

**SOUTH HARRISON TOWNSHIP RESOLUTION TO ESTABLISH IN WRITING A CASH MANAGEMENT PLAN, DESIGNATING OFFICIAL DEPOSITORIES OF FUNDS, AUTHORIZING INVESTMENT OF FUNDS AND SETTING FORTH PROCEDURES FOR DISBURSEMENT OF FUNDS**

**WHEREAS**, N.J.S.A. 40A: 5-14 requires every municipality to adopt a Cash Management Plan on an annual basis;

**NOW, THEREFORE, BE IT RESOLVED** by the Mayor and Township Committee of the Township of South Harrison, County of Gloucester, State of New Jersey, that the following requirements be a part of the **2013 Cash Management Plan**, and be adhered to:

**I. Cash Management and Investment Objectives**

- A. Preservation of capital;
- B. Adequate safekeeping of assets;
- C. Maintenance of liquidity to meet operating needs;
- D. Diversification of the Borough's portfolio to minimize risks associated with individual investments.

**II. Designation of Official Depositories**

- A. The following banks are hereby designated as legal depositories for all municipal funds:
  - 1. Citizens Bank
  - 2. Columbia Savings Bank
  - 3. Bank of America
  - 4. Beneficial Bank
  - 5. Susquehanna Bank
  - 6. New Jersey State Cash Management Fund
  - 7. PNC Bank
  - 8. Sun Bank
  - 9. TD National Bank (Formally Commerce Bank)
  - 10. Wells Fargo Bank (Wachovia Bank)
- B. Each depository must submit to the Chief Financial Officer / Treasurer a copy of the Governmental Unit Deposit Protection Act (GUDPA) notification of eligibility, which is filed semi-annually with the Department of Banking each June 30th and December 31st;
- C. This list may be amended or supplemented from time to time as Mayor and Committee deems necessary.

**III. Cash Management**

- A. All municipal funds received by any official or employee shall be either deposited within 48 hours to an account in the name of the Township of South Harrison , or shall be turned over to the Treasurer within 48 hours of receipt, in accordance with N.J.S.A. 40A: 5-15;

- B. The Chief Financial Officer / Treasurer shall minimize any accumulated idle cash in checking accounts, by assuring that excess balances are promptly swept into the investment portfolio;
- C. Investment decisions shall be guided by the cash flow projections prepared by the Chief Financial Officer or the Treasurer;
- D. Change Funds and Petty Cash Funds are not required to be maintained in interest-bearing accounts.

#### **IV. Permissible Investments**

- A. Bonds or other obligations of the United States of America, or obligations guaranteed by the United States of America;
- B. Government money market mutual funds;
- C. Any federal agency or instrumentality obligation authorized by Congress that matures within 397 days from the date of purchase, and has a fixed rate of interest not dependent on any index or external factors;
- D. Bonds or other obligations of the local unit, or school districts of which the local unit is a part;
- E. Any other obligations with maturities not exceeding 397 days, as permitted by the Division of Investments;
- F. Local Government investment pools;
- G. New Jersey State Cash Management Fund;
- H. Repurchase agreements of fully collateralized securities.

#### **V. Authority for Investment Management**

- A. The Chief Financial Officer / Treasurer is authorized and directed to make investments on behalf of the Township. All investment decisions shall be consistent with this plan and all appropriate regulatory constraints.

#### **VI. Safekeeping**

- A. Securities purchased on behalf of the Township shall be delivered electronically or physically to the Township's custodial bank, which shall maintain custodial and/or safekeeping accounts for such securities on behalf of the Township.

#### **VII. Procedures for Disbursement of Funds**

- A. Payments shall be prepared by the Chief Financial Officer / Treasurer and submitted to Mayor and Township Committee for their approval;
- B. No municipal funds shall be disbursed by the Chief Financial Officer / Treasurer prior to approval of the Township Committee, except for:
  - 1. Debt Service payments;
  - 2. Investments;
  - 3. Payroll turnovers to agency accounts;
- C. Tax payments to Gloucester County, the South Harrison Board of Education, and the Kingsway Regional Board of Education shall be made in accordance with schedules provided by each taxing district;

- D. Checks approved for payment shall be signed by any of the following two; 1) the Mayor, 2) the Treasurer or Assistant to CFO, and 3) the Township Clerk or Deputy Clerk. One of the two signatures must be an original signature, but the other may be a facsimile signature;
- E. Checks paid from the following accounts must contain two signatures:
1. Current Fund Account;
  2. General Capital Fund Account;
  3. Developers Escrow Account;
  4. Animal Control Account;
  5. Farmland Trust Account;
  6. Maintenance & Performance Bond Account;
  7. Parkland Trust Account;
  8. Parks & Recreation Account;
  9. Snow Removal Trust Account;
  10. Police Outside Employment Account;
  11. Unemployment Account;
  12. Public Defenders Account;
  13. Municipal Open Space;
  14. Construction Account;
  15. Payroll Account;
  16. Scholarship Fund Account;
- F. Wire transfers and Automated Clearing House (ACH) payments are to be made by the Chief Financial Officer / Treasurer.

ONLY

**VIII. Reporting**

- A. The Chief Financial Officer / Treasurer shall report to Mayor and Township Committee all purchases of investments in accordance with N.J.S.A. 40A: 5-15.2;
- a. The Chief Financial Officer / Treasurer shall also report to Mayor and Township Committee the available cash in each fund and/or bank account.
  - b. Audit
  - c. This Cash Management Plan shall be subject to the annual audit conducted pursuant to N.J.S.A. 40A: 5-14.

DATED: January 1, 2013

TOWNSHIP OF SOUTH HARRISON

ATTEST:

\_\_\_\_\_  
James McCall, Mayor

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Nancy E. Kearns, RMC  
Municipal Clerk

**CERTIFICATION**

I hereby certify that the foregoing Resolution was adopted at the reorganization meeting of the Township Committee in the Township of South Harrison held on the 1<sup>st</sup> day of January 2013.

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Nancy E. Kearns, RMC  
Municipal Clerk