

TOWNSHIP OF MOORESTOWN

RESOLUTION NO. 37-2016

**ADOPTING A CASH MANAGEMENT PLAN FOR 2015
PURSUANT TO N.J.S.A. 40:5-14**

WHEREAS, to comply with the requirements of N.J.S.A. 40:5-14, and to provide a guide to Township officials and employees in carrying out their duties concerning the receipt and disbursement of all public funds of the Township of Moorestown, the following Cash Management Plan is hereby adopted:

The following requirements shall be adhered to:

1. The Township Council shall annually, at its reorganization meeting, designate the legal depositories for all municipal funds. The resolution may be amended or supplemented from time-to-time, as the Township Council deems necessary. Such resolution(s) shall be deemed a part of the Cash Management Plan.
2. The Township Council shall annually establish by a resolution adopted at its annual reorganization meeting the required signatories to all municipal bank accounts.
3. All municipal funds received by any official or employee shall either be deposited within 48 hours to an interest bearing account in the name of the Township of Moorestown or shall be turned over to the Finance Office or Tax Collector's Office within 48 hours of receipt of such funds.
4. All revenues received by the Finance Office shall be deposited to an interest bearing account in the legal depositories.
5. The following funds shall not be required to be maintained in interest bearing accounts:
 - a. Change Funds
 - b. Petty Cash Funds
 - c. Trust funds to the extent that the deposit of such funds to an interest-bearing account would require, by law, the payment of interest to the provider of funds.

- d. Checking accounts established for the express purpose of paying bills approved in accordance with the Administrative Code. The balances of these funds shall be kept at a minimum amount required for the orderly operation of the account.
 - e. Compensating balances maintained for the purpose of obtaining specific services from financial institutions. Such accounts shall be established only under terms of written agreements approved by the Township Council of the Township of Moorestown.
6. The Chief Financial Officer shall establish all bank accounts in a manner to maximize interest return on deposits as they deem necessary (i.e.: sweep accounts, compensating balances, etc.).
 7. The Township Council authorizes the Chief Financial Officer and his designee to make investments, certificates of deposit and the necessary transfer of funds as they deem necessary to maximize the interest return on idle funds.

WHEREAS, it shall be the responsibility of the Chief Financial Officer to analyze the cash flows and to invest idle municipal funds in legal investments and certificates of deposit as to maximize interest earnings. The Chief Financial Officer will solicit quotes from at least three sources for legal instruments. The Chief Financial Officer shall determine the best instrument and institution to accept based upon the highest rate of interest, yield, and risk of such instrument. In the case where the best quote for the interest rate on a certificate of deposit comes from a bank or financial institution that was not previously designated by resolution as a legal depository, the Township Council authorizes the Chief Financial Officer the right to accept the best quote if the bank or financial institute has a branch located in the State of New Jersey, and meet the requirements under the Governmental Unit Deposit Protection Act. The Cash Management Plan will then be amended at the next public meeting to include this new bank or financial institution; and

WHEREAS, the Chief Financial Officer will be restricted to invest in the following investment instruments as allowed under the N.J.S.A. 40A:5-15.1:

1. Certificates of Deposit in depositories located in New Jersey and which meet the requirements of GUDPA;
2. Government Money Market Mutual Funds as per the regulations;
3. Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
4. Local government investment pools, as per the regulations;

5. Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977,c.281 (C.52:18A-90.4);
6. Bonds or other obligations, having a maturity date not more than 12 months from the date of purchase, approved by the Division of Investment of the Department of the Treasury for investment by local units. Such an instrument must have an underlying “A” or better rating.

WHEREAS, the Chief Financial Officer shall report monthly all investment transactions as required by N.J.S.A. 40A:5-15.2 to the Township Council.

WHEREAS, this plan serves as notification to all the Township’s designated depositories, as well as all other banking and financial institutions which the Township shall do business with, as to what the acceptable means the Township can conduct its banking and investment policies.

NOW, THEREFORE, BE IT RESOLVED by the Township Council of the Township of Moorestown in Burlington County, State of New Jersey that the Cash Management Plan, as outlined above, is hereby approved and adopted.

<u>VOTE:</u> PETRIELLO GARWOOD NAPOLITANO DELGADO JORDAN

Certified to be a true and correct copy of a Resolution adopted by the Township Council at its meeting on January 6, 2016.

Patricia L. Hunt, RMC
Township Clerk