



Board of County Commissioners

**RESOLUTION ADOPTING A CASH MANAGEMENT PLAN FOR THE COUNTY OF SALEM**

**BE IT RESOLVED**, by the Board of County Commissioners of the County of Salem that for the year 2021, the following shall be the Cash Management Plan of the County of Salem.

The Chief Financial Officer/Treasurer shall use the Cash Management Plan as the Guide in depositing and investing the funds for the County of Salem.

The following Government Unit Depository Protection Act approved banks are authorized depositories for the deposit of funds:

Fulton Bank of NJ  
 Franklin Bank, SLA  
 ST. of NJ Cash Mgmt. Fund  
 Bank of America, N.A.  
 Pennsville National Bank

First National Bank of Elmer  
 NJ/ARM (Asset & Rebate Mgmt.)  
 TD Banknorth, N.A.  
 Janney Montgomery Scott, LLC

The County may use moneys which may be on hand for the purchase of the following types of securities, which, if suitable for registry, may be registered in the name of the County: (1) Certificates of Deposits; (2) Repurchase Agreements that are 100% collateralized by obligations of the United States of America or guaranteed by the United States of America; (3) Bonds or other Obligations of the United States of America or Obligations guaranteed by the United States of America; (4) Government Money Market Mutual Funds; or (5) any other Security which may be purchased by the County pursuant to N.J.S.A. 40A:5-15.1.

Each month, the Chief Financial Officer/Treasurer shall prepare for the governing body a cash flow projection showing the County of Salem projected cash position for the next twelve months. The priority of investing policies shall be in order of descending importance, security, liquidity, and yield and funds shall be managed to meet the cash flow needs of the County of Salem.

BENJAMIN H. LAURY, Director of the Board of County Commissioners

I hereby certify the foregoing to be a true resolution adopted by the Salem County Board of County Commissioners at its annual reorganization meeting held on January 6, 2021.

STACY L. PENNINGTON  
 Clerk of the Board

RECORD OF VOTE

COMMISSIONER	RESOLUTION MOVED	RESOLUTION SECOND	AYE	NAY	ABSTAIN	ABSENT
G. Ostrum, Jr.		✓	✓			
E. Ramsay			✓			
L. Ware			✓			
R.S. Griscom	✓		✓			
B. Laury			✓			

✓ Indicates Vote

Department Initials \_\_\_\_\_

**CASH MANAGEMENT PLAN FOR THE COUNTY OF SALEM FOR 2021**

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**I. STATEMENT OF PURPOSE**

THIS CASH MANAGEMENT PLAN IS PREPARED PURSUANT TO THE PROVISIONS OF N.J.S.A. 40A:5-14 IN ORDER TO SET FORTH THE BASIS FOR THE DEPOSITS AND INVESTMENT OF CERTAIN PUBLIC FUNDS OF THE COUNTY OF SALEM, PENDING USE OF SUCH FUNDS FOR THE INTENDED PURPOSES. THE PLAN IS DESIGNED TO ASSURE THAT ALL PUBLIC FUNDS IDENTIFIED HEREIN ARE DEPOSITED IN INTEREST BEARING ACCOUNTS WHERE APPLICABLE OR OTHERWISE INVESTED IN PERMITTED INVESTMENTS WHICH ARE STATED IN SECTION VI. THE INTENTION OF THE PLAN IS TO PROVIDE THAT THE DECISIONS MADE WITH REGARD TO THE DEPOSITS AND THE PERMITTED INVESTMENTS WILL BE DONE TO INSURE THE SAFETY, THE LIQUIDITY (REGARDING AVAILABILITY FOR THE INTENDED PURPOSES), AND THE MAXIMUM INVESTMENT RETURN WITHIN SUCH LIMITS. THE PLAN IS ALSO INTENDED TO INSURE 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. IDENTIFICATION OF FUNDS AND ACCOUNTS TO BE COVERED BY THE PLAN**

THE PLAN IS INTENDED TO COVER THE DEPOSIT AND/OR INVESTMENT OF FUNDS FOR THE COUNTY OF SALEM AND ENCOMPASSES ALL OTHER BANK ACCOUNTS UNDER THE AUSPICES OF THE SALEM COUNTY BOARD OF COUNTY COMMISSIONERS.

**III. DESIGNATION OF OFFICIALS OF THE COUNTY OF SALEM AUTHORIZED TO MAKE DEPOSITS AND INVESTMENTS UNDER THE PLAN:**

THE CHIEF FINANCIAL OFFICER IS HEREBY AUTHORIZED AND DIRECTED TO DEPOSIT FUNDS AND/OR INVEST FUNDS REFERRED TO IN THE PLAN.

PRIOR TO MAKING ANY SUCH DEPOSITS OR PERMITTED INVESTMENTS, THE CHIEF FINANCIAL OFFICER SHALL SUPPLY TO ALL DEPOSITORIES OR ANY OTHER PARTIES WITH WHOM THE DEPOSITS OR PERMITTED INVESTMENTS ARE MADE, A WRITTEN COPY OF THIS PLAN WHICH SHALL BE ACKNOWLEDGED IN WRITING BY SUCH PARTIES WITH A COPY OF SUCH ACKNOWLEDGEMENT SHALL BE KEPT ON FILE IN THE TREASURER'S OFFICE.

**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 ANY CERTIFICATES OF DEPOSIT WHICH ARE NOT OTHERWISE INVESTED IN PERMITTED INVESTMENTS AS PROVIDED FOR IN THIS PLAN:

FULTON BANK OF NJ  
BANK OF AMERICA, N.A.  
FRANKLIN BANK, SLA  
(ASSET & REBATE MGMT)

FIRST NAT'L. BK. OF ELMER  
ST. OF NJ CASH MGMT. FUND  
TD BANKNORTH, N.A. NJ/ARM  
JANNEY MONTGOMERY SCOTT, LLC

DESIGNATED OFFICIAL DEPOSITORIES ARE REQUIRED TO SUBMIT TO THE CHIEF FINANCIAL OFFICER A COPY OF THE STATE OF NEW JERSEY, DEPARTMENT OF BANKING, GOVERNMENT UNIT DEPOSIT ACT (GUDPA) NOTIFICATION OF ELIGIBILITY, WHICH MUST BE FILED SEMIANNUALLY IN THE DEPARTMENT OF BANKING AS OF JUNE 30<sup>TH</sup> AND DECEMBER 31<sup>ST</sup> OF EACH YEAR. SAID NOTICES MUST BE AVAILABLE TO THE COUNTY AND RETAINED FOR THE ANNUAL AUDIT.

THE ABOVE LISTED DEPOSITORIES SHALL ACKNOWLEDGE IN WRITING RECEIPT OF THIS PLAN BY SENDING A WRITTEN ACKNOWLEDGEMENT TO THE CHIEF FINANCE OFFICER WITHIN 30 DAYS OF RECEIPT OF PLAN.

ALL DESIGNATED DEPOSITORIES MUST CONFORM TO ALL APPLICABLE STATE STATUTES CONCERNING DEPOSIT OF PUBLIC FUNDS.

#### **V. DEPOSIT OF FUNDS**

ALL FUNDS SHALL BE DEPOSITED WITHIN 48 HOURS OF RECEIPT IN ACCORDANCE WITH N.J.S.A. 40A: 5-15.

CURRENT OPERATING FUND ACCOUNTS SHALL BE DEPOSITED INTO INTEREST BEARING ACCOUNTS TO MAXIMIZE INTEREST EARNINGS.

GENERAL CAPITAL FUND ACCOUNTS MAY BE DEPOSITED INTO INTEREST BEARING ACCOUNTS. INTEREST FROM THE GENERAL CAPITAL FUND ACCOUNT WILL BE TRANSFERRED TO THE CURRENT ACCOUNT.

TRUST FUNDS SHALL BE DEPOSITED INTO INTEREST BEARING ACCOUNTS WHEN PERMITTED. ANY TRUST FUND ACCOUNTS, WHICH ARE NOT PERMITTED BY EITHER FEDERAL OR STATE LAW TO BEAR INTEREST, SHALL BE REGULARLY MONITORED FOR COMPLIANCE.

NET PAYROLL AND PAYROLL AGENCY FUNDS SHALL BE MAINTAINED IN CHECKING ACCOUNTS ONLY. THE BALANCES IN THESE ACCOUNTS ARE OF AN IMPREST NATURE TO BE UTILIZED ONLY FOR NET PAYROLL AND PAYROLL AGENCY PURPOSES. THE INTEREST EARNED ON THESE ACCOUNTS, IF ANY, WILL BE TRANSFERRED TO THE APPLICABLE CURRENT FUND ACCOUNT.

#### **VI. DESIGNATION OF ALLOWABLE INVESTMENT INSTRUMENTS**

THE COUNTY MAY USE MONEYS WHICH MAY BE ON HAND FOR THE PURCHASE OF THE FOLLOWING TYPES OF SECURITIES, WHICH, IF SUITABLE FOR REGISTRY, MAY BE REGISTERED IN THE NAME OF THE COUNTY: (1) CERTIFICATES OF DEPOSITS; (2) REPURCHASE AGREEMENTS THAT ARE 100% COLLATERALIZED BY OBLIGATIONS OF THE UNITED STATES OF AMERICA OR GUARANTEED BY THE UNITED STATES OF AMERICA; (3) BONDS OR OTHER OBLIGATIONS OF THE UNITED STATES OF AMERICA OR OBLIGATIONS GUARANTEED BY THE UNITED STATES OF AMERICA; (4) GOVERNMENT MONEY MARKET MUTUAL FUNDS; OR (5) ANY OTHER SECURITY WHICH MAY BE PURCHASED BY THE COUNTY PURSUANT TO N.J.S.A. 40A:5-15.1.

#### **VII. REPORTING PROCEDURES**

THE CHIEF FINANCIAL OFFICER WILL PREPARE FOR THE FREEHOLDER DIRECTOR A DETAILED LISTING OF ALL INVESTMENTS PURCHASED IN THE PRIOR MONTH AS THE CASE MAY BE. IF NO NEW INVESTMENTS WERE MADE IN THE PRIOR MONTH A REPORT WILL BE MADE OF ANY EXISTING INVESTMENTS. SUCH REPORT SHALL ILLUSTRATE EACH INVESTMENT BY FUND.

THE CHIEF FINANCIAL OFFICER SHALL ALSO PREPARE A REPORT OF OUTSTANDING INVESTMENTS AS OF DEC. 31<sup>ST</sup> FOR THE COUNTY AUDITORS. SUCH REPORT SHALL ILLUSTRATE EACH INVESTMENT BY FUND.

**VIII. DIVERSIFICATION REQUIREMENTS**

THE CHIEF FINANCIAL OFFICER SHALL CLOSELY MONITOR INVESTMENTS TO GUARD AGAINST THE POSSIBLE DEFAULT OF ANY DESIGNATED FINANCIAL INSTITUTION.

**IX. MAXIMUM MATURITY POLICY**

AT THIS TIME INVESTMENTS SHALL BE LIMITED TO A PERIOD NOT TO EXCEED 60 DAYS FOR THE PURPOSES OF MAINTAINING CASH FLOW.

**X. INVESTMENT PROCEDURES**

BIDS FOR SECURITIES ALLOWED FOR INVESTMENT PURSUANT TO N.J.S.A. 40A: 5-15.1 SHALL BE SOLICITED BY TELEPHONE FROM A MINIMUM OF THREE DEPOSITORIES BY THE CHIEF FINANCIAL OFFICER, THE ASSISTANT CO. TREASURER OR BY A DESIGNATED STAFF MEMBER.

THE DEPOSITORY SHALL SPECIFY THE PRINCIPAL AMOUNT OF INVESTMENT BID ON, THE INTEREST RATE AND THE NUMBER OF DAYS USED TO CALCULATE THE INTEREST TO BE PAID UPON MATURITY.

INTEREST PAID SHALL BE FROM THE DATE THE BID WAS AWARDED TO THE DATE OF MATURITY. INTEREST EARNED FOR GENERAL CAPITAL FUND ACCOUNT INVESTMENTS WILL BE DEPOSITED IN THE CURRENT ACCOUNT.

ALL BIDDERS MAY REQUEST THE RESULTS OF THE BID AFTER THE BID HAS BEEN AWARDED.

A WIRE TRANSFER OF FUNDS WILL BE MADE AVAILABLE TO THE WINNING BIDDER ON THE SAME BUSINESS DAY THE BID IS AWARDED.

EACH BID QUOTATION SHALL BE RECORDED ON A COUNTY OF SALEM BID FORM CREATED AND KEPT ON FILE IN THE COUNTY TREASURER'S OFFICE.

INVESTMENTS WILL NOT BE SOUGHT IF ANY BANK ACCOUNT RATE IS GREATER THAN OR EQUAL TO (WITHIN A REASONABLE AMOUNT) THE INVESTMENT RATE QUOTED BY AN APPROVED DEPOSITORY.

**XI. RETURN ON INVESTMENT**

WHERE THE RETURN ON A PROPOSED INVESTMENT DOES NOT EXCEED THE COST OF MAKING THE INVESTMENT BY A MINIMUM AMOUNT, THE CHIEF FINANCIAL OFFICER SHALL HAVE THE DISCRETION TO AWARD AN INVESTMENT TO THE BANK WHERE THE INVESTMENT RESIDES AT THAT TIME SHOULD THAT BANK'S QUOTED RATE BE LESS THAN 25 BASIS POINTS.

**XII. INTERNAL CONTROLS REGARDING INVESTMENTS**

WHEN POSSIBLE, INTERNAL CONTROLS SHALL PROVIDE FOR A SEPARATION OF THE INVESTMENT PLACEMENT FUNCTIONS AND THE ACCOUNTING ACTIVITY. THE CHIEF FINANCIAL OFFICER SHALL REVIEW EACH DAY'S ACTIVITY.

**XIII. SURETY BONDS AND INSURANCE COVERAGE**

THE CHIEF FINANCIAL OFFICER SHALL BE COVERED BY SURETY BONDS. THESE BONDS SHALL BE SUBJECT TO ANNUAL AUDIT TO INSURE THEIR PROPER EXECUTION AND MINIMUM COVERAGE AS REQUIRED BY STATUTE, IF APPLICABLE.

STAFF MEMBERS OF THE TREASURER'S OFFICE NOT COVERED BY POSITION SURETY BONDS SHALL BE COVERED BY PUBLIC EMPLOYEES FAITHFUL PERFORMANCE INSURANCE POLICY (EMPLOYEE BLANKET BOND).

**XIV. COMPLIANCE**

THE CASH MANAGEMENT PLAN OF THE COUNTY OF SALEM SHALL BE SUBJECT TO THE ANNUAL AUDIT PURSUANT TO N.J.S.A. 40A: 5-4.

**XV. TERM OF PLAN**

THIS CASH MANAGEMENT PLAN SHALL BE IN EFFECT FROM JANUARY 1, 2021 TO DECEMBER 31, 2021. ATTACHED TO THIS PLAN IS A RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF THE COUNTY OF SALEM APPROVING THIS PLAN FOR THE STATED PERIOD OF TIME.

THIS PLAN MAY BE AMENDED AS NEEDED. IF SUCH AMENDMENT OCCURS AND IS ADOPTED BY THE BOARD OF COUNTY COMMISSIONERS THE CHIEF FINANCIAL OFFICER SHALL SUPPLY COPIES OF THE AMENDMENTS TO ALL OF THE PARTIES WHO ALSO RECEIVED COPIES OF THE ORIGINALLY APPROVED PLAN. THIS AMENDMENT SHALL BE ACKNOWLEDGED IN WRITING IN THE SAME MANNER AS THE ORIGINAL PLAN WAS SO ACKNOWLEDGED.