

**WARREN TOWNSHIP
2023 Cash Management Plan**

The following Plan constitutes the Cash Management and Investment policy of the Township of Warren (hereinafter "Township") adopted in accordance with N.J.S.A. 40A: 5 -14.

Cash Management and Investment Objectives

The objectives are:

1. Preservation of capital.
2. Adequate safekeeping of assets.
3. Maintenance of liquidity to meet operating needs.
4. Diversification of Township's portfolio to minimize risks associated with individual investments.
5. Maximization of total return, consistent with risk levels specified herein.
6. Investment of assets in accordance with State and Federal Laws and Regulations.
7. Accurate and timely reporting of interest earnings, gains and losses.
8. Stability in the value of the Township economic surplus.

II Permitted Investments

A. Investments shall be limited by the express authority of the Local Fiscal Affair Law, N.J.S.A. 40A:5-15.1 and except as otherwise specifically provided for herein, the Chief Financial Officer of Warren Township ("Chief Financial Officer" hereinafter) is hereby authorized to invest the public funds covered by this Plan, to the extent not otherwise held in deposits, in the following permitted Investments:

1. Bond 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. Bonds or other obligations of the Local Unit or bonds or other obligations of school districts of which the Local Unit is a part or 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 1 of P.L. 1977, c. 281 (C.5 2:18A 90.04); or
8. Agreements for the repurchase of fully collateralized securities, if:
 - a. the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection;
 - 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 defined in section 1 of P.L. 1970, c. 236 (C. 17:9-41); and
 - e. a master repurchase agreement providing for the custody and security of collateral is executed.

III Authorized Depositories

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 any certificates of deposit, which are not otherwise invested in Permitted Investments as provided for in this Plan:

Fulton Bank of New Jersey – which is hereby designated as the Primary Banking Institution

Peapack-Gladstone Bank

All Such depositories shall acknowledge in writing receipt of this Plan by sending a copy of such acknowledgment to the Chief Financial Officer.

IV Authority for Investment Management

The Chief Financial Officer is directed to make authorized investments, which shall be consistent with this Plan and all appropriate regulatory constraints.

Institution(s) will be designated as the firm(s) with whom the Chief Financial Officer may deal with for purposes of buying and selling securities identified in this Plan as Permitted Investments by joint decision of the Chief Financial Officer and the Township Administrator.

The institution(s) shall acknowledge in writing receipt of this Plan by sending a copy of such acknowledgement to the Chief Financial Officer.

V Audit

This Plan and all matters pertaining to the implementation of it, shall be subject to the Township's annual audit. The Township reserves the right to audit the Plan more frequently.

VI Safekeeping custody payment and acknowledgment of receipt of Plan

To the extent that any deposit or Permitted Investment involves a document or security, which is not physically held by the Township, then such instrument or security shall be covered by a custodial agreement with an independent third party, which shall be a bank or financial institution in the State of New Jersey. Such institution shall provide for the designation of such investment in the name of the Township to assure that there is no unauthorized use of the funds or the Permitted Investments or deposits. The purchase of any Permitted Investments that involve securities shall be executed by a "delivery versus payment" method to insure that such Permitted Investments are either received by the Township or by a third party custodian prior to or upon the release of the Township's payment.

To assure that all parties with whom the Township deals either by way of Township's deposits or Permitted Investments are aware of the authority and the limits set forth in this Plan, all such parties shall be supplied with a copy of this Plan in writing and all such parties shall acknowledge the receipt of that Plan in writing, a copy of which shall be on file with the Chief Financial Officer.

VII Reporting Requirements

Monthly, the Chief Financial Officer shall supply to the Township Administrator and the Township Committee a written report of any deposits or Permitted Investments made pursuant to this Plan, which shall include, at a minimum, the following information:

- I The name of any institution holding funds of the Township as a deposit or a Permitted Investment.
- II The amount of securities or deposits purchased or sold during the immediately preceding month.
- III The class or type of securities purchased or deposits made.
- IV The book value of such deposits or Permitted Investments.
- V The fees incurred to undertake such deposits or Permitted Investments.
- VI The earned income on such deposits or Permitted Investments. To the extent that such amounts are actually earned at maturity, this report shall provide an accrual of such earnings during the immediately preceding month.
- VII The Market value of all deposits or Permitted Investments as of the end of the immediately preceding month.
- VIII All other information, which may be deemed reasonable from time to time by the Township Administrator and the Township Committee.

VIII Cash Flow Projections

Asset management decisions shall be guided by cash flow factors prepared by the Chief Financial Officer pursuant to N.J.S.A 40A: 5 - 14 (d), and reviewed by the Township Administrator.

IX Cash Management

All monies shall be deposited within forty-eight (48) hours in accordance with N.J.S.A. 40A:5-15.

The "Chief Financial Officer" shall minimize the possibility of idle cash accumulating in accounts by assuring that all amounts in excess of negotiated compensating balances are kept in interest bearing accounts or promptly credited into the investment portfolio. Cash may be withdrawn from investment pools under the discretion of the Chief Financial Officer only to fund Township operations.

X Authorized Signatories and Verification

A. All checks require three (3) signatures. Those being the following positions with at least one signature being an original; the other two may be facsimiles.

1. Chief Financial Officer
2. Township Clerk
3. Mayor

B. The "Chief Financial Officer" is authorized to effect electronic fund transfers to investment accounts. Verification is required by any two (2) of the following positions:

1. Chief Financial Officer
2. Township Administrator
3. Mayor

XI Deviations/Amendments

Any recommendation regarding a deviation or amendment to this Cash Management Plan (to the extent permitted by law then in effect), must first be approved by the Township Committee.

XII Term of Plan

This Plan shall be in effect from January 1 to December 31. Attached to this Plan is a resolution of the Township Committee approving this Plan for such year. The Plan may be amended from time to time. To the extent that the Township Committee adopts any amendment, the "Chief Financial Officer" is directed to supply copies of the amendments to all of the parties who otherwise have received the copy of the originally approved Plan, which amendment shall be acknowledged in writing in the same manner as the original Plan was so acknowledged.

XIII Definitions

A. Government Money Market Mutual Funds. Investment companies or Investment trusts:

1. which are registered with the Securities and Exchange Commission under the "Investment Company Act of 1940," 15 U.S.C. sec. BOa-1 et seq. and operated in accordance with 17 C.F.R.sec.270.2a-7.
2. the portfolio of which is limited to U.S. Government securities that meet the definition of any eligible security pursuant to 17 C.F.R. sec. 270.2a-7 and repurchase agreements that are collateralized by such U.S. Government securities; and

Which have:

- a. attained the highest ranking or the highest letter and numerical rating of a nationally recognized statistical rating organization; or
- b. retained an investment advisor registered or exempt from registration with the Securities and Exchange Commission pursuant to the "Investment Advisors Act of 1940," 15 U.S.C. sec. 80b-1 et seq., with experience investing in U.S. Government securities for at least the most recent past 60 months and with assets under management in excess of \$500 million.

B. Local Government Investment Pools. Investment pools:

1. which are managed in accordance with 17 C.F.R. sec. 270.2a-7;

2. which are rated in the highest category by a nationally recognized statistical rating organization;
3. which are limited to U.S. Government securities that meet the definition of eligible security pursuant to 17 C.F.R. sec. 270.2a-7 and repurchase agreements that are collateralized by such U.S. Government securities;
4. which are in compliance with rules adopted pursuant to the "Administrative Procedure Act, P.L. 1968, c.410 (c.52:14B-1 et seq.) by the Local Financial Board of the Division of Local Government Services in the Department of Community Affairs, which rules shall provide for disclosure and reporting requirements, and other provisions deemed necessary by the Board to provide for the safety, liquidity and yield of the investments;
5. which does not permit investments in instruments that: are subject to high price volatility with changing market conditions; cannot reasonably be expected, at the time of interest rate adjustment, to have a market value that approximates their par value; or utilize an index that does not support a stable net asset value; and
6. which purchases and redeems investments directly from the issuer, government money market mutual fund, or the State of New Jersey Cash Management Fund, or through the use of a national or State bank located within this State, or through a broker-dealer which, at the time of purchase or redemption, has been registered continuously for a period of at least two years pursuant to section 9 of P.L. 1967 c.9 (C.49:3-56) and has at least \$25 million in capital stock (or equivalent capitalization if not a corporation), surplus reserves for contingencies and undivided profits, or through a securities dealer who makes primary markets in U.S. Government securities and reports daily to the Federal Reserve Bank of New York its position in and borrowing on such U.S. Government securities.