

**RESOLUTION 2023-030**

**A RESOLUTION OF THE TOWNSHIP COMMITTEE OF THE TOWNSHIP OF CHATHAM, COUNTY OF MORRIS, STATE OF NEW JERSEY APPROVING A CASH MANAGEMENT PLAN**

**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 Township Committee of the Township of Chatham as follows:

1. The attached Cash Management Plan will guide the investment of idle funds of the Township of Chatham.
2. The attached Cash Management Plan includes a policy Statement to guide its implementation.
3. The Chief Financial 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 Chief Financial Officer of the Township.
- B. The Township Auditor.
- C. All appropriate depositories

This Resolution shall take effect immediately.

Adopted: January 3, 2023

TOWNSHIP OF CHATHAM IN  
THE COUNTY OF MORRIS

Attest:

  
\_\_\_\_\_  
Gregory J. LaConte, Clerk

By   
\_\_\_\_\_  
Ashley Felice, Mayor

I, Gregory J. LaConte, Township Clerk of the Township of Chatham in the County of Morris, New Jersey, hereby certify the foregoing to be a true complete copy of a resolution passed by the Township Committee of the Township of Chatham at a regular meeting held on January 3, 2023.

Date Issued: \_\_\_\_\_

\_\_\_\_\_  
Gregory J. LaConte, Township Clerk

**CASH MANAGEMENT PLAN  
OF  
THE TOWNSHIP OF CHATHAM  
COUNTY OF MORRIS  
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 Chatham, pending the use of such funds for the intended purposes. The plan is intended to insure 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 funds and accounts of the Township of Chatham.

Current Fund  
Trust Funds  
General Capital Fund  
Sewer Utility Fund  
Sewer Utility Capital Fund  
Payroll Account  
Grant Funds

**III DESIGNATION OF OFFICIAL(S) OF THE TOWNSHIP OF CHATHAM AUTHORIZED TO MAKE DEPOSITS AND INVESTMENTS UNDER THE PLAN**

The Chief Financial Officer of the Township of Chatham shall be charged with the administration of this plan. The Chief Financial Officer shall monitor all deposits and investments for consistency with this plan. No person shall engage in an investment transaction involving Township of Chatham funds except as directed or authorized by the Chief Financial Officer. 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 acknowledgement shall be kept on file in the Office of the Chief Financial Officer of the Township of Chatham.

**IV DESIGNATION OF DEPOSITORY**

TD Bank N.A. and any New Jersey financial institution certified to serve as a depository under the Governmental Unit Deposit Protection Act by the State of New Jersey Department of Banking and Insurance.

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

N/A

**VI AUTHORIZED INVESTMENTS**

A. 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;
- (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-7 and repurchase agreements that are collateralized by such U.S. Government securities;
- (d) 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;
- (e) 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
- (f) 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.

B. Notwithstanding the above authorization, the monies on hand in the following funds and accounts shall be further limited as to maturities, specific investments or otherwise as follows:

Grant

## **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 Chatham, 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 Chatham to assure that there is no unauthorized use of the funds or the Permitted Investments or Deposits.

To assure that all parties with whom the Township of Chatham 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 Designated Officials.

## **VIII REPORTING REQUIREMENTS**

Each month during which this Plan is in effect, the Designated Official referred to in Section III hereof shall supply to the Chief Financial Officer of the Township of Chatham 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 Chatham 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.
- E. 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.
- F. The fees incurred to undertake such Deposits or Permitted Investments.
- G. The market value of all Deposits or Permitted Investments as of the end of the immediately preceding month.
- H. All other information which may be deemed reasonable from time to time by the Chief Financial Officer of the Township of Chatham.

#### **IX TERM OF PLAN**

This Plan shall be in effect from the date of this resolution to December 31, 2023. Attached to this Plan is a Resolution of the Township Committee of the Township of Chatham approving this Plan for the stated period of time. This Plan may be amended from time to time. To the extent that any amendment is adopted by the Township Committee, 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.