

Borough of Matawan

Public Notice of Pending Ordinance 20-08

The ordinance published herewith was introduced and passed upon first reading at a meeting of the Governing Body of the Borough of Matawan, in the County of Monmouth, State of New Jersey, on September 1, 2020. It will be further considered for final passage, after public hearing thereon, at a meeting of the Governing Body to be held at the Borough of Matawan, Matawan Municipal Community Center, 201 Broad Street, Matawan, New Jersey 07747 on October 6, 2020 at 7:00 o'clock PM. During the week prior to and up to and including the date of such meeting, copies of the full ordinance will be available at no cost and during regular business hours at the Clerk's Office for the members of the general public who shall request the same or on the Borough of Matawan website at www.matawanborough.com.

Karen Wynne, RMC
Municipal Clerk

ORDINANCE 20-08 AMENDING AND SUPPLEMENTING THE CODE OF THE BOROUGH OF MATAWAN – CHAPTER II – ADMINISTRATION SECTION 13 – THIRD PARTY PAYROLL DISBURSEMENT

WHEREAS, the Local Finance Board of the State of New Jersey adopted formal "Controls for Payroll Purposes" in order to provide formal authority for local governments to hire third-party payroll services/dispersing services to disburse funds to payroll agencies; and

WHEREAS, in order to have a payroll servicer provide disbursement services, the Council of the Borough of Matawan must formally approve the principle of a third-party having access to Borough funds, formally assigning responsibility to an official to oversee the process by enacting an ordinance, and approving all contracts or extensions.

NOW, THEREFORE, BE IT ORDAINED by the Council of the Borough of Matawan, County of Monmouth, State of New Jersey that Chapter II, Section 13 entitled "Third-Party Payroll Disbursement" is hereby established in the "Revised General Ordinances of the Borough of Matawan" as follows:

Section 13 Third-Party Payroll Disbursement

13-1 Purpose; definitions.

- a. The purpose and intent of these regulations is to abide by the requirements of NJSA 52:27D-20.1 and NJAC 5:30-17.1 et seq., governing electronic disbursement controls for payroll purposes.

- b. Definitions. As used in this chapter, the following terms shall have the meanings indicated:

“Approval Officer” – Person(s) responsible for authorizing and supervising the activities of the payroll service.

“Payroll Service” – Third-party payroll service organization.

“Borough” – Borough of Matawan

13-2 Authorization

- a. The Borough is authorized to use a payroll service to prepare payment documentation, take possession of Borough funds, and make such disbursements itself on behalf of the Borough.
- 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 disbursements for the Borough.
 2. Payroll service providers who use a third-party processor to execute disbursements for the Borough.

13-3 Borough Requirements

- a. The appointment of a payroll service shall be pursuant to the Local Public Contracts Law, See NJSA 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 Borough 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 approving 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 Borough and the payroll service, the payroll service is permitted to hold the Borough funds pending transmittal to a payee

13-4 Payroll service requirements

- a. A payroll service must meet all 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 by the Borough.

- b. A payroll service must meet the requirements of NJAC 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 NJAC 5:30-17.6, which sets out a series of mandatory contractual terms and conditions.

13-5 Establishment of service

Upon the adoption of these regulations, the Borough Administrator, with the assistance of the Chief Financial Officer and the Borough 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 NJAC 5:30-17. Appointment of the payroll service shall be by separate resolution of the Borough.

BE IT FURTHER ORDAINED any Ordinances or portions thereof which are inconsistent with the provisions of this Ordinance are hereby repealed to the extent of such inconsistencies only.

BE IT FURTHER ORDAINED if any provisions of this Ordinance, or the application of such provision to any person or circumstance is declared invalid, such invalidity shall not affect the other provisions or applications of this Ordinance, which can be given effect, and to this end, the provisions of this Ordinance are declared to be severable.

BE IT FURTHER ORDAINED this ordinance shall take effect immediately upon following the passage, adoption and publication pursuant to law.

BE IT FURTHER ORDAINED that a true certified copy of this Ordinance shall be forwarded to the following Borough of Matawan Departments: Clerk, Finance, Payroll as well as the Borough Auditor.