

Township of Shrewsbury

Resolution #2020-16

Cash Management Plan 2020

**WHEREAS**, N.J.S.A. 40A:5-14 requires that every local government unit in the State of New Jersey must have a cash management plan. The cash management plan lists the Governmental Unit Depository Protection Act (GUDPA) approved depository banks, any broker/dealers, and the approved investment instruments selected by the local unit's governing body, and

**WHEREAS**, the cash management plan is adopted by resolution, usually at the reorganization meeting and may be amended at any time during the year to reflect changes due to changes in the laws, depositories, funds or investment, and

**WHEREAS**, the cash management plan will guide the investment of the local unit's idle cash during periods that is not needed to meet obligations, and

**WHEREAS**, the Chief Financial Officer is charged with administration of the plan.

**NOW, THEREFORE, BE IT RESOLVED**, by the Mayor and Township Committee of the Township of Shrewsbury, County of Monmouth, State of New Jersey that the following banking and financial institutions which are approved by the Department of Banking and Insurance under the Governmental Unit Depository Protection Act (GUDPA) are appointed as official depositories for the Township of Shrewsbury for the year 2020:

TD Bank  
State of N. J. Cash Management Fund  
Chase  
Wells Fargo  
Community Bank of N. J.  
Valley National Bank  
Two River Community Bank  
Bank of America  
Investors Savings

And,

**BE IT FURTHER RESOLVED**, that the cash management plan is subject to audit and the NJSA 40A:5 et.seq., requires that cash management plan provide for the Chief Financial Officer to give the Mayor and Township Committee a monthly report that summarizes all investments made or redeemed over the past month, the organization holding the Township's funds, the amount and interest earned and,

**BE IT FURTHER RESOLVED**, that N.J.S.A. 40A:5-14f provides that as long as Shrewsbury Township's funds are deposited or invested as designated or authorized by the cash management plan, the Chief Financial Officer is relieved of any liability for any loss of such monies 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 and,

**BE IT FURTHER RESOLVED**, that in order to guide the Chief Financial officer in making investments, the following factors must be considered:

Preservation of capital: this means the principal invested is safe and secure;  
Liquidity: this means the ease with which the security can be converted to cash;  
Maturity requirements: this means timing the maturity of the investment to match the need for the cash;  
Costs and fees: this means the expenses associated with buying, storing and redeeming Investment Instruments, and,

**BE IT FURTHER RESOLVED**, that the Chief Financial Officer use the New Jersey Cash Management Fund as a benchmark for comparing performance of money market of Local Government Investment Pool's (LGIP's). The fund has a wider variety of investments available to it than LGIP's or money market funds, and can be used as a reliable indicator of market performance.

**BE IT FURTHER RESOLVED**, that the Chief Financial Officer is instructed to invest the Township of Shrewsbury funds in only interest bearing banking and financial institutions which have been appointed by the Township Committee and to utilize the New Jersey Cash Management Fund to invest idle funds when not needed to meet Township of Shrewsbury obligations.

**BE IT FINALLY RESOLVED**, that a certified copy of this resolution be forwarded to the Chief Financial Officer, the Township Auditor and the Director of the Division of Local Government Services.

| <b>Name</b>     | <b>Motion</b> | <b>Second</b> | <b>Ayes</b> | <b>Nays</b> | <b>Abstain</b> | <b>Absent</b> |
|-----------------|---------------|---------------|-------------|-------------|----------------|---------------|
| <b>Jennings</b> |               |               |             |             |                |               |
| <b>Puhak</b>    |               |               |             |             |                |               |
| <b>Nolan</b>    |               |               |             |             |                |               |