RESOLUTION NO. 2020–25

ADOPTING CASH MANAGEMENT PLAN

WHEREAS, it is in the best interest of the Township of Florence to earn additional revenue through the investment and prudent management of its cash receipts; and

WHEREAS, P.L. 1983, Chapter 8, approved January 18, 1983 is an act concerning the Local Fiscal Affairs Law and amends N.J.S.A. 40A:5-2 and N.J.S. 40A:5-14; and

WHEREAS, this law requires that each local unit shall adopt a cash management plan.

NOW, THEREFORE BE IT RESOLVED, that the following shall constitute the Cash Management Plan for the Township of Florence and the CFO shall deposit and manage its funds pursuant to this plan:

Definitions

1. CFO shall mean the Chief Financial Officer of the Township of Florence.
2. Fiscal Year shall mean the twelve-month period ending December thirty-one.
3. Cash Management Plan shall mean that plan as approved by resolution.

Designation of Depositories

At least once each fiscal year the governing body shall by resolution designate the depositories for the Township of Florence in accordance with N.J.S.A. 40A:5-14.

Audit Requirement

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

Authority to Invest

1. The governing body shall pass a resolution at its first meeting of the fiscal year designating the CFO who shall make and be responsible for municipal deposits and investments.

Investment Instruments

1. The CFO shall invest at her discretion in any investment instrument as approved by the State of New Jersey in accordance with N.J.S.A. 40A:5-15.1.

Records and Reports

1. The CFO shall report all investments in accordance with N.J.S.A. 40A:5-15.2.
2. At a minimum the CFO shall:
    a. Keep a record of all investments.
    b. Keep a cash position record that reveals, on a daily basis, the status of the cash in its bank accounts.

c. Confirm investments with the governing body at the next regularly scheduled meeting.
d. Report monthly to the governing body as to the status of cash balances in bank accounts, revenue collection, interest rates and interest earned.

Cash Flow

1. The CFO shall ensure that the accounting system provides regular information concerning the cash position and investment performance.
2. All monies shall be turned over to the CFO and deposited in accordance with N.J.S.A. 40A:5-15.
3. The CFO is authorized and directed to invest surplus funds of the Township of Florence as the availability of the funds permit. In addition, it shall be the responsibility of the CFO to minimize the possibility of idle cash by depositing the monies in interest bearing accounts wherever practical and in the best interest of the Township of Florence.
4. The CFO shall ensure that funds are borrowed for Capital Projects in a timely fashion.

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I, NANCY L. ERLSTON, Clerk of the Township of Florence, County of Burlington, State of New Jersey, do hereby certify that the foregoing is a true copy of a Resolution approved by the Township Council at a meeting held on January 8, 2020.

Nancy L. Erlston

Nancy L. Erlston, RMC
Township Clerk

Note: This Resolution approved a plan/policy for cash management.