolved by Cardholder, Departmental Manager and/or Purchasing Division.
- i. Securing revoked Procurement Cards and submitting the information to P-Card Issuer.
- j. Receiving & reviewing the P-Card Issuer bill.
- k. Collection & review of all Cardholder's cycle reconciliations & backup invoicing.
- l. Processing electronic uploads of the bill to accounting.
- m. Preparing the bill for payment.
- n. Reconciling the P-Card Issuer's bill to card issuer's electronic file to the transaction totals posted to the City's accounting system.
- o. Reviewing usage of the Procurement Card data for appropriateness & validity. Ensuring that lost or stolen P-Cards have been blocked by the P-Card Issuer.
- p. Forwarding vendor set up requests to the P-Card Issuer.
- q. Assisting the Department Liaison with erroneous declines & emergency transactions.

### **P-CARDHOLDER ELIGIBILITY**

Criteria to receive a Procurement Card are as follows:

- a. Applicant shall be an employee of the City.
- b. Applicant's request for a Procurement Card shall be approved by both the Business Administrator and Chief Financial Officer.
- c. Applicant shall be assigned a Department Manager selected by their Department Head.
- d. Employee shall receive a basic training session before being issued their Procurement Card.
- e. Each individual Cardholder shall be required to sign a Procurement Card (P-Card) Program Cardholder Agreement Form (Attachment #1), prior to the issuance of a P-Card as well as an affidavit that they received P-Card training.

### **P-CARDHOLDER LIABILITY**

The Procurement Card (P-Card) is a governmental charge card which will not affect the Cardholder's personal credit; however, it is the Cardholder's responsibility to ensure that the P-Card is only utilized within the stated guidelines of the Procurement Card Cardholder Procurement Program Policies & Procedures Manual as well as City & New Jersey State policies & procedures relating to the expenditure of City funds & the use of P-Cards. Failure to comply with program guidelines may result in permanent revocation of the P-Card, notification of the situation to management, and further disciplinary measures that may include termination of employment.

### **P-CARDHOLDER TERMINATION**

The Procurement Card Coordinator upon notification is responsible to close an account if a Cardholder:

City of Vineland, NJ

- (a). transfers to a different department,
- (b). moves to a new position/title in which a Procurement Card is no longer required,
- (c). terminates employment.
- (d). for any of the following reasons which will also subject Cardholder to disciplinary action in accordance with City Policies & Procedures relating to disciplinary action and termination for cause:
  - 1. The P-Card is utilized for personal use or for unauthorized purposes.
  - 2. The P-Card is utilized to purchase alcoholic beverages or any substance, material, or service which violates policy, Law or regulations pertaining to the City.
  - 3. The Cardholder allows the P-Card to be utilized by another individual.
  - 4. The Cardholder splits a purchase to circumvent the limitations that have been placed on the Procurement Card.
  - 5. The Cardholder utilizes another Cardholder's P-Card to circumvent the purchase limit assigned to either Cardholder or the limitations of the Procurement Card.
  - 6. The Cardholder fails to provide Department Manager with required receipts & backup paperwork.
  - 7. The Cardholder fails to provide, when requested, information about any specific nature of the purchase and/or the use of the card.
  - 8. The Cardholder fails to adhere to all of the Procurement Card Program Policies & Procedures as attached herein and guidelines established by the State of New Jersey.

**PURCHASING DIVISION RESPONSIBILITIES**

- a. For approved New Jersey State, the Purchasing Division will generate and maintain a monthly listing of approved suppliers. This list shall be electronically maintained and is subject to revision on a regular basis by the Purchasing Division.
- b. The Purchasing Division will monitor transactions to ensure compliance with the New Jersey Local Public Contracts Law and the City P-Card Policies & Procedures.
- c. The Purchasing Division will assist the Accounting Office with the administration of the P-Card Program.
- d. The Purchasing Division will assist participants with the basic training of P-Card Program.

**LOST, MISPLACED OR STOLEN PROCUREMENT (P-CARD) CARDS**

Cardholders are required to **immediately report** any lost or stolen Procurement Card to P-Card Issuer (24 hours a day, 365 days a year). The Cardholder shall also be required to immediately notify the Business Administrator or Chief Financial Officer about the lost or stolen P-Card at the first opportunity during normal business hours.

**SPENDING CONTROLS**

The procurement card is to be utilized only for the purchase of supplies & needed services. The City, through the Procurement Card Program Coordinator & the Program Manage in conjunction with Department Heads, will adjust credit limits and allowed merchant types as determined by demonstrated need or emergent situation. The Procurement Card shall NOT be utilized for travel, parking, room &



board expenses, dining, prepared foods & beverages and entertainment expenses or any supplier or items or services that have not been preapproved by the Program Manager.

### ERRONEOUS DECLINES

Should the Procurement Card be erroneously declined by a vendor, the Cardholder should immediately contact the Department Manager for assistance. If purchase is being made outside of normal City business hours, the employee should attempt to find an alternate payment method or terminate the purchase and contact the Department Liaison during normal hours. If the Department Manager cannot determine the decline reason, the decline should be escalated to a Procurement Card Program Coordinator.

### EMERGENCY TRANSACTIONS

Emergency transactions may not be handled with the Procurement Card, unless prior approval has been granted by both the Program Manager & the Procurement Card Program Administer. The Cardholder shall be required to contact the Business Administrator or Chief Financial Officer for final authorization & approvals.

### CREDITS & RETURNS

Vendors shall be required to issue refunds for any item they have agreed to accept for return.. **Under no circumstances** shall the Cardholder be permitted to **accept cash in lieu of a credit** to the Procurement Card account.

### UNRESOLVED DISPUTES & BILLING ERRORS

The Cardholder is responsible for contacting the vendor to resolve any disputed charges or billing errors. If the matter is not resolved with the vendor, the Cardholder/Department Liaison shall do the following:

- a. Contact the Department Manager/Procurement Card Program Coordinator for assistance, if an acceptable resolution is not obtained as may be desired.
- b. Contact P-Card Issuer, twenty-four (24) hour Customer Service Center directly for further assistance.
- c. Mail or fax to the P-Card Issuer a signed P-Card Issuer Dispute Form to document the reason for the dispute.
- d. Ensure that the total amount billed by P-Card Issuer is charged to the individual departmental accounts and credits for disputed transactions are posted to departmental accounts when the credit appears on the P-Card Issuer billing statements.
- e. Complete a copy of the Procurement Card Program (P-Card) Cardholder Statement of Disputed Items form and submit to the Accounting Office for further action. (See Attachment #2)

### SECURITY & STORAGE

- **Procurement Cards (P-Cards)** – Cardholders shall always treat the Procurement Card with at least the same level of care as one would do with their own personal credit/debit cards. The P-Card should be maintained in a safe & secure location and the P-Card account number should be carefully guarded at all times. The only person entitled to utilize the P-Card is the person



whose name appears on the face of the P-Card. **The Procurement Card shall not be lent or utilized by another person for any reason. (Note: Failure to adhere to the policy & procedures shall be just cause for the immediate termination of all P-Card privileges and the confiscation of the card).**

- **Program Documentation** – All documentation concerning the Procurement Card Program will be maintained by the Procurement Card Program Coordinator located in the Finance Office. This documentation includes, but is not limited to, applications, Cardholder Agreements, billing statements, reconciliation of accounting statements, software programs, and copies of transmittals and correspondence with P-Card Issuer. Any time a purchase is made that will be paid using the Procurement Card, whether it is done over the counter or by telephone, a document shall be retained as proof of purchase. The documents will later be utilized to verify the purchases shown on the cardholder's monthly account statement.

## VENDOR SETUP

The Purchasing Division will monitor the frequently used vendors for purchases which qualify for use of the Procurement Card by the Cardholders. If a vendor frequently used by City employees does not accept a Procurement Card, the City will assist in recruiting the vendor to take the necessary steps to begin acceptance of the P-Card and provide this information to P-Card Issuer. Cardholders should contact the Purchasing Division when encountering vendors who do not accept the Procurement Card.

## TELEPHONE/ONLINE PURCHASE PROCEDURES

“Telephone/Online Procedure,” as used in these instructions, means a procedure where an order is placed or a purchase is made through an oral agreement which is made via a telephone and/or online. No written purchase order or contract will be issued by the City. The commodities are provided by the vendor and the payment is made using the Procurement Card.

When placing a telephone/online order to be paid utilizing the Procurement Card, the Cardholder shall be required to do the following:

- a. Confirm that the vendor agrees to charge the Procurement Card when shipment is made so that receipt of the supplies may be certified on the monthly account statement.
- b. Instruct supplier that the City is **tax exempt from all sales taxes** and please provide them the number which is printed on the front of every P-Card.
- c. Instruct the vendor to include the following information on the shipping documents or packing slip: This information will alert the receiving office and the requisitioner that the supplies have been purchased with the Procurement Card (P-Card).
- d. Cardholder's full name & department
- e. Building/property name
- f. Address
- g. Cardholder's telephone number
- h. Ensure that **No** credit charge fees are being assessed to the purchase
- i. Ensure that they know that the purchase is **Tax Exempt**

City of Vineland, NJ

Cardholders are encouraged to receive their own shipments; however, if someone in the City will be receiving a shipment on the Cardholder's behalf, the Cardholder should notify them in advance. Regardless of who receives the shipment, the Cardholder is responsible for obtaining all the required documentation (packing slips, mail order form copies, etc...) related to the purchase and verifying that the documentation complies with the requirements for support documentation set forth in this guide.

**Note:** The documentation shall be held until the monthly account statement is printed and then attached with the statement along with any other receipts for the billing period when the statement is submitted for final processing & payment.

## **VENDOR BLOCKING**

Transactions may be blocked at the point-of-sale level for specific types of commodities/transactions, dictated by the Merchants Commodity Code (MCC).

## **PROCUREMENT CARD SETUP, MAINTENANCE & CLOSURE**

All contact with P-Card Issuer for Procurement Card setup, maintenance and closure (except for reporting lost or stolen P-Card) will be handled by the Procurement Card Program Coordinator or designated staff members who are located in the City Finance Department.

### **1. P-Card Setup:**

- a. The Business Administrator and Chief Financial Officer completes the application by providing the name of the Departmental Manager, to be assigned to the P-Card, settings for, discretionary funds, cycle credit limits, transaction limits and the MCC controls..
- b. Department Head signature approval delegates transaction authority to the Cardholder.
- c. Approved application is to be sent to the Procurement Card Program Coordinator.
- d. Procurement Card Program Coordinator reviews application for completeness and submits application to P-Card Issuer in format approved by City.
- e. Upon receipt of the Procurement Card from P-Card Issuer, the Procurement Card Program Coordinator will conduct a training session with the Cardholder prior to issuing the P-Card.
- f. Cardholder signs Cardholder Agreement signifying agreement with the terms of the Procurement Card Program.

### **2. P-Card Maintenance:**

- a. Department Manager is to make all maintenance request to the Procurement Card Program Coordinator
- b. Procurement Card Program Coordinator shall make periodic changes and upgrades.

### **3. P-Card Closure:**

- a. **Lost or Stolen P-Cards** – Cardholder shall be required to immediately report the lost/stolen P-Card to P-Card Issuer (twenty-four (24) hour customer service. The Cardholder shall be required to also notify the Department Liaison who will contact

City of Vineland, NJ

the Procurement Card Program Coordinator who will follow up with P-Card Issuer to ensure the account has been closed.

- b. **Terminated or Transferred Employees** – Department Manager is to secure procurement P-Cards from terminated employees and employees who transfer to another City department. The Department Manager will immediately notify the Procurement Card Program Coordinator by telephone of the termination or transfer. A request for closing the Cardholder account shall be submitted to P-Card Issuer by the Procurement Card Program Coordinator within two (02) days of receiving the notification. All Procurement Cards are to be returned to the Procurement Card Program Coordinator for proper disposal.
- c. **Other P-Card Revokes/Closures** – Procurement Card Program Coordinator will notify P-Card Issuer immediately of all revokes and closures.

### **RECONCILIATION, APPROVAL & ALLOCATION OF BILLING**

#### **1. Receipt & Payment of P-Card Issuer Billing:**

- a. At the close of the monthly billing cycle, the Department will send an electronic billing statement to the Procurement Card Program Coordinator.
- b. Procurement Card Program Coordinator will review bill and payment in full will be made to P-Card Issuer.
- c. Procurement Card Program Coordinator will prepare payment to be issued to P-Card Issuer, so that payment will reach P-Card Issuer no later than seven (07) working calendar days after the close of the billing cycle of the previous month.
- d. Payment will be processed in accordance with P-Card Issuer's instructions.

#### **2. Cardholder Audit Requirements:**

- a. Reconcile vendor receipts to the Cardholder Statement.
- b. Submit vendor receipt & the Cardholder Statement to the Department Manager.

#### **3. Procurement Card Program Coordinator Audit Requirements:**

- a. Establish & notify Department Liaisons of monthly cutoff date for approvals.
- b. Make periodic audits of P-Card use and charges for appropriateness through the use of software's online reporting system.
- c. Areas to be monitored include, but not limited to:
  - i. compliance with procurement card policies and procedures,
  - ii. compliance with State regulations and Local Finance notices.
  - iii. Non-use of P-Card by Cardholders will also be monitored.

#### **4. Training Tips:**

City of Vineland, NJ

- a. Please make sure that the vendor has been entered into the City's Accounting software before utilizing the P-Card for a transaction. If they are not listed in the City's accounting software you must first obtain a W-9 and request a copy of their New Jersey Business Registration Certificate (BRC). Once you have these documents photocopies shall be forwarded to both the Accounting & Purchasing Offices.
- b. If the PCard is used for a certain vendor and the charge on the statement shows a different name (i.e. Career Track can show up as Fred Pryor or Park University), inform the Accounting office and Purchasing office as soon as possible.

City of Vineland, NJ  
**ATTACHMENT #1**

**PROCUREMENT CARD (P-CARD) PROGRAM CARDHOLDER  
AGREEMENT  
POLICIES & PROCEDURES FOR PROCUREMENT CARD USAGE**

I, \_\_\_\_\_, hereby certify that I have been trained in  
(Please Print or Type Full Name)

the proper use & procedures for the City of Vineland's Procurement Card (P-Card) Program and that I fully understand the rules & requirements for the usage of the City's Procurement Card.

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

**Cardholder:**

**Approvals:**

\_\_\_\_\_  
(P-Card Cardholder's - Print Full Name)

\_\_\_\_\_  
(Chief Financial Officer)

\_\_\_\_\_  
(P-Card Cardholder's - Signature)

\_\_\_\_\_  
( QPA, Program Manager)

# \_\_\_\_\_ / \_\_\_\_\_  
(Last Four (4) Digits of Assigned Card Number) (Date Card Issued)

\_\_\_\_\_  
(Date Training completed & Policies & Procedure Manual was provided to the Cardholder)

City of Vineland, NJ  
**ATTACHMENT #2**

**CARDHOLDER STATEMENT OF DISPUTED ITEM(S)**

**To:** Program Manager

**FROM:** \_\_\_\_\_  
(P-Cardholder print name)

The following item(s) listed on the Statement of Account are/is disputed.

**Date of Statement of Account:** \_\_\_/\_\_\_/\_\_\_\_\_

**Item(s)  
Disputed:** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Reason:** Provide information as to why the item(s) does not meet your requirements. Indicate actions requested of merchant, reason's merchant refused to correct dispute and any other information that is available to assist the Purchasing Office to negotiate dispute.

**Action Requested:** Return Item & obtain Credit

Exchange for same Item(s)

Exchange for different make, model, brand etc..., with applicable deduction/increase in cost. (This action will require prior approval from Cardholder, if a cost increase is required)

**Other  
Comments:** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
(P-Cardholder's Signature)

**Note: Please submit this form with the Statement of Accounts to the Finance Departments  
Accounts Payable Office**

# City of Vineland

## Electronic Funds Transfer Policy and Procedures

**Revised:** April 12, 2019

### Policy

The primary goal of this policy is to ensure Electronic Funds Transfers (EFTs) are initiated, executed, and approved in a secure manner. This policy establishes requirements with respect to domestic and international payments via EFT for payments of the City of Vineland's obligations to vendors.

### **Definitions:**

**Automated Clearing House (ACH):** Generally refers to payments made via direct deposit and should be set up in the vendor master that denotes this payment method.

### **Bank Acronyms:**

- ABA - American Banking Association
- BIC - Business Identifier Code
- IBAN - International Business Account Number
- IRC - International Routing Codes
- SWIFT - Society of Worldwide Interbank Financial Telecommunications

**Banking information:** Information from the payee or their bank regarding their account; including bank name, account name, account number, routing number, bank contact information and any other information necessary to transmit funds.

**Electronic Funds Transfer (EFT):** The electronic exchange (transfer of money from one bank account to another), either within a single financial institution or across multiple institutions, through computer-based systems. Wire transfers and ACH payments are examples of EFTs.

**Wire requests:** A Purchase order will include all required information necessary to complete the wire.

**Wire transfer:** An electronic transfer of funds from one bank account to another initiated directly with the payer's bank.

**Policy Statement:**

A wire transfer of funds in payment of an obligation of the City of Vineland (City) will only be used when the situation requires immediate good funds to settle a transaction. If a more inexpensive mechanism can be utilized to effect payment of the obligation (i.e. ACH or paper check), which is true for most domestic payments, the Chief Financial Officer (CFO) or their designee shall reserve the right to effect payment with a more inexpensive mechanism.

All other policies and procedures in relation to the purchase of goods and/or services must be adhered to.

**General Requirements:** All EFT payments will be coordinated and submitted through the Finance Department's Accounts Payable unit. The CFO or his/her designee will approve all new and changes to electronic funds transfer requests, ensuring that the



payment via wire is necessary, all required documentation is provided and appropriately approved, and that the request and banking account information is accurate and valid.

### **Roles and Responsibilities**

**Accounts Payable** in the Finance office is responsible for ensuring that proper documentation, authorization and accounting information are provided and accompany any EFT payment instructions.

**Purchasing Department** – Qualified Purchasing Agent (QPA) is responsible for administrative process for the purchase of goods and/or services and negotiating payment terms in relation to those purchases. If payment via EFT is requested, the QPA is responsible for working with the CFO to ensure the payment can be made in accordance with this policy.

**The Finance Office – Account Payable Unit** is responsible for initiating releasing EFTs on behalf of the City. Two separate individuals are required to initiate and release EFT payments through the City's banking partner's computer-based system. The CFO or their designee also has the responsibility to confirm EFT instructions with specific departments and individuals if there is any question as to the validity of the EFT request.

**Other Departments** - are responsible for obtaining and submitting proper support and approvals, including the completed Purchase order to the CFO at least seven business days prior to payment being needed.

**Procedures**

To promote the safety of City's funds in the EFT environment, the following procedures will be adhered to by all City employees requesting payments via EFT and all City employees involved in processing payments via EFT:

1. The procedure to initiate an EFT is subject to the same financial policies, procedures and controls that govern disbursement by any other payment mechanism.
2. EFT transactions will not be made without proper authorization of affected parties in accordance with federal and state statute and accepted business practices.
3. Authentication of new EFT requests and changes to existing EFTs required prior to the transaction being input into the computer-based banking system and includes the following steps:
  - a. **Validate** all new electronic payment instruction requests received even if the request is internal.
  - b. **Contact** the supplier or requester directly by phone to confirm any requests for payment method or payment instruction changes. Do not use the contact information provided on the request to change payment method or payment instructions; do use contact information known to be genuine such as the contact information in your master supplier file or information collected from the original contract. Have the contact confirm existing payment instructions on file prior to making changes to those instructions (i.e. current bank account and routing number provided in original instructions).

- c. **Verify** the new information provided on the payment instructions provided with the known contact (i.e. contact bank to confirm correct account name, number and routing information).
  
- d. **Document** the verification process that was followed to validate payment instructions. The person responsible for entering/updating wire instructions and the person approving new/updated wire instructions must approve the record of verification. A record of the verification must be maintained in accordance with record retention policies.

4. When wire payments are approved, they will be set up as a template in the computer-based banking system and cannot be altered by those assigned to use it.

5. When ACH payments are approved, they will be set-up in the vendor master database in the financial accounting system by individuals authorized to perform vendor maintenance.

6. Bank balances will be monitored daily for unusual or unexpected transactions. This is achieved through notices from the bank on a daily basis and monitored in the Finance office by Cash Managers responsible for the management of cash.

7. Reconciliation of banking activity to the general ledger will be accomplished in a timely manner with investigation and resolution of reconciling items.