

**STILLWATER TOWNSHIP,
SUSSEX COUNTY, NJ**

RESOLUTION 2023-009

**RESOLUTION ADOPTING CASH MANAGEMENT PLAN FOR 2023
TOWNSHIP OF STILLWATER**

BE IT RESOLVED by the Governing Body of the Township of Stillwater that they hereby adopt the Cash Management Plan for the year 2023 which is attached and made a part of this Resolution.

Adopted: January 3, 2023

Lynda Knott, Municipal Clerk

**CASH MANAGMENT PLAN FOR THE TOWNSHIP OF STILLWATER,
IN THE COUNTY OF SUSSEX, NEW JERSEY**

I. STATEMENT OF PURPOSE.

This Cash Management Plan (the “Plan”) is prepared pursuant to the provisions of N.J.S.A. 40A:5-14 in order to set forth the basis for the deposits (“Deposits”) and investment (“Permitted Investments”) of certain public funds of the Township of Stillwater, pending the use of such funds for the intended purposes. The Plan is intended to assure that all public funds identified herein are deposited in interest bearing Deposits or otherwise invested in Permitted Investments hereinafter referred to. The intent of the Plan is to provide that the decisions made with regard to the Deposits and the Permitted Investments will be done to insure the safety, the liquidity (regarding its availability for the intended purposes), 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.

- A. The Plan is intended to cover the deposit and/or investment of the following funds of the Township of Stillwater:

Current Fund

General Capital Fund

- B. It is understood that, for investment purposes, this Plan is not intended to cover certain funds of the Township of Stillwater, specifically Payroll Trust Funds, General Trust Funds and Municipal Court Accounts.

III. DESIGNATION OF OFFICIALS OF THE TOWNSHIP OF STILLWATER AUTHORIZED TO MAKE DEPOSITS AND INVESTMENTS UNDER THE PLAN.

The Chief Financial Officer (the Designated Official) and the Clerk of the Township of Stillwater are hereby authorized and directed to deposit and/or invest the funds referred to in the Plan.

IV. DESIGNATION OF DEPOSITORYES.

The following banks and financial institutions are hereby designated as official depositories for the Deposit of all public funds referred to in the Plan, including any certificates of deposit which are not otherwise invested in Permitted Investments as provided for in this Plan:

Lakeland Bank
Provident Bank
State of N.J. Cash Management Fund

JP Morgan Chase Bank, N.A.
Valley National Bank

V. DEPOSIT OF FUNDS

All funds shall be deposited within 48 hours of receipt in accordance with State Statute.

(1) Operating funds must be deposited into interest bearing accounts to maximize interest earnings.

(2) Capital funds other than operating funds may be deposited into interest bearing accounts. Non-interest bearing accounts shall be regularly monitored for availability of funds for investment.

(3) Trust funds may be deposited into interest bearing accounts. Non-interest bearing accounts shall be regularly monitored for availability of funds for investment except where either state or federal laws prohibit the earnings of interest on such funds.

VI. DESIGNATION OF ALLOWABLE INVESTMENT INSTRUMENTS

The Township may permit deposits and investments in depositories as permitted in P.L. 1997, Chapter 148.

VII. 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 depositories shall obtain the highest amount possible FDIC and /or FSLIC coverage of all Township assets (Demand and Certificate of Deposit), and shall be a member of GUDPA.

(3) Collateral will be required for all deposits and investments of the Township, except for those in the State of New Jersey Cash Management Fund. Collateral must have a market value of not less than 100 percent of all deposits and investments.

VIII. MAXIMUM MATURITY POLICY

Investments shall be limited to a maturity not to exceed 397 days on all operating funds unless a longer maturity is permitted within the provisions of regulations promulgated by either the federal or state governments.

IX. INVESTMENT PROCEDURES

(1) Bids for Certificates of Deposit and Repurchase Agreements will be solicited from at least three designated depositories only if the amount is \$50,000 or greater.

(2) Telephone bids will be solicited from designated depositories by the Chief Financial Officer or by his/her designated staff member.

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

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

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

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

(7) 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.

X. CONTROLS

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

XI. BONDING

Surety bonds will be maintained for all personnel who have required coverage in accordance with the Township's auditors and Division of Local Government Service guidelines.

XII. SAFEKEEPING CUSTODY PAYMENT AND ACKNOWLEDGMENT OF RECEIPT OF PLAN.

To the extent that any Deposit or Permitted Investment involves a document or security which is not physically held by the Township of Stillwater, 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 Stillwater to assure that there is no unauthorized use of the funds or the Permitted Investments or Deposits. Purchase of any Permitted Investments that involve securities shall be executed by a “delivery versus payment” method to ensure that such Permitted Investments are either received by the Township of Stillwater or by a third party custodian prior to or upon the release of the Township’s funds.

XIII. REPORTING REQUIREMENTS.

The Designated Official referred to in Section III hereof shall supply to the governing body of the Township of Stillwater, on a quarterly basis, 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 Stillwater 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.

XIV. TERM OF PLAN.

This plan shall be in effect from January 1, 2023 to December 31, 2023. Attached to this Plan is a resolution of the Township of Stillwater approving this Plan for such period of time. The Plan may be amended from time to time. To the extent that any amendment is adopted by the governing body, the Designated Official is 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.