

TOWNSHIP OF WASHINGTON
BERGEN COUNTY, NEW JERSEY

RESOLUTION NO. 17 - 113

CASH MANAGEMENT PLAN

WHEREAS, P.L., 1983, Chapter 8, Local Fiscal Law; NJSA. 40A:5-2 has been amended to require that each municipality designate a Cash Management Plan for the deposit of each local unit's monies.

NOW, THEREFORE, BE IT RESOLVED, by the Township Council of the Township of Washington, that the following Cash Management Plan of the Township of Washington be and hereby is adopted:

A. DESIGNATION OF OFFICIAL DEPOSITORIES

1. Official Depositories of the Township of Washington shall be as designated at the start of each fiscal year by resolution adopted by the Township Council.
2. Designated official depositories are required to submit to the Chief Financial Officer of the Township of Washington a copy of the State of New Jersey, Department of Banking, Governmental Unit Deposit Protection Act (GUPDA) Notification of Eligibility, which must be filed semi-annually in the Department of Banking as of June 30th and December 31st each year.
3. Designated Official depositories are required to submit to the Chief Financial Officer a copy of the institutions annual report on an annual basis.
4. The official depositories for Township funds for 2017 are Oritani Bank, Township of Washington, NJ and PNC Bank, Woodland Park, NJ.

B. DEPOSIT OF FUNDS

1. All funds shall be deposited within forty-eight (48) hours of receipt in accordance with the state statute
2. Operating funds shall be deposited into interest bearing accounts to maximize interest earnings.
3. Capital, Trust and Payroll funds shall be deposited into interest bearing accounts whenever possible. Any non-interest bearing account should be regularly monitored for the availability of funds for investment.

C. DESIGNATION OF ALLOWABLE INVESTMENTS

1. The Township of Washington may permit deposits and investment in such depositories as permitted in NJSA 17: 9-44 and other instruments as specified below:
 - a. United States Treasury Bills

- b. Township of Washington bonds or notes
- c. Commercial Bank Deposits
- d. Certificates of Deposit
- e. State of New Jersey Cash Management Funds

D. DEFINITION OF ACCEPTABLE COLLATERAL AND PROTECTION OF TOWNSHIP ASSETS

- 1. All designated depositories must conform to all applicable State Statutes concerning depositories of Public Funds
- 2. All designated depositories shall obtain the highest amount possible F.D.I.C. and/or F.S.L.I.C, coverage of all Township assets (demand and certificate of deposit)
- 3. Collateral will be required for all deposits and investments of the Township except for those in the State Cash Management Fund, collateral must have a market value of not less than 100 percent of all deposits and investments
- 4. For pledges by depositories on Township funds, the following securities will be considered acceptable for pledges
 - a. Any security backed by the U.S. Government
 - b. Any direct obligation of any taxing authority within the Township of Washington
 - c. Real Estate mortgage loans for real estate property located within the Township marketing area. Pledges of real estate mortgage loans shall be maintained at a market value of 115 percent of deposits.
 - d. All pledges of collateral must be indicated on an advice copy of the investment instrument which shall be forwarded to the Chief Financial Officer

E. REPORT PROCEDURE

- 1. The Chief Financial Officer shall prepare for the Township records a quarterly report of investments. A detail listing should be kept of all investments purchased, specifying the amount, interest, percentage rate, period of investment and maturity date and name of the financial institution in which the investment is placed.
- 2. The Chief Financial Officer shall prepare for the Township records a quarterly report of fund investments. A detail listing should be kept of all shares purchased, shares redeemed, interest received, and the name of the fund with which Township funds are placed.

F. DIVERSIFICATION REQUIREMENTS

- 1. The Chief Financial Officer shall examine investments to guard against the effects of a financial institution going into default.

This may be accomplished through the practice of spreading investment around in various designated official depositories.

G. MAXIMUM MATURITY POLICY

1. Investments shall be limited to a maturity not to exceed one year on all operating funds unless a longer maturity is permitted within the provisions of regulation promulgated by either the Federal or State Governments.

H. INVESTMENT PROCEDURES

1. Bids for certificates of deposit shall be solicited of all designated depositories only if the amount exceeds \$500,000.
2. Telephone bids shall be solicited of designated depositories by the Chief Financial Officer or a staff member the Chief Financial Officer shall designate.
3. The depository shall specify the principal amount of the investment bid on interest rate, maturity date and the number of days used to calculate the interest to be paid upon maturity.
4. Interest shall be paid from the date the bid was awarded to the date of maturity.
5. All bidders may request the results of the informal bids after the bid is awarded.
6. A check or wire transfer of funds shall be made available, if necessary, to the winning bidder the same business day the informal bid is awarded.

I. CONTROLS

When possible, internal controls shall provide for a separation of investment placement and accounting activities. Controls must be recorded for wire transfers and securities safekeeping, where necessary.

J. BONDING

1. The following officials shall be covered by surety bonds; said surety bonds to be examined by the independent auditor to ensure their proper execution:

Treasurer / Chief Financial Officer
Tax Collector

The following officials shall be covered by the Joint Insurance Fund blanket crime coverage; said bond/coverage to be examined by the independent auditor to ensure their proper execution:

Deputy Tax Collector
Department Directors

Any staff member of the department not covered by a surety bond.

K. COMPLIANCE

- 1. The Cash Management Plan of the Township of Washington shall be subject to the annual audit conducted pursuant to NJSA 40:5-4.

L. LIABILITY

- 1. The Official charged with the custody of the monies of the Township of Washington shall deposit them (or designate a staff member to make such Deposit) as designated by the Cash Management Plan and shall thereafter be relieved of any liability or loss of such monies due to the insolvency or closing of any depository designated in the Cash Management Plan pursuant to NJSA 40A: 5-14.


This Cash Management Plan as set forth has been designated the Cash Management Plan for the Department of Revenue and Finance and no other department of the Township of Washington

ATTEST:

APPROVED:
TOWNSHIP COUNCIL OF THE
TOWNSHIP OF WASHINGTON



 Susan Witkowski
 Township Clerk

BY 

 Robert Bruno
 Council President

DATED: January 3, 2017

MOTION		SECOND		COUNCIL	AYES	NAYES	ABSTAIN	ABSENT
Bruno		Bruno		Bruno		X		
Calamari		Calamari	X	Calamari	X			
Cascio	X	Cascio		Cascio	X			
Sears		Sears		Sears	X			
Ullman		Ullman		Ullman		X		