

RESOLUTION – R-15-07

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 mandates that the Governing Body shall, by Resolution passed by a majority of the membership thereof, approve a Cash Management Plan.

NOW, THEREFORE, BE IT RESOLVED by the Township of South Harrison as follows:

1. The attached Cash Management Plan will guide the investment of idle funds of the Township of South Harrison
2. The attached Cash Management Plan includes a policy statement to guide its implementation.
3. The Chief Financial Officer will administer the plan.
4. The Plan is subject to annual audit; and

BE IT FURTHER RESOLVED that a certified copy of this resolution with Cash Management Plan attached shall be forwarded to the following:

- A. The Mayor and Borough Council
- B. The Auditor
- C. All appropriate depositories

TOWNSHIP OF SOUTH HARRISON

BY: _____
JAMES McCALL, MAYOR

ATTEST:

**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 1st day of January 2015.

**NANCY E. KEARNS, RMC,
MUNICIPAL CLERK**

**CASH MANAGEMENT PLAN
OF
THE TOWNSHIP OF SOUTH HARRISON
COUNTY OF GLOUCESTER
NEW JERSEY**

I STATEMENT OF PURPOSE

This Cash Management Plan (the 'plan') has been prepared pursuant to the provisions of N.J.S.A. 40A:5-14 in order to set forth the basis for deposits ('deposits') and permitted investments ('investments') of certain public funds of the Township of South Harrison pending the use of such funds for the intended purposes. The plan is intended to assure that all such public funds are deposited in interest bearing accounts or permitted investments. The intent of the Plan is to provide that the decisions made with regard to the Deposits and the Permitted Investments will be made in a manner intended to insure the safety and preservation of principal value, the liquidity (regarding its availability for the intended purpose) and the maximum investment return within such limits. The plan is intended to insure that any deposit or permitted investment matures within the time period that approximates the prospective need for the funds deposited or invested so that there is not a risk to the market value of such deposits or permitted investments.

II IDENTIFICATION OF FUNDS AND ACCOUNTS TO BE COVERED BY THE PLAN

The Plan is intended to cover the deposit and or investment of the following governmental fund types and accounts of the Township of South Harrison as follows:

- Current Fund Account
- General Capital Fund Account
- Developers Escrow Account
- Animal Control Account
- Farmland Trust Account
- Maintenance & Performance Bond Account
- Parkland Trust Account
- Parks & Recreation Account
- Snow Removal Trust Account
- Police Outside Employment Account
- Unemployment Account
- Public Defenders Account
- Municipal Open Space
- Construction Account
- Payroll Account
- Donation Account
- Tax Title Lien Redemption Account

III DESIGNATION OF OFFICIALS OF THE TOWNSHIP OF SOUTH HARRISON AUTHORIZED TO MAKE DEPOSITS, INVESTMENTS, WITHDRAWS, AND ELECTRONIC TRANSFERS UNDER THE PLAN

The Chief Financial Officer of the Township of South Harrison shall be charged with the administering of this plan. The Chief Financial Officer shall monitor all deposits and investments for consistency with this plan.

No person shall engage in an investment transaction involving the Township of south Harrison funds except as directed or authorized by the Chief Financial Officer. Prior to making such deposits or permitted investments, all authorized depositories or investment facilities shall be supplied with a written copy of this plan, which shall be acknowledged in writing by such parties and a copy of such acknowledgement shall be kept on file with the Borough.

A)

- Current Fund Account
- General Capital Fund Account
- Developers Escrow Account
- Animal Control Account
- Farmland Trust Account
- Maintenance & Performance Bond Account
- Parkland Trust Account
- Parks & Recreation Account
- Snow Removal Trust Account
- Police Outside Employment Account
- Unemployment Account
- Public Defenders Account
- Municipal Open Space
- Construction Account
- Payroll Account
- Donation Account

The above listed accounts (section A) of the Township of South Harrison shall have the following individuals as the designated official custodians and signatories of the same:

1. James McCall, Mayor
2. Victoria Holmstrom, Chief Financial Officer
3. Sharon Wade, Assistant to Financial Officer
4. Nancy Kearns, Municipal Clerk
5. Celeste Keen, Deputy Clerk

The following designated officials are responsible for the authorization of electronic transfers of the above listed accounts (section AP):

1. Victoria Holmstrom, Chief Financial Officer
2. Sharon Wade, Assistant to Chief Financial Officer

The Township requires that two signatures are present on all checks authorized by the Township for the above list of accounts. One of the two signatures must be an original signature, but the other may be a facsimile signature. The signature shall be two of the following: Mayor (James McCall), Chief Financial Officer (Victoria Holmstrom), Assistant to Financial Officer (Sharon Wade), Municipal Clerk (Nancy Kearns) or Deputy Clerk (Celeste Keen).

B)

Tax Title Lien Redemption Account

The above listed account (section B) of the Township of South Harrison shall have the following individual as the designated official custodian and signature of the same:

1. Victoria Holmstrom, Tax Collector

The following designated official is responsible for the authorization of electronic transfers of the above listed account (section B):

1. Victoria Holmstrom, Tax collector

The Township requires that one signature be present on all checks authorized by the Borough for the above list of accounts (section B). The signature shall be one of the Tax Collector (Victoria Holmstrom).

IV. Designation of Official Depositories

A. The Township of South Harrison designates the following banks as legal depositories for all municipal funds:

1. Capital Bank of New Jersey
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 (Formerly 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.

V. 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;

ONLY

Information

- 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.

VI. Authorized Investments and Investment Policy

It shall be the responsibility of the Chief Financial Officer to analyze the cash flow and to invest funds in instruments as designated below as to maximize interest earnings. When investing funds in commercial banks, the Chief Financial Officer shall obtain a minimum of two (2) quotations and shall invest at the institution offering the highest effective rate.

- 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.

VII. Authority for Investment Management

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.

VIII. Safekeeping

To the extent that any Deposit or Permitted Investment involves a document or security which is not physically held by the Township of South Harrison, then such instrument or security shall be covered by a custodial agreement with an independent third party, which shall be a bank or financial institution, in the State of New Jersey. Such institution shall provide for the designation of such investments in the name of the Township of South Harrison to assure that there is no unauthorized use of the funds or the Permitted Investments or Deposits. Purchase of any method to insure that such Permitted

Investments are either received by the Township of South Harrison or by a third party custodian prior to or upon the release of the Township of South Harrison's funds.

To assure that all parties with whom the Borough of Township of South Harrison deals either by way of Deposits or Permitted Investments are aware of the authority and the limit set forth in this Plan, all such parties shall be supplied with a copy of this Plan in writing and all such parties shall acknowledge the receipt of that Plan in writing, a copy of which shall be on file with the Borough.

IX. 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;

X. Reporting

Each month during which this Plan is in effect, the Chief Financial Officer shall supply to the governing body of the Township of South Harrison a written report of any Deposits or Permitted Investments made pursuant to this Plan, which shall include, at a minimum, the following information:

- A. The name of any institution holding funds of the Township of South Harrison as a Deposit or a Permitted Investment.
- B. The amount of securities or Deposits purchased or sold during the immediately preceding month.

- C. The class or type of securities purchased or Deposits made.
- D. The book value of such Deposits or Permitted Investments.
- E. The earned income on such Deposits or Permitted Investments. To the extent that such amounts are actually earned at maturity, this report shall provide an accrual of such earnings during the immediately preceding month.
- F. The fees incurred to undertake such Deposits or Permitted Investments.
- G. The market value of all Deposits or Permitted Investments as of the end of the immediately preceding month.
- H. All other information which may be deemed reasonable from time to time by the governing body of the Township of South Harrison.

XI. TERM OF PLAN, APPROVAL, AMENDMENT AND ADMINISTRATION OF THE PLAN

This Plan shall be in effect from the date of this resolution to December 31, 2014. Attached to this Plan is a Resolution of the governing body of the Township of South Harrison approving this Plan for such period of time. This Plan may be amended from time to time. To the extent that any amendment is adopted by the Township Committee, the Designated Officials are directed to supply copies of the amendments to all of the parties who otherwise have received the copy of the originally approved Plan, which amendment shall be acknowledged in writing in the same manner as the original Plan was so acknowledged.

The Chief Financial Officer shall deposit or invest the monies of the Township of South Harrison as designated or authorized by the Plan, and shall, thereafter, be relieved of any liability for loss of such monies due to the insolvency or closing of any depository designated by, or the decrease in value of any investments authorized by the Plan.

Any official of the Township involved in the designation of the depositories, or in the authorization for investments as permitted pursuant to the Plan, or any combination of the proceeding, who has a material, business, or personal relationship with the organization, shall disclose the relationship to the Township as appropriate.