

**RESOLUTION #33 of 2014**  
**AUTHORIZING A CASH MANAGEMENT PLAN**

**WHEREAS**, it is the desire of the governing body to adopt a cash management plan to comply with the requirements of NJSA 40A:5-14 and to provide a guide to municipal officials and employees in carrying out their duties concerning the receipt and disbursement of all funds of the municipality.

**WHEREAS**, the following requirement shall be adhered to:

**I. Statement of Purpose**

The Cash Management Plan is prepared pursuant to the provisions of NJSA 40A:5-14 in order to set forth the basis for the deposit and investment of certain public funds of the City of Margate, pending the use of such funds for the intended purposes. The Plan is intended to assure that all public funds identified herein are deposited in interest bearing Deposits otherwise invested in Permitted Investments hereinafter referred to. The intent of the Plan is to provide that the decisions made with regard to the Deposits, Transfers and the Permitted Investments will be done to ensure the safety, liquidity, and the maximum investment return within such limits. The Plan is intended to ensure 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. Authorized Depositories**

The Municipality shall annually designate the legal depositories, funds in certificates of deposits, and other time deposits in banks by resolution in accordance with NJSA 40A: 5-15.1, that must be covered by the Governmental Unit Depository Protection Act, NJSA 17:9-14 et seq. (GUDPA). The Municipality is also authorized to invest its assets in the New Jersey Cash Management Fund and the New Jersey Asset and Rebate Management program. This resolution may be amended or supplemented from time to time, as the Municipality deems necessary. Such resolution shall be deemed a part of the Cash Management Plan.

**III. Authorized Investment**

Except as otherwise specifically provided for herein, the Designated Official is hereby authorized to invest the public funds covered by the 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. Bond or other obligations of the Local Unit or bonds or other obligations of school districts of which the Local Unit is a part of within which the school 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 I of P.L. 1977, c. 281 (C.52:18A-90.4); or  
Agreement 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

- e) defined in section I of P.L. 1970. C.236 (C.17:9-41); and  
a master repurchase agreement providing for the custody and security of collateral is executed.

#### **IV. Authorized Signatures**

The Municipality shall annually establish by resolution and adopted at its annual reorganization meeting the required signatories to all bank accounts.

#### **V. 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 contained in each fund of the City of Margate:

Capital Fund  
Current Fund  
Developer's Escrow  
Dog License Fund  
Law Enforcement Trust Funds  
Lifeguard Pension  
Recreation Trust  
Trust- Other  
Water & Sewer Utility Fund

The following funds shall not be required to be maintained in interest bearing accounts:

Change Funds  
Petty Cash Funds  
Payroll Funds

Trust Funds – to the extent that the deposit of such funds to an interest bearing account would require by law the payment of interest to the provider of funds.

Checking Accounts – established for the express purpose of paying bills approved by the governing body. The balances in these funds shall be kept at the minimum amount required for the orderly operation of the account.

Compensating Balances – maintained for the purpose of obtaining specific services from financial institutions. Such accounts shall be established only under terms of written agreements approved by the governing body.

#### **VI. Designation of Officials of the City of Margate City Authorized to Make Deposits, Transfers and Investments Under the Plan.**

The Chief Financial Officer of The City of Margate and the CFO's designee are hereby authorized and directed to deposit, transfer and/or invest the funds referred to in the Plan. The CFO or CFO designee shall each have the authority to transfer and invest funds in excess of requirement in accordance with this plan in insured obligations, overnight repurchase agreements, collateralized repurchase agreements and certificates of deposit with eligible public depositories qualified by this plan.

In the absence of the Chief Finance Officer, the CFO's designee is authorized to transfer required funds to the payroll and checking accounts for the purposes of, and to the extent necessary for, issuance of required payroll and payment of claims and payables.

Prior to making any such Deposits, Transfers, or any Permitted Investments, such officials of the City of Margate are directed to supply to all active depositories or any other parties with whom the Deposits or Permitted Investments are made a written copy of this Plan.

No municipal funds shall be disbursed by any municipal official prior to approval of the governing body except for:

Debt Service payments  
Investments and/or Transfers to/from Margate's Current, Capital, Utility or Trust Funds.  
Payroll turnovers to agencies  
Discount vouchers or immediate needs

Debt Service payments, discount vouchers and immediate needs must be ratified after payment.

## **VII. Responsibilities**

The Chief Finance Officer or Designee of the Chief Finance Officer:

1. Shall ensure that all funds held by the City are safeguarded in accordance with these procedures and applicable law.
2. Shall maximize the City's interest income by prudently investing funds in excess of immediate needs in assets providing a high level of security for both principal and interest earnings, and in accordance with the rules and regulations of the State of New Jersey and the City's Bond Documents.
3. Shall maintain records and control of all City bank accounts, petty cash and change funds, investments, and certificate of deposits.
4. Shall ensure adequate separation of duties between authority to transfer or invest funds and the responsibility for recording in, accounting for and reconciling the City's ledgers and other books of account.
5. Shall provide a monthly report that provides the summary of financial balances for revenues and appropriations.
6. Shall provide a report that summarizes investment made or redeemed in the past month, each organization holding local unit funds, and the amount of securities purchased or sold, class or type of securities purchased, book value, earned income, fees incurred, and market value of all investments as of the report date, and any other information that the governing body may request or the CFO deems prudent to report.

## **VIII. Liability**

Provided that local unit funds are deposited or invested as designated or authorized by this cash management plan, the Chief Financial Officer and the CFO designee is relieved of any liability for any loss of such moneys due to the insolvency or closing of any depository designated by, or for the decrease in value of any investment authorized by, the cash management plan.

## **IX. Audit**

This plan, and all matters pertaining to the implementation of it, shall be subject to the Municipality's annual audit.

**NOW, THEREFORE, BE IT RESOLVED**, that the above cash management plan be adopted by the governing body of the City of Margate, effective for the 2014 calendar year.

**Date: February 6, 2014**

**I, Thomas D. Hiltner**, Clerk of Margate City, Atlantic County, do hereby certify the foregoing to be a true and correct copy of a resolution adopted by the Commissioners of the City of Margate City at a meeting of said Commission held on February 6, 2014 and said resolution was adopted by not less than a two-thirds vote of the members of the Commission.

\_\_\_\_\_  
Thomas D. Hiltner, RMC, City Clerk