

January 2, 2014

RESOLUTION #07-2014
BOROUGH OF HIGH BRIDGE
COUNTY OF HUNTERDON
STATE OF NEW JERSEY
CASH MANAGEMENT PLAN

WHEREAS, N.J.S.A. 40A:5-14, Local Fiscal Affairs Law, requires that each municipality adopt a Cash Management Plan designed to assure the deposit, investment and proper disbursement of local funds;

NOW, THEREFORE, BE IT RESOLVED that the Mayor and Council of the Borough of High Bridge in the County of Hunterdon and State of New Jersey and approved by the Mayor does hereby adopt the following Cash Management Plan:

A. Designation of Depositories

The following institutions are designated as permissible depositories for the deposit of Borough funds:

- Investors Bank
- TD Bank
- Peapack Gladstone Bank
- PNC
- Team Capital
- Wells Fargo
- Bank of America
- NJ/Arm Assets and Rebate Management Program
- and any other Federal and State Bank or Credit Union in the State of New Jersey

All depositories must conform to the Governmental Unit Deposit Protection Act (GUDPA) and shall provide a Notification of Eligibility from the State of New Jersey, Department of Banking, on a semi-annual basis. In addition, designated depositories shall maintain maximum FDIC or FSLIC coverage of all Borough funds on deposit.

B. Deposit of Funds

All funds shall be deposited within forty eight (48) hours of receipt, in accordance with N.J.S.A. 40A:5-15, into appropriate fund operating accounts. Non-interest bearing operating and capital accounts shall be regularly monitored on a monthly basis by the CFO for the availability of funds being transferred into interest bearing accounts. Debt Service and Trust Accounts shall be maintained in accordance with Federal and State statutes regulating such funds. Payroll, Developers' Escrow deposits and other agency funds, which represent funds of individuals and other organizations held by the Borough, shall be deposited in regular, interest bearing accounts unless average daily balance is below \$1,000.00. Grant funds shall be deposited in accordance with regulations of the granting government or agency.

Where compensating balances are required by any designated depository to offset the cost of services provided; an agreement between the Borough and the depository shall be executed, specifying the charge for each service and the balance required to offset each charge. Said agreement shall be reviewed on an annual basis.

C. Investment Instruments and Procedures

The Borough may purchase those investments permitted in N.J.S.A. 40A:5-15.1, which include:

- United States Treasury Bonds, Notes and Bills
- U.S. Government Agency and Instrumentality Obligations
- Bonds and other obligations of the Borough of High Bridge
- Commercial Bank Deposits and Certificates of Deposit
- Savings and Bank Deposits and Certificates of Deposit

State of NJ and the State of NJ Cash Management Plan

The Borough may purchase other obligations approved by the Division of Investment of the Department of Treasury for investment by local units.

Investments shall be limited to a maturity of not more than one year unless a longer term is permitted by applicable Federal or State regulations. Allowable investments with maturities which extend beyond the end of the Borough’s fiscal year shall be permitted only if interest accrued on the investment is credited to the Borough at the end of the fiscal year for the purpose of realizing budgetary revenue.

The purchase of Certificates of Deposit shall be made based on the availability of funds for investment and the analysis of projected cash flows. Bids for Certificates of Deposit will be solicited of at least three designated depositories only if the amount available for investment is \$100,000 or greater. Telephone bids will be solicited by the Chief Financial Officer, or designated staff member. Bidders shall specify the principal amount, interest, rate and maturity of the investment and transmit such bid to the Borough by telefax. A check or wire transfer will be made available to the winning bidder on the same business day the bid is awarded.

Where the return on a proposed investment does not exceed the cost of making such investment, the Chief Financial Officer will not make the investment. The Chief Financial Officer shall have the discretion of award an investment to the depository wherein the funds reside, should that institution’s quoted interest rate be less than other quoted rates, and the differential in interest rates is not more than twenty-five (25) basis points (0.25%), providing that the term of the investment is thirty (30) days or less. The Chief Financial Officer shall have the discretion to reject all bids.

D. Disbursement of Funds

All funds shall be disbursed as authorized and directed by the Council. The Chief Financial Officer shall, at the beginning of the fiscal year, present to the Borough Council a schedule of debt service, principal and interest payments and, when available a schedule of School Tax payments for the upcoming fiscal year. Upon approval of the schedules of payments by the Council, the Chief Financial Officer shall then have the authority to make the following disbursements:

- School Taxes
- County Taxes
- Interfunds
- Purchase of Investments
- Debt Service
- Salary and Wages
- Postage
- State/County Permit/Filing Fees

Disbursements shall be executed via electronic wire transfer of funds by the Chief Financial Officer, or designated staff member, when that method of payment is deemed necessary or preferable by the payee, or when the amount of such payment will result in a financial benefit of the Borough of High Bridge in the form of increased investment income.

E. Reporting

The Chief Financial Officer shall, prior to the last day of the month immediately following, present to the Mayor and Council a monthly report of cash receipts and disbursement, subject to reconciliation and periodic adjustments.

F. Bonding

The following officials shall be covered by surety bonds, said surety bonds to be examined by the independent auditor to insure their proper execution:

- Chief Financial Officer
- Tax Collector
- Municipal Clerk

Staff members of the Department of Finance and Tax Collection not covered by separate surety bonds shall be covered by a Public Employee’s Faithful Performance Bond.

G. Compliance

The Cash Management Plan of the Borough of High Bridge shall be subject to the approval of the Borough Attorney, and shall be subject to the annual audit conducted pursuant to N.J.S.A. 40A:5-14.

As stated in N.J.S.A. 40A:5-14, the officials(s) charged with the custody of the Borough funds shall deposit them as instructed by this Cash Management Plan, and shall thereafter be relieved of any liability or loss due to the insolvency or closing of any designated depository.

If, at any time, this Cash Management Plan conflicts with any regulation of the State of New Jersey, or any department thereof, the applicable State regulations shall apply.

Mark Desire, Mayor

ATTEST

Diane L. Seals, Municipal Clerk, RMC

CERTIFICATION

I, Diane L. Seals, Municipal Clerk, hereby certify that this resolution was duly adopted by the Borough of High Bridge Common Council at a meeting duly held on the 2nd day of January, 2014; that this resolution has not been amended or repealed; and that it remains in full force and effect as of the date I have subscribed my signature.

Date

Diane L. Seals, Municipal Clerk, RMC