

**WASHINGTON T O W N S H I P
GLOUCESTER COUNTY**

ORDINANCE O22-2017

**ORDINANCE OF THE TOWNSHIP OF WASHINGTON PROVIDING THE AUTHORIZATION TO CONTRACT
WITH THIRD-PARTY PAYROLL SERVICES INCLUDING ELECTRONIC DISBURSEMENT CONTROL**

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

WHEREAS, in order to have a payroll servicer provide disbursement services, the Township Council of the Township of Washington must formally approve the principle of a third-party having access to the Township of Washington funds, formally assigning responsibility to an official to oversee the process by enacting an ordinance, and authorize a contract for third-party payroll services as permitted by and in compliance with N.J.A.C. 5:30-17 et seq.; and.

NOW, THEREFORE, BE IT ORDAINED by the Township Council of the Township of Washington, Gloucester County, New Jersey, authorizes the following:

Section 1. The Township 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 of Washington, as permitted by and in compliance with N.J.A.C. 5:30-17 et seq.;

Section 2. N.J.A.C. 5:30-17 et seq. requires the Governing Body to enact policies for contracting with a disbursing organization to process payroll disbursements on its behalf. Such policies shall be formally authorized and shall specify the tasks that may be performed by a disbursing organization. Such policies may involve the use of a disbursing organization to prepare the necessary payment documentation and execute disbursements from the local unit’s bank account on behalf of the Township of Washington. In addition, such policies may involve the preparation of payment documentation, take possession of local unit funds and make such disbursements itself on behalf of the Township of Washington, or any combination thereof; and

Section 3. N.J.A.C. 5:30-17.4 et seq. describes the terms and conditions the Township of Washington must meet prior to the execution of a contract with a disbursing organization, including permissible tasks, but not limited to data collection, agency report preparation, calculation of withholding, direct deposit of payroll disbursements, or local transfer of funds to disbursing organization’s account for subsequent payment. In addition, pursuant to N.J.S.A. 40A:5-17(a)(1) et seq. the Governing body shall designate the CFO to be responsible for authorizing and supervising the activities of the disbursing organization. Furthermore, the Governing Body shall supplement the duties of the approved officer established in accordance with N.J.S.A. 40a:5-17(a)(2) et seq. to include the reconciliation and analysis of all general ledger accounts affected by the activities of the disbursing organization. Additionally, the Township of Washington is hereby authorizing the disbursing organization to hold funds of the Township pending transmittal of those funds to a payee; and

Section 4. The disbursing organization must notify the Governing Body in the event of the following: (1) The disbursing organization detects irregularities that may indicate potential fraud, noncompliance with appropriate laws, dishonesty, or gross incompetence on the part of the approval officer; or (2) The disbursing organization experiences circumstances that could jeopardize its ability to continue operations or otherwise interrupt services provided to the Township of Washington; and

Section 5. The 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; and

Section 6. All contracts entered into pursuant to these regulations and the laws authorizing the same shall comply with the requirements of N.J.S.A 5:30-17.6 et seq, which sets out a series of mandatory contractual terms and conditions; and

Section 7. 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

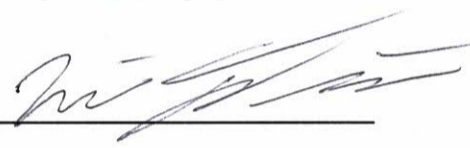
limitation: data collection, agency report preparation, calculation of withholding, direct deposit of payroll disbursements, and/or transfer of the Township of Washington funds to contractor's account for subsequent disbursement of payment; preparation of necessary payment documentation and execution of disbursements from the Township of Washington's bank account on behalf of the Township of Washington.

BE IT FURTHER RESOLVED, the disbursing organization must be in compliance with the eligibility requirements set forth in N.J.A.C. 5:30-17.5 et seq and N.J.A.C 5:30-17.6 et seq.

This Ordinance shall take effect thirty (30) days after final passage by Council or twenty (20) days after approval by the Mayor, whichever comes first.

	Motion	Second	Ayes	Nays	Abstain	Absent	Recuse
Donato		X	X				
Longfellow	X		X				
Pasqualone						X	
Perry			X				
Fazio						X	

TOWNSHIP OF WASHINGTON

BY: 

Nick Fazio, Council President

I do hereby attest the above Ordinance 22-2017 was introduced at the Township of Washington Meeting on July 26, 2017. A public hearing will occur on August 23, 2017 at 7:00PM.

ATTEST:


Leo Selb, Township Clerk

ADOPTION:

	Motion	Second	Ayes	Nays	Abstain	Absent	Recuse
Donato			X				
Longfellow	X		X				
Pasqualone			X				
Perry			X				
Fazio		X	X				

I do hereby attest the above Ordinance 22-2017 was adopted at the Township of Washington Meeting on July 26, 2017 by Township Council after a public hearing which was scheduled for August 23, 2017. Said Ordinance shall take effect in accordance with the law.

Attest:


Leo Selb, Township Clerk

On this 6th day of September, 2017, I hereby approve the above Ordinance.


JOANN GATTINELLI, MAYOR

ADOPTED: 9-27-17