

Explanation: This Ordinance amends Chapter II entitled "Administration" by the addition of Section 2-41 entitled "Third-Party Payroll Disbursement."

**TOWNSHIP OF WARREN
ORDINANCE NO. 15-16**

AN ORDINANCE SUPPLEMENTING AND AMENDING CHAPTER II ENTITLED "ADMINISTRATION" OF THE REVISED GENERAL ORDINANCES OF THE TOWNSHIP OF WARREN AS HERETOFORE SUPPLEMENTED AND AMENDED BY ADDING NEW SECTION 2-41 ENTITLED "THIRD-PARTY PAYROLL DISBURSEMENT".

BE IT ORDAINED by the Township Committee of the Township of Warren, in the County of Somerset and State of New Jersey, as follows:

SECTION I. Chapter II entitled "Administration" of *The Revised General Ordinances of the Township of Warren* is hereby supplemented and amended by the addition of new Section 2-41 entitled "Third-Party Payroll Disbursement" as follows:

2-41 Third-Party Payroll Disbursement.

2-41.1 Purpose and Intent; Definitions.

- A. The purpose and intent of these regulations is to comply with 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.
- B. Definitions. As used in this article, the following terms shall have the meanings indicated:

"APPROVAL OFFICER" means the person(s) responsible for authorizing and supervising the activities of the payroll service.

"PAYROLL SERVICE" means a third-party payroll service organization.

"TOWNSHIP" means the Township of Warren.

2-41.2 Authorization; applicability.

- A. The Township is authorized to use a payroll service to prepare 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 disbursements for the Township;
 - (2) Payroll service providers who use a third-party processor to execute disbursements for the Township.

2-41.3 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 the 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 and/or Treasurer is hereby appointed as the approval officer and shall be responsible for authorizing and supervising the activities of the payroll service and shall be further 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.

2-41.4 Payroll service requirements.

- A. A payroll service shall 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 payroll service 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.

2-41.5 Establishment of service.

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

ATTEST:


 Patricia A. DiRocco, RMC
 Township Clerk

TOWNSHIP OF WARREN

By: 
 Michael C. Marion, Mayor

INTRODUCED: August 13, 2016

ADOPTED: September 10, 2015

EFFECTIVE: September 17, 2015