

RESOLUTION OF THE TOWNSHIP OF WEST DEPTFORD ADOPTING A CASH MANAGEMENT PLAN FOR THE TOWNSHIP OF WEST DEPTFORD, COUNTY OF GLOUCESTER

WHEREAS, P.L. 1983, Chapter 8, Local Fiscal Affairs Law; N.J.S. 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 that the following Cash Management Plan of the Township of West Deptford be and hereby is adopted:

A: DESIGNATION OF OFFICIAL DEPOSITORIES:

The following financial institutions are designated official depositories:

- 1. TD Bank (Toronto Dominion Bank)
- 2. US Bank, N.A.
- 3. Columbia Savings Bank
- 4. State of New Jersey Cash Management Fund – Citigroup Fund Services
- 5. Bank of America
- 6. The Bank of Gloucester County
- 7. The Bank of New York
- 8. New Jersey Asset and Rebate Management Program
- 9. PNC Bank
- 10. Sun National Bank
- 11. Susquehanna Bank
- 12. South Jersey Federal Credit Union
- 13. Wachovia Bank
- 14. Fulton Bank
- 15. Sovereign Bank
- 16. Capital Bank

Designed official depositories are required to submit to the Chief Financial Officer of the Township of West Deptford a copy of the State of New Jersey, Department of Banking, Government Unit Deposit Protection Act Notification of eligibility, which must be filed semiannually in the Department of Banking as of June 30th and December 31st of each year. Said Notices must be available for annual audit.

Designated official depositories are required to submit to the Chief Financial Officer a copy of institution's "Annual Report" on an annual basis.

B. DEPOSIT OF FUNDS:

All funds shall be deposited within Forty-eight (48) hours of receipt in accordance to maximize interest earnings.

Operating funds shall be deposited into interest bearing accounts to maximize interest earnings.

Capital and Debt service funds shall be deposited into interest bearing accounts.

Trust funds shall be deposited into interest bearing accounts in accordance with the State statutes regulating the deposit of developer's escrow deposits.

C. DESIGNATION OF ALLOWABLE INVESTMENT INSTRUMENTS

The Township may permit deposits and investments in such depositories as permitted in Section 4 of P.L. 1970, chapter 236 (C.17:19-44) and other instruments specified below:

United States Treasury Bills (T-Bills)
Township of West Deptford or Other Municipal Bonds or Notes
Commercial Bank Deposit and Certificates of Deposit (CD's)
Repurchase Agreements
Investments in Savings and Loan Association
United States Government Agency and Instrumentality
Obligations
MBIA – Class Fund
State of New Jersey Cash Management Fund
School District Obligations

D. DEFINITION OF ACCEPTABLE COLLATERAL AND PROTECTION OF TOWNSHIP ASSETS:

All designated depositories must conform to all applicable State statutes concerning depositories of Public Funds.

All depositories shall obtain the highest amount possible F.D.I.C. and/or F.S.I.I.C. coverage of all Township assets (Demand and Certificate of Deposit).

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.

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 West Deptford
- c. Real Estate Mortgage Loans for Real Estate property located within the Township of West Deptford market 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/Treasurer.

E. COMPENSATION BALANCE AGREEMENTS:

Where compensating balances are used to offset bank expenses, an agreement between the bank and the Township shall be executed, specifying the charge for each service.

F. REPORTING PROCEDURES:

The Chief Financial Officer shall prepare for the Business Administrator of the Township of West Deptford the following investment reports:

MONTHLY REPORTING: A detailed listing of all investments purchased in the prior month, specifying the amount, interest percent per annum, number of days, period of investment and maturity date, interest amount at maturity and financial institutions with which investment is placed. This report shall be broken down by fund.

The Treasurer shall prepare a schedule of outstanding investments for the independent auditors as of December 31st of each year and at other such times as required by the auditors.

The Chief Financial Officer/Treasurer shall also periodically provide analysis of average daily balances in interest bearing checking account vs. other investment vehicle potential.

All such reports may include a comparison of current investment income vs. forecast, prior year or market conditions.

G. DIVERSIFICATION REQUIREMENTS:

The Chief Financial Officer/Treasurer shall closely examine investments to guard against the effects of a financial institution going into default. This may be accomplished through the practice of spreading the investments around in various designated official depositories.

H. MAXIMUM MATURITY POLICY:

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

I. INVESTMENT PROCEDURES:

Bids for Certificates of Deposit will be solicited from at least three (3) designated depositories only if the amount is \$100,000 or greater.

Telephone bids will be solicited from designated depositories by the Chief Financial Officer/Treasurer or designated staff member.

The depository shall specify the principal amount of investment bid on, interest rate and number of days used to calculate the interest to be paid upon maturity.

Interest paid shall be from the date the bid was awarded to the day of maturity.

All bidders may request the results of the bid after the bid is formally awarded.

A check or wire transfer of funds will be made available to the winning bidder on the same business day the bid is awarded.

Each quotation shall be documented to record the date and time of quote, the parties in the discussion, the instrument(s), maturities and rates. A bid form of the Township may be used.

J. RETURN OF INVESTMENT:

Where the return on a proposed investment does not exceed the cost of making said investment by a minimum amount the Chief Financial Officer/Treasurer would not make the investment. The Chief Financial Officer/Treasurer shall have the discretion to award an investment to the bank wherein the funds reside, should the bank's quoted rate be less than other quoted rates received in the event that the differential in interest rates is less than 25 basis points, and providing that the term of the investment is less than fifteen (15) days.

K. CONTROLS:

When possible, the internal controls should provide for a separation of the investment placement functions and accounting activity. Controls must be designated for telephone orders, wire transfers and securities safekeeping. Only specifically designated personnel shall be allowed to conduct this part of the transactions, and all activity should be subject to immediate written confirmation by the designated depository. The Chief Financial Officer/Treasurer shall review each day's activity.

L. BONDING:

A Surety Bond with the Western Surety Company shall cover staff members of the Township of West Deptford.

M. COMPLIANCE:

The Cash Management Plan of the Township of West Deptford shall be subject to the annual audit conducted pursuant to N.J.S. 40A:5-4.

N. The official charged with the custody of the monies of the Township of West Deptford shall deposit them 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 N.J.S. 40A:5-2.

O. Where a conflict exists between this Cash Management Plan and state statute, the applicable state statute will apply.

P. AFFORDABLE HOUSING DEVELOPMENT FEES:


All development fees collected pursuant to the West Deptford Township Affordable Housing Development Fee Ordinance will be placed in an account established pursuant to the Cash Management Plan and known as the Affordable Housing Trust Fund. No money shall be expended from the account unless the expenditure conforms to the Development Fee Ordinance, a spending plan approved by the Council on Affordable Housing, and the conditions set forth in N.J.A.C. 5:94-6.16(a). The depository holding the Affordable Housing Trust Fund will sign a statement so as to recognize the necessity of compliance with the conditions placed upon the Township's Chief Financial Officer by this paragraph.

If and when COAH deems it necessary to access the account or freeze expenditures from said account, the depository by signing this agreement agrees to comply with such instructions from COAH upon receiving official notice from its Executive Director.

ADOPTED at a meeting of the Township Committee of the Township of West Deptford held on January 13, 2011.

TOWNSHIP OF WEST DEPTFORD

By:


~~ANNA DECIMAS, Mayor~~
Ann DeCima, Deputy Mayor

ATTEST:


AMY LESO, Acting Township Clerk