

BOROUGH OF FOLSOM
COUNTY OF ATLANTIC, STATE OF NEW JERSEY

ORDINANCE NO. 06-2026

**AN ORDINANCE AMENDING AND SUPPLEMENTING CHAPTER 9, "CLAIMS
PROCEDURE," ARTICLE I, OF THE CODE OF THE BOROUGH OF FOLSOM TO
DESIGNATE A CERTIFYING AND APPROVAL OFFICER AND TO AUTHORIZE THE
PREPAYMENT OF CERTAIN CLAIMS PRIOR TO FORMAL APPROVAL BY THE
GOVERNING BODY, SUBJECT TO RATIFICATION, PURSUANT TO N.J.S.A. 40A:5-17, AND
TO CORRECT A STATUTORY CITATION**

WHEREAS, N.J.S.A. 40A:5-17 authorizes the governing body of a municipality to adopt an ordinance designating a certifying and approval officer, prescribing that officer's duties, and prescribing the procedure for approving, certifying, and paying claims and for drawing checks therefor; and

WHEREAS, N.J.S.A. 40A:5-17 further authorizes the governing body to provide by ordinance a method of disbursing moneys and paying approved claims; and

WHEREAS, certain claims must be paid before the next regular meeting of the governing body in order to avoid the accrual of interest, penalties, or late charges, to secure an available discount, or to satisfy a statutory, regulatory, contractual, or court-ordered deadline; and

WHEREAS, the governing body wishes to authorize the Chief Financial Officer, as certifying and approval officer, to approve, certify, and pay such claims in advance of formal approval, subject to ratification by the governing body at its next regular meeting, while continuing to require that all claims be approved or ratified by the governing body as required by N.J.S.A. 40A:5-17; and

WHEREAS, the governing body also wishes to correct a statutory citation appearing in § 9-1 of the Code;

NOW, THEREFORE, BE IT ORDAINED by the Mayor and Council of the Borough of Folsom, County of Atlantic, State of New Jersey, as follows:

SECTION 1. Correction of citation in § 9-1.

Subsection C of § 9-1 of the Code of the Borough of Folsom is amended so that the introductory clause reads as follows (remaining text of Subsection C unchanged):

"C. As per N.J.S.A. 2A:30A-2(a), the Borough of Folsom operates under the 'alternative procedure'; therefore the following provisions apply:"

SECTION 2. New § 9-1.1 added.

Chapter 9, Article I, of the Code is supplemented by adding a new § 9-1.1, "Certifying and approval officer," to read as follows:

§ 9-1.1. Certifying and approval officer.

A. Designation. Pursuant to N.J.S.A. 40A:5-17, the Chief Financial Officer of the Borough of Folsom is hereby designated as the certifying and approval officer of the Borough. In the absence or unavailability of the Chief Financial Officer, or during a vacancy in that office, the [Deputy Chief Financial Officer/Borough Treasurer/other officer designated by resolution of the Borough Council] shall serve as the certifying and approval officer.

B. Duties. Before any claim is paid, the certifying and approval officer shall:

- (1) Ascertain that the claim has been certified by the claimant, or falls within an exception to the claimant-certification requirement, as required by N.J.S.A. 40A:5-16b and N.J.A.C. 5:30-9A.6, and that the receipt of the goods or the rendering of the services has been certified by the appropriate department head or other officer or employee having knowledge of the facts;
- (2) Ascertain the existence of proper and sufficient unexpended and unencumbered appropriations, or other lawful funding, for the payment to be made;
- (3) Determine that there is legal authority for the payment, evidenced by proper action of the purchasing agent, officer, board, or department with respect to the goods or services ordered and the incurring of the expense therefor; and
- (4) Certify in writing that the requirements of this section have been met.

C. Method of disbursement. All claims approved and certified under this chapter shall be paid by Borough check or by electronic funds transfer in accordance with N.J.A.C. 5:30-9A. All checks and electronic disbursements shall bear the signatures, or authorized facsimile signatures, required by § 9-6 of this chapter and by resolution of the Borough Council.

SECTION 3. New § 9-1.2 added.

Chapter 9, Article I, of the Code is supplemented by adding a new § 9-1.2, "Prepayment of certain claims; ratification by governing body," to read as follows:

§ 9-1.2. Prepayment of certain claims; ratification by governing body.

A. Authorization. Notwithstanding § 9-1 and § 9-5, and pursuant to N.J.S.A. 40A:5-17, the certifying and approval officer is authorized to approve, certify, and pay the following claims before formal approval of the claim by the Borough Council, but only where payment is required before the next regular meeting of the Borough Council to avoid the accrual of interest, penalties, or late charges, to secure an available discount, or to satisfy a statutory, regulatory, contractual, or court-ordered payment deadline:

- (1) Principal of and interest on bonds, notes, loans, and other debt obligations of the Borough;
- (2) Payroll and related payroll taxes, withholdings, pension and retirement contributions, and employee benefit payments;
- (3) Utility charges, including electric, gas, water, sewer, telephone, internet, and similar services;
- (4) Postage and delivery charges;
- (5) Insurance premiums;

- (6) Remittances of taxes and other moneys collected by the Borough on behalf of, or otherwise due to, the State, the County, the school district, the fire district, or any other governmental entity;
- (7) Refunds of taxes, fees, deposits, or other overpayments;
- (8) Rent, lease, and installment payments with fixed due dates;
- (9) Disbursements required under the terms of a grant, loan, or aid agreement;
- (10) Payments required by a court order, judgment, or approved settlement;
- (11) Bank, credit card, merchant, and other financial-service fees; and
- (12) Any other claim that must be paid before the next regular meeting of the Borough Council to avoid interest, a penalty, or a late charge, to secure an available discount, or to meet a statutory, regulatory, contractual, or court-ordered deadline.

B. Conditions. No claim shall be paid under this section unless the certifications and determinations required by § 9-1.1B have been made and sufficient unexpended and unencumbered appropriations or other lawful funding exist for the payment. *[Optional dollar cap: No single claim exceeding \$[7500.00] shall be paid under this section without the prior written approval of the [Mayor/Council President/Chair of the Finance Committee], except for debt service, payroll, and governmental remittances under Subsections A(1), A(2), and A(6).]*

C. Ratification. All claims paid under this section shall be set forth on a separate schedule of prepaid claims, which shall be included in the bill list presented to the Borough Council at its next regular meeting for ratification and approval. The schedule of prepaid claims, as ratified, shall be recorded in the official minutes of that meeting and kept available for public inspection in the same manner as the bill list under § 9-5.

D. Disapproved claims. If the Borough Council declines to ratify any claim paid under this section, the claim shall be referred to the Chief Financial Officer, who shall report to the Council on the circumstances of the payment and take such lawful action as the Council may direct to recover, adjust, or otherwise resolve the payment.

E. Non-exclusivity. Claims not paid under this section shall continue to be approved and paid in accordance with § 9-1 and § 9-5.

SECTION 4. Repealer.

All ordinances or parts of ordinances inconsistent with this ordinance are repealed to the extent of such inconsistency.

SECTION 5. Severability.

If any section, subsection, sentence, clause, phrase, or portion of this ordinance is held invalid or unconstitutional by a court of competent jurisdiction, that portion shall be deemed a separate, distinct, and independent provision, and such holding shall not affect the validity of the remaining portions.

SECTION 6. Effective date.

Patricia M. Gatto

Municipal Clerk/Administrator

Borough of Folsom