

Township of Lawrence
County of Mercer

Ordinance No. 2248-16

ORDINANCE PROVIDING THE AUTHORIZATION TO CONTRACT WITH THIRD PARTY PAYROLL SERVICES INCLUDING ELECTRONIC DISBURSEMENT CONTROLS BY THE TOWNSHIP OF LAWRENCE, IN THE COUNTY OF MERCER, NEW JERSEY

BE IT ORDAINED by the Township Council of the Township of Lawrence, County of Mercer, State of New Jersey, authorizes the following:

Section 1. *WHEREAS*, the Local Finance Board of the State of New Jersey adopted rules regarding “Electronic Disbursement Controls for Payroll Purposes” in order to provide authority for local governments to hire third-party payroll services and disbursing services to disburse funds to payroll agencies; and

Section 2. *WHEREAS*, the Township of Lawrence wishes to permit a third-party service to have access to Township funds, to formally assign responsibility to an official to oversee the process, and to authorize a contract for third-party payroll services as permitted by and in compliance with N.J.A.C. 5:30-17.1 et seq.; and

Section 3. *WHEREAS*, 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, as permitted by and in compliance with N.J.A.C. 5:30-17.1 et seq.; and

Section 4. *WHEREAS*, N.J.A.C. 5:30-17.3 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 Lawrence Township. 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 Lawrence Township, or any combination thereof; and

Section 5. *WHEREAS* N.J.A.C. 5:30-17.4 et seq. describes the terms and conditions the Township of Lawrence 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 is hereby authorizing the disbursing organization to hold funds of the Township pending transmittal of those funds to a payee; and

Section 6. *WHEREAS*, 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; and

Section 7. *WHEREAS*, 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; preparation of necessary payment documentation and execution of disbursements from the Township's bank account on behalf of the Township; and

Section 8. *BE IT FURTHER RESOLVED*, the disbursing organization must be in compliance with the eligibility requirements set forth in in 5:30-17.5 et seq. and 5:30-17.6 et seq.

Adopted: October 18, 2016

RECORD OF VOTE

| COUNCIL | AYE | NAY | PRESENT | ABSENT | ABSTAIN | MOVE | SECOND |
|--------------|-----|-----|---------|--------|---------|------|--------|
| Mr. Bobbitt | X | | | | | X | |
| Mr. Kownacki | X | | | | | | X |
| Ms. Lewis | X | | | | | | |
| Mr. Powers | | | | X | | | |
| Mayor Maffei | X | | | | | | |