

## **RESOLUTION 20-22**

### **RESOLUTION FOR DESIGNATION CASH MANAGEMENT PLAN AND DEPOSITORIES FOR ALL FUNDS OF THE BOROUGH OF CLAYTON INCLUDING WATER AND SEWER DEPARTMENT FOR THE YEAR 2022**

***BE IT RESOLVED***, By the Mayor and Council of the Borough of Clayton,  
County of Gloucester, and State of New Jersey that for the year 2022, the following shall  
serve as the cash management plan of the Borough of Clayton.

***BE IT FURTHER RESOLVED*** that the Chief Financial Officer is directed to use  
this cash management plan as the guide in depositing and investing the Borough of  
Clayton's funds.

### **CASH MANAGEMENT PLAN OF THE BOROUGH OF CLAYTON, COUNTY OF GLOUCESTER, STATE OF NEW JERSEY**

#### **I. STATEMENT OF PURPOSE**

This Cash Management Plan (the "plan") has been prepared pursuant to provisions of N.J.S.A. 40A:5-14 in order to set forth the basis for the deposits ("deposits") and permitted investments ("investments") of certain public funds of the Borough of Clayton, pending the use of such funds for the intended purposes. The plan is intended to assure that all such 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 purposes), and the maximum investments return within such limits. The plan is intended to ensure that any deposits and 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 Borough of Clayton as follows:

- Current and Grant Funds/General Account
- Collections Account
- General Capital Account
- Animal Control Account
- Other Trust Funds/ Trust Other Account
- Housing Trust Account
- Developers Escrow
- Tax Title Lien Account
- Tax Sale Premium Account
- Utility Capital Account
- Utility Operations Account
- Utility Trust Account
- Payroll Account
- Payroll Agency Account
- State Forfeiture Account
- Federal Forfeiture Account
- Unemployment Trust Account

## **III. DESIGNATION OF OFFICIALS OF THE BOROUGH OF CLAYTON AUTHORIZED TO MAKE DEPOSITS, INVESTMENTS, WITHDRAWS, AND ELECTRONIC TRANSFERS UNDER THE PLAN**

The Chief Financial Officer of the Borough of Clayton shall be charged with the administering 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 the Borough of Clayton funds except as directed or authorized by the Chief Financial Officer.

## **IV. DESIGNATION OF DEPOSITORIES**

- A. 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 certificates of deposit which are not otherwise invested in permitted investments as provided by this plan:

- First National Bank of Elmer
- Fulton Bank
- Newfield National Bank
- New Jersey Cash Management Fund

- B. Each Depository must submit to the Chief Financial Officer a copy of the Governmental Unit Deposit Protection Act (GUDPA) notification of eligibility.
- C. This list may be amended or supplemented from time to time as Mayor and Council deems necessary.

**V. CASH MANAGEMENT**

- A. All municipal funds received by any official or employee shall be either deposited within 48 hours to an account in the name of the Borough of Clayton, or shall be turned over to the CFO within 48 hours of receipt, in accordance with N.J.S.A. 40A:5-15;
- B. The Chief Financial Officer shall minimize the possibility of idle cash accumulating in accounts by assuring that the amounts in excess of negotiated compensating balances are kept in interest bearing accounts or promptly swept into the investment portfolio.
- C. Investment decisions shall be guided by the cash flow projections prepared by the Chief Financial Officer.

**VI. AUTHORIZED INVESTMENTS AND INVESTMENT POLICY**

It shall be the responsibility of the Chief Financial Officer to analyze the cash flow and to invest idle funds in instruments as designated below as to maximize interest earnings. When investing funds in commercial banks, the Chief Financial Officer shall obtain a minimum of two (2) quotations through a formal request of proposal process and shall invest at the institution offering the highest effective rate. The following are permissible investment options for the Borough of Clayton:

- A. Obligations – Treasury Bills, Notes and Bonds
- B. Certificates of Deposit
- C. Repurchase Agreements
- D. Savings/Checking Bank Accounts
- E. Federal Agency Bonds
- F. Bonds or Other Obligations of the County, Municipality or School District
- G. New Jersey Cash Management Fund

**VII. AUTHORITY FOR INVESTMENT MANAGEMENT**

The Chief Financial Officer is authorized and directed to make investments on behalf of the Borough of Clayton. All investment decisions shall be consistent with this plan and all appropriate regulatory constraints.

## **VIII. SAFEKEEPING**

Securities purchased on behalf of the Borough of Clayton, shall be delivered electronically or physically to the Borough of Clayton's custodial bank, which shall maintain custodial and/or safekeeping accounts for such securities on behalf of the Borough.

## **IX. PROCEDURES FOR DISBURSEMENT OF FUNDS**

- A. Payments shall be prepared by the Chief Financial Officer and submitted to Mayor and Council for their approval;
- B. No municipal funds shall be disbursed by the Chief Financial Officer prior to approval of the Borough of Clayton, except for:
  - 1. Debt Service payments;
  - 2. Payroll turnover to agency accounts;
  - 3. Tax payments to Gloucester County and Clayton Board of Education;
  - 4. Purchases made by Procurement Cards;
  - 5. Utilities;
  - 6. Copier Leases;
  - 7. Payments deemed necessary by the Chief Financial Officer;
- C. The above exceptions shall be reported in an "Additional List" for review by Mayor and Council at each meeting when a Bill List is prepared.
- D. In accordance with N.J.S.A. 40A:5-16 (c) and N.J.S.A. 5:30-9A.6, vendors do not require Claimant Certification for goods and services under \$17,500. The following require Claimant Certification:
  - 1. Goods and Services over \$17,500;
  - 2. Advance payments excluding Procurement Card purchases;
  - 3. Employee Reimbursements for Goods and Services
- E. All checks, drafts or orders approved for payment shall be drawn and signed as follows:
  - 1. Signed by Donna Nestore, Chief Financial Officer and countersigned by Thomas Bianco, Mayor, or Christine Newcomb, Municipal Clerk;
  - 2. In the absence of the Donna Nestore, Chief Financial Officer, signed by Thomas Bianco, Mayor and countersigned by Christine Newcomb, Municipal Clerk.

**X. REPORTING**

The Chief Financial Officer shall report to Mayor and Council all purchases of investments in accordance with N.J.S.A. 40A:5-15.2.

N.J.S.A. 40A:2-28 provides that the Governing Body is hereby authorized to sell at private sale all bond anticipation notes, tax anticipation notes and capital notes in connection with any and all bond ordinances including general obligation bonds, provided that the Chief Financial Officer upon making any such sale, shall report in writing to the Governing Body at the next meeting following any such sale the principal amount, interest rate and maturities of the notes sold, price obtained and the name of the purchaser.

**XI. AUDIT**

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

**XII. TERM OF PLAN**

This plan shall be in effect from January 1, 2022 to December 31, 2022.

***NOW, THEREFORE, BE IT RESOLVED*** that the Mayor and Council of the Borough of Clayton does hereby adopt the above Cash Management Plan for the Borough of Clayton.

***ADOPTED*** at the Reorganization meeting of the Mayor and Council of the Borough of Clayton, County of Gloucester, and State of New Jersey held on Thursday, January 6, 2022.

BOROUGH OF CLAYTON



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Thomas Bianco, Mayor

Attest:



Christine Newcomb, Municipal Clerk

**CERTIFICATION**

I, Christine Newcomb, Municipal Clerk, of the Borough of Clayton, in the County of Gloucester,

and State of New Jersey do hereby certify that the foregoing Resolution was presented and duly

adopted by Borough Council at the Reorganization Meeting of the Borough of Clayton held on

Thursday, January 6, 2022.

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CHRISTINE NEWCOMB, Municipal Clerk