

R2023-118
CASH MANAGEMENT PLAN OF THE TOWN OF PHILLIPSBURG,
IN THE COUNTY OF WARREN, STATE OF NEW JERSEY

I. STATEMENT OF PURPOSE

This Cash Management Plan (the Plan) is prepared pursuant to provisions of N.J.S.A 40A:5-14 in order to set for the basis for the deposits (Deposits) and investments (permitted investments) of certain public funds of the Town of Phillipsburg, 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 accounts or otherwise safeguarded, in permitted investments hereinafter referred to. The intent of the Plan is to provide that the decisions made regarding the Deposits and the Permitted Investments will be done to ensure the safety, the liquidity (regarding its availability for the intended purposes), and the maximum investment return within such limits. The Plan is intended to ensure that any Deposits and Permitted Investments 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. IDENTIFICATION OF FUNDS AND ACCOUNTS TO BE COVERED BY THE PLAN

The Plan is intended to cover the deposit and/or investments of the following funds and accounts of the Town of Phillipsburg:

- Current Fund
- Municipal Clerk's Account
- Payroll Account
- Tax Collector's Account
- Capital Fund
- Dog Trust Fund
- Section 8 Federal Housing Program
- Sewer Revenue Fund
- Sewer Utility Capital fund
- Sewer Utility Fund
- Trust Fund
- Agency Account
- RCA Funds
- Claims Fund
- Planning Board Trust Fund/Land Use Board
- Benefits Account
- Revolving Loan Fund
- Land Use Board – Bridge Development
- Merchant's Account – Parking
- Merchant's Account – Recreation
- Affordable Housing Trust Fund
- Phillipsburg Commerce Park/Ingersoll Rand Escrow
- Bail Account – Court
- Fines Account – Court

III. DESIGNATION OF OFFICIALS OF THE TOWN OF PHILLIPSBURG AUTHORIZED TO MAKE DEPOSITS AND INVESTMENTS UNDER THE PLAN

The Chief Financial Officer of the Town of Phillipsburg is hereby authorized and directed to deposit and/or invest the funds referred to in the Plan. The Chief Financial Officer is hereby authorized to designate in writing an alternate employee to act in his/her capacity during his/her absence.

IV. DESIGNATION OF 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 certificates of deposit which are not otherwise invested in Permitted Investments as provided by this Plan.

Provident Bank	Fulton Bank
TD Bank	New Jersey Cash Management Fund
Wells Fargo Bank	Unity Bank
Chase Bank	Commerce Bank
PNC Bank	Bank of America
Investors Bank	

RECEIPTS AND DISBURSEMENT OF THE FUNDS OF THE TOWN OF PHILLIPSBURG

- A. All warrants or checks for the disbursement of money shall be made by the following officials for the following account types:

Current Fund, Capital Fund, Dog Trust Fund, Section 8 Federal Housing, Sewer Revenue Fund, Sewer Utility Capital Fund, Sewer Utility Fund, General Trust Fund, Agency Fund, RCA Funds, Claims Fund, Planning Board Trust Fund, Benefits Account, Phillipsburg Commerce Park/Ingersoll Rand Escrow, Revolving Loan Fund, Land Use Board – Bridge Escrow, Merchants Account – Parking, Merchants Account - Recreation, Affordable Housing Trust Fund

CHIEF FINANCIAL OFFICER
MAYOR

Payroll Account (2 OF 3)

MAYOR
CHIEF FINANCIAL OFFICER
MUNICIPAL CLERK

Tax Collector's Account

TAX COLLECTOR

Municipal Clerk's Account

MUNICIPAL CLERK
MAYOR

Municipal Court General, Fines and Bail Accounts

COURT ADMINISTRATOR
DEPUTY COURT ADMINISTRATOR

- B. All municipal funds received by any official or employee shall be deposited within 48 hours to an interest-bearing account in the same name of the Town of Phillipsburg. Additionally, funds can be received utilizing methods of electronic and/or automated clearing house.

C. Payment of all claims. All claims for the payment of money shall be presented, approved and paid in accordance with the following procedure:

(1) Manner of presentation. All claims for the payment of money shall be made by the claimant upon the appropriate voucher and shall be approved or disapproved in accordance with the procedures hereinafter set forth. No claim shall be paid unless the claimant shall first present a detailed bill of items or demand, specifying particularly how the bill or demand is made up, with the certification of the claimant that it is correct, said bill or demand and certification to be attached to the voucher. No claim shall be paid unless the voucher has attached to it a certification of a department head or of his duly designated representative having personal knowledge of the facts that the goods have been received by or the services rendered to the Town and that those goods or services are consistent with prior authorization or authorizations. Each voucher shall bear the signature of the Chief Financial Officer, certifying that there exists a line item appropriation against which the claim shall be charged. The Chief Financial Officer shall also certify that there are sufficient funds available for the payment of the voucher. No voucher shall be paid unless the aforementioned certifications are attached to said voucher or vouchers.

(2) Manner of payment. All warrants for the disbursement of Town money shall be drawn on the Town Treasury, signed by the Mayor and countersigned by the Chief Financial Officer.

(a) Two of the three authorized signatures are necessary to issue a draft from the payroll account. Those persons authorized are Mayor, Chief Financial Officer and Municipal Clerk. [Added 10-5-1999 by Ord. No. O:19-17]

(3) Payment of claims prior to Council approval. In the event of a delay, postponement or cancellation of regularly scheduled meetings of the Town Council, or under circumstances where a delay in the payment of bills until the next scheduled meeting is unreasonable or improper, the Town Chief Financial Officer shall be authorized to make all reasonable and necessary payments of bills prior to Council approval. In such circumstances, the Chief Financial Officer shall ascertain the existence of proper and sufficient appropriations for the payments to be made and determine that there is legal authority for the payments, evidenced by action of the Administrator or purchasing officer in respect to the goods or services ordered and the incurring of the expense therefore. The list of bills shall be reviewed and approved by the Mayor and Administrator and signed off on. The Chief Financial Officer shall present a list of all such bills so paid to the Town Council for ratification of such payments at the next regularly scheduled meeting.

(4) Exceptions. The Chief Financial Officer, with the approval of the Mayor and without employing the procedure required by Subsection C(3) of this section, but in accordance with established Town procedures, shall be permitted to take the following actions:

(a) Disburse Town funds from trust accounts, except that the Town Council shall approve or disapprove the return of unencumbered cash balances in said accounts to the appropriate entity or entities.

(b) Pay to the appropriate entities the following items:

[1] Salaries.

- [2] Federal withholding taxes and social security taxes and other Payroll Taxes as required by law.
- [3] School, county and any other taxes which the Town is obligated by law to pay.
- [4] Public assistance.
- [5] Pension, DCRP and annuity fund deductions from salaries, union dues deductions from salaries and wage attachment and garnishment deductions from salaries, deferred compensation plans deducted from salaries, Flexible Spending Account deductions from salaries, AFLAC and New York Life deductions from salaries.
- [6] Postal charges.
- [7] Utilities
- [8] Lease payments
- [9] Recycling Tax
- [10] EZPass

Items 1-10 shall be submitted to the Town of Phillipsburg Council for ratification on the bill list presented at the next Council meeting following the payments.

- (c) Pay to the appropriate entity or entities regular insurance premiums, provided that the insurance premium rate and the insurer are approved by the Town Council in the regular course of municipal business prior to the first payment of said premium or premiums.
 - (d) Transfer funds by the use of a payroll transfer check from the current fund account to the payroll account for the purpose of satisfying payroll obligations.
 - (e) Utilize the Town petty cash funds which are established by resolution of the Town Council.
 - (F) Pay on a regular basis to the appropriate entities the principal and interest with respect to any notes and other Town financial obligations, provided that the total amount of the principal and interest and the form of the financial obligation are approved by the Town Council in the regular course of municipal business prior to the first payment of said principal and interest.
- (5) Bills, claims and demands against the Town shall be deemed approved or disapproved by the Council in accordance with the action of the Administrator. A voucher on a form prescribed by the Administrator shall be presented for each bill, claim or demand and shall be paid only upon the audit, warrant and approval of the Chief Financial Officer except for payments made pursuant to subsection (c)(3) of this section. Disbursement shall be made by a combination warrant — blank check or draft signed by the Mayor and countersigned by the Chief Financial Officer, except that payroll checks may be signed by two of the three following, the Chief Financial Officer, Mayor or Clerk.
- (6) The Chief Financial Officer shall prepare for each regular meeting of the Council a list of all current bills, claims and vouchers. Said list shall be made a part of the minutes of the meeting and shall be prepared in sufficient quantity to supply each member of the Council, the Mayor and the Business Administrator with at least one copy. A copy shall then be filed with the Clerk as a public record open to examination in his/her office. The list shall be submitted to the Council for approval before any bill is paid.

- D. It shall be the duty of the Chief Financial Officer to pay all bills, claims and demands against the Town as approved by resolution or motion of the Town Council within 14 calendar days of said approval.
- E. The Chief Financial Officer is authorized to designate employees who may, from time to time, initiate and confirm wire transfers.
- F. Electronic Disbursement/Claimant Certification: In accordance with N.J.S.A. 40A: 5-16 (c) and Regulatory N.J.A.C. 5:30 9.6 up to or below \$17,500 of payments to Vendors do not require Claimant Certification unless to satisfy the Town on the integrity of the received goods or services is requires will not be necessary. The following require Claimant Certification:
 - a. Goods and Services over \$17,500.00
 - b. Advanced payments
 - c. Employee Reimbursements for Goods and Services

V. AUTHORIZED INVESTMENTS.

Except as otherwise specifically provided for herein, the Designated Official is hereby authorized to invest the public funds covered by this Plan, to the extent not otherwise held in deposits, in the following permitted investment:

- 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 municipality of which the Local Unit is a part or within which the municipality 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 Treasurer 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.52:18A-90.4);
- 8) Agreement for the repurchase of fully collateralized securities if:
 - (a) The underlying securities are permitted investments pursuant to paragraph (1) and (3) of tis 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 defined in section I of P.L. 1070. C.236(C.17:9-41); and
 - (e) A master repurchase agreement providing for the custody and security of collateral is executed.
- 9) Obligations issued by the State of New Jersey, its agencies or any other local agencies or authorities which specifically provide in their enabling legislation that their obligations are an authorized investment for other local governments. This is specifically intended to include obligations issued by the State of New Jersey to fund its outstanding pension obligations issued in 1997. Consisting of Series A, B and C, inclusive.

For the purpose of this above language, the terms "government money market mutual fund" and "local government investment pool" shall have the following definitions:

Government Money Market Mutual Fund - An investment company or investment trust:

- a) Which is registered with the Securities and Exchange Commission under the "Investment Company Act of 1940" 15 U.S.C. sec 80a-1 et seq. and operated in accordance with 17 C.F.R. sec 270.2a-7 and repurchase agreements that are collateralized by such U.S. Government securities;
- b) 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;
- c) Which has:
 - i. attained the highest ranking or the highest letter and numerical rating of a nationally recognized statistical rating organization; or
 - ii. retained an investment advisor registered or exempt from registration with the Securities and Exchange Commission pursuant to the "Investment Advisors Act of 1940" 15 S.S.C. sec 80B-1 et seq., with experience investing in US Government securities for at least the most recent past 60 months and with assets under management in excess of \$500 million.

Local Government Investment Pool - An investment pool:

- a. Which is managed in accordance with 17 C.F.R. sec. 270.2a7;
- b. Which is rated in the highest category by a nationally recognized statistical rating organization;
- c. Which is limited to U.S. Government securities that meet the definition of an eligible security pursuant to 17 C.F.R. sec 270.2a-7 and repurchase agreements that are collateralized by such U.S Government securities;

- d. Which is in compliance with rules adopted pursuant to the "Administrative Procedure Act: P.L. 1968, c.410(c.52:14B-1 et seq.) by 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 investment;
- e. 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 and index that does not support a stable net asset value; and
- f. 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.

It is the responsibility of the Chief Financial Officer to analyze the cash flow and to invest funds in legal investments as to maximize interest earnings. The Chief Financial Officer will observe the following guidelines:

- 1. When investing funds in commercial banks, savings banks and loans and other depository institutions, the Chief Financial Officer shall attempt to obtain a minimum of three quotations and shall invest at the institution offering the highest effective rate. If such investments together with all other deposits of the Town of Phillipsburg in said institution exceeds the Federal Deposit Insurance Corporation limit, then the following criteria must be met:
 - a. The institution must be covered by a current Government Unit Deposit Protection Act Certificate.
- 2. The Chief Financial Officer shall determine which type of legal investment will best serve the needs of the municipality and is authorized to place funds in any legal investment, unless otherwise restricted by the governing body.
- 3. The Chief Financial Officer is authorized to contract the services of a Financial Advisor, as needed.
- 4. The Chief Financial Officer shall develop procedures to ensure internal controls are adequate to safeguard the Town of Phillipsburg funds.

VI. SAFEKEEPING CUSTODY PAYMENT AND ACKNOWLEDGEMENT 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 Town of Phillipsburg, 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 investments in the name of the Town of Phillipsburg to assure that there is no unauthorized use of the funds or the Permitted Investments or Deposits. Purchase of any Permitted Investments that involve securities shall be executed by a "delivery versus payment" method to ensure that such Permitted Investments are either received by the Town of Phillipsburg or by third party custodian prior to or upon release of the Town of Phillipsburg Funds.

VII. REPORTING REQUIREMENTS

On the first day of each month during which this Plan is in effect, the Designated Officials referred to in Section III hereof shall supply to the governing body of the Town of Phillipsburg a written report of any Deposits or Permitted Investment made pursuant to this Plan, which shall include, at a minimum, the following information:

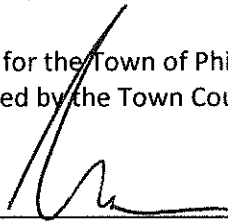
- a. The name of any institution holding funds of the Town of Phillipsburg as Deposit of a Permitted Investment.
- b. The amount of securities purchased or sold during the immediately preceding month.
- c. The class or type of securities purchased, or Deposits made.
- d. The book value of such Deposits or Permitted Investments.
- e. 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.
- f. The fees incurred to undertake such Deposits or Permitted Investments.
- g. The market value of all Deposits or Permitted Investments as of the end of the immediately preceding month.
- h. All other information which may be deemed reasonable from time to time by the governing body of the Town of Phillipsburg.

VIII. TERM OF PLAN

This Plan shall be in effect from January 1, 2023, to December 31, 2023. Attached to this Plan is a resolution of the governing body of the Town of Phillipsburg approving this Plan for such period of time. The Plan may be amended from time to time.

CERTIFICATION

I, Matthew C. Hall, Acting Municipal Clerk for the Town of Phillipsburg, do hereby certify that the foregoing is a true copy of a resolution duly adopted by the Town Council at their June 20, 2023 meeting.



Matthew C. Hall, Acting Municipal Clerk