RESOLUTION 2024-26

PAYMENT OF CLAIMS, CLAIMANT'S SIGNATURE FOR PAYMENT

WHEREAS, NJSA 40A:5-16 requires that the governing body of any local unit shall not pay out of its monies unless

(a) the person claiming or receiving payment first presents a detailed bill of items or demand, specifying particularly how the bill or demand is made up (the Invoice), with the certification of the party claiming payment that the bill or demand is correct (the Claimant Certification).

(b) the payment carries a written or electronic certification of some officer or duly designated employee of the local unit having knowledge of the facts that the goods have been received by, or the services rendered to, the local unit (certification of the user department).

WHEREAS, NJAC 5:30-9A.6 gives local units discretion to not require claimant certification by enacting a standard policy by resolution for vendors or claimants who do not provide such certification as part of its normal course of business; and

WHEREAS, generally, vendors do NOT provide such certification as part of the normal course of business which has created unnecessary confusion and delay in processing claims for payment; and

WHEREAS, the Claimant certification cannot be waived for reimbursement of employee expenses, or for services provided exclusively and entirely by an individual; and

WHEREAS, the Chief Financial Officer has communicated internal accounting controls as follows and has determined same to be sufficient to avoid errors and fraud in the processing of claims for payment

1) No goods or services will be procured without a valid Purchase Order containing the signature of the Township's Purchasing Agent.
2) Except for contract items approved by resolution of the Township Committee of Colts Neck Township, all procurement transactions must originate by way of a requisition in the Township's Finance System. Requisitions will not be processed without a digital signature of the Department Head (or, in certain limited situations, a designee approved by the CFO)

3) In processing Purchase Orders from Requisitions, Purchasing staff review for
    a. Department Head approval
    b. Legal Compliance (Local Public Contracts Law)
    c. Compliance with any relevant Township policy
    d. Reasonable business purpose
4) Questions regarding requisitions are reviewed with user departments. As necessary, certain issues are escalated to review by the Township's Purchasing Agent.
5) Requisitions that exceed the Pay-to-Play threshold ($17,500) or the bid threshold (currently $44,000) are forwarded to the Township's Purchasing Agent for processing.
6) Requisitions that exceed 15% of the bid threshold (currently $6,600) require at least 2 quotes (3 quotes are preferred). Quotes obtained by user departments are attached to the requisition (digital/scanned copy). Purchasing staff review all quotes or solicit quotes if or when needed.
7) Properly completed requisitions are converted to Purchase Orders by Finance Office staff.
8) Department Heads are actively engaged in preparing and monitoring their annual budgets. Clerical assistance is available for most departments. Regular reviews are performed to assure that activity posted to the department's budget, such as Purchase Orders, is valid, proper and authorized by the Department Head.
9) Claims for payment are submitted to Finance Office by each department. Invoices are reviewed to verify that work was performed as authorized and that prices are consistent with original proposals.
10) Invoices attached to the Purchase Order are submitted to Finance Office for payment. A responsible person with direct knowledge that the work was performed or goods received signs the Purchase Order to authorize payment.
11) In processing Purchase Orders (and invoices) for payment, Finance Office staff review for
    a. Certification by responsible person attesting that services were performed or goods delivered.
    b. Verify that payment is applied to proper contract, if applicable

c. Verify that the invoice does NOT pre-date the Purchase Order (Legal Compliance). (from item 1 above) No goods or services will be procured without a valid Purchase Order containing the signature of the Township's Purchasing Agent.

d. Review for proper accounting treatment (proper budget account and proper budget year).

e. Compliance with any relevant Township's policy

f. Reasonable business purpose

12) Questions regarding Purchase Orders / Invoices are reviewed with user departments. As necessary, certain issues are escalated to review by the CFO.

13) In preparing the annual Township Budget, the CFO reviews trends and query detail as considered necessary. All unusual items are researched.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWNSHIP COMMITTEE OF COLTS NECK TOWNSHIP, that the internal accounting controls presented above by the CFO are adopted as Township Policy for Payment of Claims

BE IT FURTHER RESOLVED that pursuant to NJAC 5:30-9A.6 the Township exercises its discretion to not require claimant certifications except as required for reimbursement of employee expenses, or for services provided exclusively and entirely by an individual

BE IT FURTHER RESOLVED that this resolution is effective upon its adoption for all claims paid subsequent to January 1, 2024.

I, Trina Lindsey, do hereby certify the foregoing to be a true and accurate copy of a Resolution passed by the Township Committee of Colts Neck Township during the Reorganization meeting held on the 6th day of January 2024

Trina Lindsey, Municipal Clerk

RECORD OF VOTE					
	M S	Yes	No	NV	Ab
Mayor Rizzuto		X			
Deputy Mayor Torchia Buss	M	X			
Viola	S	X			
Bartolomeo		X			
Fitzpatrick		X			
M - Moved S - Seconded X - indicates vote NV - Not Voting Ab - Absent					