

RESOLUTION
of the
BOROUGH OF NEW PROVIDENCE
Resolution No. 2012- 32

Council Meeting Date: 01-03-2012 Date Adopted: 01-03-2012

TITLE: RESOLUTION APPROVING CASH MANAGEMENT PLAN AND
FINANCIAL MANAGEMENT PLAN FOR THE BOROUGH OF NEW
PROVIDENCE, COUNTY OF UNION AND STATE OF NEW JERSEY

Councilperson Galluccio submitted the following resolution which was duly seconded by Councilperson Muñoz.

BE IT RESOLVED by the Borough Council of the Borough of New Providence, County of Union and State of New Jersey that for the year 2012, the Cash Management Plan and Financial Management Plan for the Borough of New Providence is hereby approved in the attached form and made a part of this resolution.

APPROVED, this 3rd day of January, 2012.

RECORD OF VOTE

	AYE	NAY	ABSENT	NOT VOTING
CUCCO	X			
GALLUCCIO	X			
GENNARO	X			
LESNEWICH	X			
MUÑOZ	X			
ROBINSON	X			
HERN			TO BREAK COUNCIL TIE VOTE	

I hereby certify that the above resolution was adopted at a meeting of the Borough Council held on the 3rd day of January, 2012.

Wendi B. Barry, Borough Clerk

**BOROUGH OF NEW PROVIDENCE
UNION COUNTY, NEW JERSEY
CASH MANAGEMENT PLAN**

BE IT RESOLVED by the Borough Council of the Borough of New Providence, County of Union and State of New Jersey, that for the year 2012, the following shall serve as the Cash Management Plan of the Borough of New Providence:

1. Cash Management and Investment Objectives

The Borough of New Providence's objectives in this area are:

- A. Preservation of capital.
- B. Safekeeping of assets.
- C. Maintenance of liquidity to meet operating needs.
- D. Diversification of the Borough's portfolio to minimize risks associated with individual investments.
- E. Investment of assets in accordance with State and Federal laws and regulations.
- F. Maximize investment earnings from all cash and deposits.

2. Designation of Official Depositories

- A. All Borough funds shall be deposited in institutions that are certified by the NJ Department of Banking & Insurance in accordance with the Government Unit Deposit Protection Act.
- B. Approved depositories must be insured by the Federal Deposit Insurance Corporation (FDIC) or any other agency of the United States that insures deposits.
- C. The Mayor and Council shall annually designate approved depositories whereby the Chief Financial Officer is authorized to transact banking business.
- D. Designated official depositories are required to submit to the Chief Financial Officer, a copy of the Government Unit Deposit Protection Act Notification of eligibility, which is filed semi-annually with the Department of Banking each June 30th and December 31st.
- E. The Chief Financial Officer shall solicit written proposals for banking services every three to five years.

3. Cash Management

- A. All funds shall be deposited 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. The method of calculating banking fees and compensating balances shall be reviewed on a monthly basis.
 - D. Investment decisions shall be guided by the cash flow projections prepared by the Chief Financial Officer.

4. Permissible Investments

- A. Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America. This includes instruments such as Treasury Bills, notes and bonds.
 - B. Government money market mutual funds.
 - C. Any federal agency of instrumentality obligation authorized by Congress that matures within 397 days from the date of purchase, and has a fixed rates of interest not dependent on any index or external factors.
 - D. Bonds or other obligations of the local unit or school districts of which the local unit is a part.
 - E. Any other obligations with maturities not exceeding 397 days, as permitted by the Division of Investments.
 - F. Local government investment pools including the New Jersey Arbitrage Rebate Management Program.
 - G. New Jersey State Cash Management Fund.
 - H. Repurchase agreements of fully collateralized securities.

5. Authority For Investment Management

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

6. Safekeeping

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

7. Reporting

- A. The Chief Financial Officer shall submit a monthly Treasurer's report to the Mayor and Council which shall include a listing of all investments in accordance with N.J.S.A. 40A: 5-15.2.

8. Audit

- A. The Cash Management Plan shall be subject to annual audit conducted pursuant to N.J.S.A. 40A: 5-14.

9. Disposition of Abandoned Property

- A. The Chief Financial Officer shall escheat to the State of New Jersey, checks that remain outstanding for twelve or more months after the date of issuance.