

<u>TITLE OF THE RESOLUTION</u>	Establishing a Cash Management Plan
<u>STATUTORY REFERENCE</u>	NJSA 40A:5-14
<u>INSTANCE WHEN YOU WOULD TYPICALLY USE</u>	At reorganization meeting to establish a Cash Management plan. The plan names depositories, establishes the authorized check signers and establishes a plan for the investment of idle funds.
<u>LIMITATIONS</u>	May be changed, modified or readopted at any time that circumstances change.
<u>RELATED STATUTORY OR OTHER REFERENCES</u>	NJSA 40A:5-15.1, & 15.2, - Investment of idle funds; NJSA 40A:5-16 – Naming check signers
<u>NUMBER OF COPIES DLGS</u>	None
<u>DOCUMENTATION REQUIRED</u>	Notice of eligibility from institutions in compliance with Governmental Unit Depository Protection Act (GUDPA)
<u>OTHER INFORMATION</u>	None
<u>VOTE FOR PASSAGE</u>	Majority of Full Membership
<u>EFFECTIVE DATE</u>	Date of passage
<u>THE PROPER FORM AND HOW TO FILL IT IN</u>	Please see sample resolution on the next page.
<u>VOTE NECESSARY</u>	N/A
<u>DATE OF FILING</u>	N/A

**MEMORANDUM FROM THE OFFICE OF THE
CHIEF FINANCIAL OFFICER**

TO: Bruce Davis, Acting Township Manager

FROM: Jeffrey Filiatreault, Chief Financial Officer

DATE: April 18, 2001

COPY: Bruce Davis, Township Clerk

RE: CASH MANAGEMENT PLAN

With the termination of the Township Manager, it is evident that there will be some time before the position is finally filled. In the mean time, it is extremely difficult to have checks signed as they must be sent inter-office to the Tax Collector. In addition, since there are no alternate check signers, no payments can be made if one of the remaining three signers are absent on any day. This is especially difficult when it comes to Welfare checks.

As such, I have prepared the attached Cash Management Plan. This plan is identical to the resolution adopted at the reorganization meeting except that it names the Township Clerk as a fifth possible signer on the checks. This gives us two alternate signers so that the checks may be processed even with the vacancy in the Manager's position and if one of the remaining signers takes a day off.

I also propose to make this arrangement permanent. The additional alternate signer helps to streamline the payment of bills while maintaining the proper level of internal control.

I request that this cash management plan be adopted at the next Township meeting.

_____ offered the following resolution, seconded by

_____.

RESOLUTION

BE IT RESOLVED by the Council of the Town of Jerseyville, County of Jersey that for the year 20CY, the following shall serve as the cash management plan of the Town of Jerseyville.

The Chief Financial Officer is directed to use this cash management plan as the guide in depositing and investing the Town of Jerseyville's funds.

The following Government Unit Deposit Protection Act (GUDPA) approved banks are authorized depositories for deposit of funds:

FIRST STATE BANK
FLEET BANK
SOVEREIGN BANK
SUMMIT BANK
PNC BANK

BANK OF NEW YORK
FIRST UNION NATIONAL BANK
COMMERCE BANK
AMBOY NATIONAL BANK
COMMUNITY BANK OF N.J.

All warrants or checks for the disbursement of money shall be made by any three (3) of the following officials and facsimile signatures may be used:

TOWN MAYOR
TOWN ADMINISTRATOR
TOWN CLERK

CHIEF FINANCIAL OFFICER
TAX COLLECTOR

The Town Administrator, Chief Financial Officer and/or Assistant Financial Officer are empowered to invest cash funds as bank balances will allow from time to time in order to realize a revenue. The above stated officers are authorized to transfer funds electronically for the purpose of investments and payroll only.

The following are authorized as suitable investments:

- Interest-bearing bank accounts in banks as authorized above for deposit of local unit funds (GUDPA approved).
- Certificates of deposit in GUDPA approved banking institutions.
- 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.
- Government money market mutual funds that comply with N.J.S.A. 40A:5-15.1(e).
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