

ORDINANCE 17-01
INTRODUCTION DATE: 01-04-17
ADOPTION DATE: 01-18-17

**AN ORDINANCE AMENDING CHAPTER II
(ADMINISTRATION), BY ADDING NEW SECTION 2-53
PAYROLL/ELECTRONIC DISBURSEMENT CONTROLS
OF THE REVISED GENERAL ORDINANCES OF THE
TOWNSHIP OF MILLSTONE, COUNTY OF MONMOUTH,
AND STATE OF NEW JERSEY**

BE IT ORDAINED by the Township Committee of the Township of Millstone, County of Monmouth, State of New Jersey, as follows (additions are underlined, and deletions are in [brackets]):

I

The Local Finance Board of the State of New Jersey adopted formal rules regarding “Electronic Disbursement Controls for Payroll Purposes” in order to provide formal authority for local governments to hire third-party payroll services/disbursing services to disburse funds to payroll agencies; and

In order to have a payroll servicer provide disbursement services, the governing body of Millstone Township must formally approve the principle of third-party having access to township funds, formally assigning responsibility to an official to oversee the process by enacting an ordinance, and approving all contracts or extensions,

2-53 “Payroll and Electronic Disbursement Controls for Payroll Purposes” is hereby established in the Municipal Administrative Code.

2-53.1 Payroll. The Treasurer shall prepare the payroll and it shall be certified by the person authorized to certify that the services have been rendered. Payroll checks shall be signed by those authorized by Township resolution.

2-53.2 Purpose. The purpose and intent of these regulations is to abide by the requirements of N.J.S.A. 52:27D-20.1 and N.J.A.C. 5:30-17.1 et seq., governing electronic disbursement controls for payroll purposes.

2-53.3 Definitions.

- A. Approval Officer – person(s) responsible for authorizing and supervising the activities of the payroll service
- B. Payroll Service – Third-party payroll service organization
- C. Municipality – Millstone Township, Monmouth County

2-53.4 Authorization.

- A. Millstone Township, Monmouth County, is authorized to use a payroll service to prepare payment documentation, take possession of township funds, and make such disbursements itself on behalf of the Township.

B. The following payroll service providers shall be required to comply with these regulations:

(1) Payroll service providers who use their own customized programming process to execute disbursement for the Township;

(2) Payroll service providers who use a third-party processor to execute disbursements for the Township.

2-53.5 TOWNSHIP REQUIREMENTS.

A. The appointment of a payroll service shall be pursuant to the Local Public Contracts Law, N.J.S.A. 40A:11-1 et seq., and shall require the contractor to do the following, not by way of limitation: data collection, agency report preparation, calculation of withholding, direct deposit of payroll disbursements, and/or transfer of township funds to contractor's account for subsequent disbursement of payment.

B. Any renewal or extension of a contract under these regulations shall be by resolution.

C. The Chief Financial Officer is hereby appointed the approval officer and is responsible for authorizing and supervising the activities of the payroll service and shall further be charged with the reconciliation and analysis of all general ledger accounts affected by the activities of the disbursing organization.

D. If required by the contract between the Township and the payroll service, the payroll service is permitted to hold township funds pending transmittal to a payee.

2-53.6 PAYROLL SERVICE REQUIREMENTS.

A. A payroll service must meet all of the following requirements:

(1) Report any irregularities that may indicate potential fraud, noncompliance with appropriate laws, dishonesty or gross incompetence on the part of the approval officer;

(2) Report circumstances that could jeopardize its ability to continue operations or otherwise interrupt the services provided to the Township.

B. A payroll service must meet the requirements of N.J.A.C. 5:30-17.5, requiring that the approval officer be assured that the servicer has its own internal controls and appropriately guard against theft and other adverse conditions.

C. All contracts entered into pursuant to these regulations and the laws authorizing the same shall comply with the requirements of N.J.A.C. 5:30-17.6, which sets out a series of mandatory contractual terms and conditions.

2-53.7 ESTABLISHMENT OF SERVICE. Upon the adoption of these regulations, the Township Committee, with the assistance of the Chief Financial Officer and the Township Attorney, as necessary, is hereby authorized and directed to enter into a contract for payroll service in accordance with all local public contracting laws and N.J.A.C. 5:30-17. Appointment of the payroll service shall be by separate resolution of the Township.

2-53.8 REPEALER. If any section, paragraph, subsection, clause or provision of this Ordinance shall be adjudged by the courts to be invalid, such adjudication shall apply only to the section, paragraph, subsection, clause or provisions so adjudicated, and the remainder of the Ordinance shall be deemed valid and effective.

2-53.9 SEVERABILITY. Any ordinances or parts thereof in conflict with the provisions of this Ordinance are repealed to the extent of such conflict.

II

All Ordinances and parts of Ordinances inconsistent herewith are hereby repealed.

III

If any section, subparagraph, sentence, clause or phrase of this Ordinance shall be held to be invalid, such decision shall not invalidate the remaining portion of this Ordinance.

IV

This Ordinance shall take effect upon adoption and publication according to law.

EXPLANATORY STATEMENT: This Ordinance creates Section 2-53 Payroll/Electronic Disbursement Controls