

RESOLUTION ESTABLISHING PROCUREMENT CARD POLICIES AND PROCEDURES

WHEREAS, by Resolution R-140-25, the Borough authorized the use of a Procurement Card (P-Card); and

WHEREAS, the Borough wishes to establish policies and procedures for use of the P-Card as required by law;

NOW, THEREFORE, BE IT RESOLVED, by the Mayor and Council of the Borough of Wharton in the County of Morris, New Jersey, that the following policies and procedures for the use of P-Cards for purchases by the Borough of Wharton be adopted and amended to the Borough's Purchasing Manual:

PROCUREMENT CARDS (P-Cards)

I. UTILIZATION OF P-CARDS

- a. P-Cards can be used for supplies or services under the following circumstances:
 - i. When payment to vendors is required in advanced of the delivery of goods or services and the goods or services cannot be obtained from any other source at a comparable price.
 - ii. When vendor only accepts payment via credit card for goods or services and the goods or services cannot be obtained from any other source at a comparable price.
 - iii. When placement of orders for goods and services is made through an electronic computerized transaction (i.e. order is placed from computer to computer via the internet or similar computer network) as authorized by N.J.S.A. 40A:5-16.
- b. P-Cards cannot be used for the purchase of items or services of a personal nature for employees or officials. Travel, dining and room and board expenses are also not permitted.

II. CARD ELIGIBILITY AND USE

- a. The Borough QPA shall designate a person who is authorized to use a P-Card for departmental purchases of goods and services. All authorized cardholders must comply with the P-Card policies outlined herein and ALL other procedures and requirements included within the Borough's Purchasing Manual.
- b. The individual whose name is on the card is the only person authorized to make purchases using the card. The cardholder will be held accountable for any policy infractions. The cardholder shall follow proper procedures in order to obtain authorization to make a purchase.

- c. The cardholder is responsible to determine that the price quoted for a product or service is the best price that can be obtained.
- d. Cardholders should be certain that the total amount, including shipping and handling charges, will not exceed the single purchase limit on the P-Card.

III. RESTRICTIONS AND CONTROL

- a. Use of the P-Card to purchase any product or service must comply with those permitted by the Borough's Procurement Policies and be in compliance with Local Public Contract Laws.
- b. The P-Card must never be used to purchase items for personal use or for non-Borough purposes.
- c. Any unauthorized or inappropriate use of a P-Card will result in cancellation of the P-Card and will subject the cardholder to disciplinary action including possible termination of employment, repayment to the Borough, and criminal prosecution.

IV. SPENDING LIMITS

- a. The monthly spending limit is the maximum available credit for the billing cycle. The card will reject any transaction that exceeds this limit.
- b. The Borough has established a limit on the card at \$24,000 per month. This monthly limit will be split among cardholders based on needs of business.
- c. Only in approved instances by both the CFO and the Administrator can a procurement reach the maximum of 15% of bid threshold by conducting a one-time approval based upon the circumstances.

V. CARD SECURITY/LIABILITY

- a. Cards must be strictly safeguarded. The cards will be stored in a secure location within the Purchasing department when not in use. It is the responsibility of each cardholder to secure the card at all times when in use.
- b. In case of loss, theft or misappropriation of the card account number, immediately contact the Borough QPA.
- c. The cardholder will not be liable for the unauthorized use of a stolen card by a third party as long as the card is reported stolen within 24 hours of when loss is detected by the individual.

VI. CARD MAINTENANCE

- a. Card Activation – once the cardholder has successfully completed training, the P-Card Administrator will activate the card for immediate use.
- b. Cancellation
 - i. Upon termination of employment, transfer to another department, or if the cardholder's responsibilities change

within the Department and the P-Card is no longer required in the newly assigned position, the cardholder must return the P-Card to the QPA. The cardholder must notify the Purchasing Card Program Administrator in writing of the change. The Purchasing Card Program Administrator will deactivate the P-Card.

- ii. The Purchasing Card Program Administrator will also require the cardholder to return the P-Card in the case of misuse.
- c. Card Changes – If a Cardholder needs to make changes to name, address, phone, or account numbers, they must notify the Purchasing Card Program Administrator in writing.
- d. Assignment – A P-Card may not be transferred or assigned to another person. P-Cards are the property of the Borough and the Designated Financial Institution and must be turned in to the QPA upon changing departments or leaving the Borough.

VII. P-CARD ORDER/PURCHASE PROCESS

- a. Purchases of appropriate items using the P-Card may be made from any vendor who accepts the MasterCard.
- b. An approved requisition based upon written quote or screen shot needs to be obtained prior to ordering.
- c. Notify the vendor that the purchase is exempt from New Jersey State sales tax, use tax and Federal excise tax. Provide the vendor with the Borough's New Jersey State Tax Exempt Number. If a cardholder is charged tax on a purchased item, it is the cardholder's responsibility to obtain credit from the vendor for the imposed tax.
- d. Contact the Finance Office if the vendor requests a copy of the Borough's Exempt Use Certificate Form ST-4.
- e. Cardholders must not permit vendors to retain the card or otherwise institute a "running total" for the card.
- f. Cardholder will submit receipts to the program manager immediately after purchase.
- g. Cardholder will immediately handle any returns to ensure the local unit receives credit or is not billed.

VIII. PURCHASING CARD ADMINISTRATOR/PROGRAM MANAGER

- a. The CFO or their designee shall be responsible for overall oversight of the P-Card program.
 - i. Processes payment to Designated Financial Institution.
 - ii. Reevaluate Program on an as needed basis, but not less frequently than annually.
- b. The Qualified Purchasing Agent will be the Program Manager with the following responsibilities:
 - i. Shall be responsible for day-to-day oversight and management of procurement in accord with the policy and the LPCL.

- ii. **Card Acquisition – All cards are imprinted with both the user’s names and the name of the local unit.**
- iii. **Ensure program participants are fully trained to be in compliance with the Procurement Card section of the Purchasing Manual.**
- iv. **Responsible for administering and overseeing all policies and procedures of the Purchasing Card Program.**
- v. **Reviews monthly statements and conducts an audit of P-Card transactions.**
- vi. **Performs regular reviews of transactions and cardholder activity and reports any activity that does not comply with the Program’s guidelines to the cardholder and their superior.**
- vii. **Reviews vendor activity for compliance with general procurement policies and procedures.**
- viii. **Helps resolve transactions that cannot be reconciled by the cardholder or approving manager.**
- ix. **Tracks card expiration dates and issues replacement cards. Tracks termination of cardholders. Cancels Cards as required.**

Adopted: October 27, 2025

BOROUGH OF WHARTON

ATTEST:

**WILLIAM J. CHEGWIDDEN,
MAYOR**

**Cheryl Muzzillo,
Deputy Borough Clerk**

APPENDIX A

Topics to be covered in Procurement Card User Training by Program Manager

1. Short explanation of N.J.A.C. 5:30-9A and the benefits of using P-Cards.
2. The policies and procedures established by the local unit's governing body concerning P-Card usage.
3. Expedient submittal of receipts to the program manager.
4. Expedient handling of returns to ensure the local unit receives credit or is not billed.
5. Explanation that users may only use cards at pre-approved vendors for pre-approved merchant codes which you will provide, and that use for travel/room and board is prohibited except for the limited circumstances applicable to counties.
6. Prohibition on cash advances from P-Cards.
7. Immediate reporting of lost or stolen cards to the program manager, who will in turn cancel them immediately.
8. Relinquishing the procurement card upon termination of employment or other circumstance where the employee's P-Card privileges are terminated.
9. Users must not permit vendors to retain the card or otherwise institute a "running total" for the card.
10. Notifying the program manager of suspected fraudulent acts.
11. Explanation that improper use of a card will result in the employee being personally responsible for any such payment, and the improper use of the card could result in the termination of the employee's privilege to use the card and additional personnel actions up to and including termination.
12. All employees shall sign a statement incorporating the substance of Appendix B.

APPENDIX 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 Borough of Wharton, and that topics as per attached
have been explained. (Attach Appendix A prior to cardholder signing).

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/Expiration Date

Signature of Program Manager

Signature of CFO