

1
**CASH MANAGEMENT PLAN OF THE
TOWNSHIP OF GREENWICH,
COUNTY OF GLOUCESTER,
STATE OF NEW JERSEY**

RESOLUTION 30 - 2011

WHEREAS, N.J.S.A. 40A: 5-14 mandates that the Governing Body shall, by Resolution passed by a majority of the membership thereof, approve a Cash Management Plan.

NOW, THEREFORE, BE IT RESOLVED by the Governing Body of the Township of Greenwich as follows:

1. The attached Cash Management Plan will guide the investment of idle funds of the Township of Greenwich.
2. The attached Cash Management Plan includes a policy Statement to guide its implementation.
3. The Chief Finance Officer will administer the plan.
4. The Plan is subject to annual audit; and

BE IT FURTHER RESOLVED that a certified copy of this resolution with Cash Management Plan attached shall be forwarded to the following:

- A. The Governing Body of the Township of Greenwich
- B. The Auditor
- C. All appropriate depositories.

ADOPTED at the reorganization meeting of the Greenwich Township Council held on January 3, 2011.

ATTEST:

APPROVED:

LORI L. BIERMANN,
Municipal Clerk

GEORGE W. SHIVERY, JR.,
Mayor

Votes In:

Favor _____
Opposition _____
Abstain _____

**CASH MANAGEMENT PLAN
OF
THE TOWNSHIP OF GREENWICH
COUNTY OF GLOUCESTER
NEW JERSEY**

I STATEMENT OF PURPOSE

This Cash Management Plan (the ‘plan’) has been prepared pursuant to the provisions of N.J.S.A. 40A: 5-14 in order to set forth the basis for deposits (‘deposits’) and permitted investments (‘investments’) of certain public funds of the Township of Greenwich, pending the use of such funds for the intended purposes. The plan is intended to assure that all such public funds are deposited in interest bearing accounts or permitted investments. The intent of the Plan is to provide that the decisions made with regard to the Deposits and the Permitted Investments will be made in a manner intended to insure the safety and preservation of principal value, the liquidity (regarding its availability for the intended purpose) 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

The Plan is intended to cover the deposit and or investment of the following governmental fund types and accounts of the Township of Greenwich as follows:

General Disbursement Account
General Capital Account
Payroll Account
Trust Fund
Water General Account
Current Account
Water Utility Trust Fund
General Capital Trust Fund

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

The Finance Officer of the Township of Greenwich shall be charged with the administering of this plan. The Finance Officer shall monitor all deposits and investments for consistency with this plan. No person shall engage in an investment transaction involving Township of Greenwich funds except as directed or authorized by the Finance Officer of the Township of Greenwich. Prior to making such deposits or permitted investments, all authorized depositories or investment facilities shall be supplied with a written copy of this plan, which shall be acknowledged in writing by such parties and a copy of such acknowledgment shall be kept on file with the Township of Greenwich.

IV DESIGNATION OF DEPOSITORIES

Any New Jersey Financial Institution eligible under the Governmental Unit Deposit Protection Act

V DESIGNATION OF BROKERAGE FIRMS AND DEALERS WITH WHOM THE DESIGNATED OFFICIALS MAY DEAL

N/A

VI AUTHORIZED INVESTMENTS

B. Except as otherwise specifically provided for herein, the Designated Officials are hereby authorized to invest the public funds covered by this Plan, to the extent not otherwise held in Deposits, in the following Permitted Investments:

- (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- (2) Government money market mutual funds;
- (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;

VI AUTHORIZED INVESTMENTS (CONT'D)

- (4) Bonds or other obligations of the Local Unit or bonds or other obligations of school districts of which the Local Unit is a part or within which the schools district is located;
- (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investment of the Department of the Treasury for investment by Local Units;
- (6) Local government investment pools;
- (7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c281 (C.52: 18A-90.4) or;
- (8) Agreements for the repurchase of fully collateralized securities if:
 - (a) The underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection a;
 - (b) The custody of collateral is transferred to a third party;
 - (c) The maturity of the agreement is not more than 30 days;
 - (d) The underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C.17: 9-41); and
 - (e) A master repurchase agreement providing for the custody and security of collateral is executed

For the purposes of the above language, the term “local government investment pool” shall have the following definitions:

Local Government Investment Pool: An investment pool:

- (a) Which is managed in accordance with 17 C.F.R., sec. 270.2a-7:
- (b) Which is rated in the highest category by a nationally recognized statistical rating organization;
- (c) Which is limited to U.S. Government securities that meet the definition of an eligible security pursuant to 17 C.F.R. sec. 270.2a-

- (d) 7 and repurchase agreements that are collateralized by such U.S. Government securities;
- (e) Which is in compliance with rules adopted pursuant to the “Administrative” Procedure Act”, P.L. 1968, c.410 (c52: 14B-1 et seq.) by the Local Finance Board of the Division of Local Government Services in the Department of Community Affairs, which rules shall provide for disclosure and reporting requirements, and other provisions deemed necessary by the board to provide for the safety, liquidity and yield of the investments;
- (f) Which does not permit investments in instruments that: are subject to high price volatility with changing market conditions; cannot reasonably be expected, at the time of interest rate adjustment, to have a market value that approximates their par value; or utilize an index that does not support a stable net asset value; and
- (g) Which purchases and redeems investments directly from the issuer, government money market mutual fund, or the State of New Jersey Cash Management Fund, or through the use of a national or State bank located within this State, or through a broker-dealer which, at the time of purchase or redemption, has been registered continuously for a period of at least two years pursuant to section 9 of P.I. 1967 c.9 (C.49: 3-56) and has at least \$25 million in capital stock (or equivalent capitalization if not a corporation), surplus reserves for contingencies and undivided profits, or through a securities dealer who makes primary markets in U.S. Government securities and reports daily to the Federal Reserve Bank of New York its position in and borrowing on such U.S. Government securities.

VII 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 Greenwich, 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 Greenwich to assure that there is no unauthorized use of the funds or the Permitted Investments or Deposits. Purchase of any method to insure that such Permitted Investments are either received by the

Township of Greenwich or by a third party custodian prior to or upon the release of the Township of Greenwich’s funds.

To assure that all parties with whom the Township of Greenwich deals either by way of Deposits or Permitted Investments are aware of the authority and the limits set forth in this Plan, all such parties shall be supplied with a copy of this Plan in writing and all such parties shall acknowledge the receipt of that Plan in writing, a copy of which shall be on file with the Township of Greenwich.

VIII REPORTING REQUIREMENTS

Each month during which this Plan is in effect, the Finance Officer shall supply to the governing body of the Greenwich Township a written report of any Deposits or Permitted Investments made pursuant to this Plan, which shall include, at a minimum, the following information:

- C. The name of any institution holding funds of the Township of Greenwich as a Deposit or a Permitted Investment.
- D. The amount of securities or Deposits purchased or sold during the immediately preceding month.
- E. The class or type of securities purchased or Deposits made.
- F. The book value of such Deposits or Permitted Investments.
- G. The earned income on such Deposits or Permitted Investments. To the extent that such amounts are actually earned at maturity, this report shall provide an accrual of such earnings during the immediately preceding month.
- H. The fees incurred to undertake such Deposits or Permitted Investments.
- I. The market value of all Deposits or Permitted Investments as of the end of the immediately preceding month.
- J. All other information which may be deemed reasonable from time to time by the governing body of the Township of Greenwich.

IX TERM OF PLAN

This Plan shall be in effect from the date of this resolution to December 31, 2011. Attached to this Plan is a Resolution of the governing body of the Township of Greenwich approving this Plan for such period of time. This Plan may be amended from time to time. To the extent that any amendment is adopted by the Governing Body, the Designated Officials are 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.