

Cash Management Plan of the Township of West Orange In the County of Essex, New Jersey

I. STATEMENT OF PURPOSE.

This Cash Management Plan (the "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 ("Deposits") and investment ("Permitted Investments") of certain public funds of the Township of West Orange, 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 Deposits or otherwise invested in Permitted Investments hereinafter referred to. The intent of the Plan is to provide that the decisions made with regard to 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 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.

A. The Plan is intended to cover the deposit and/or investment of the following funds and accounts of the Township of West Orange:

- Animal Control Trust Fund Account
- Assessment Trust Fund Account
- COAH Developer Fee Account and Growth Share Account
- Community Development Block Grant Account
- Current Account
- General Capital Account
- General Trust Account
- Municipal Insurance Trust Account
- Open Space Trust Fund
- Public Assistance Trust Fund I & II
- Section Eight Housing Account
- Special Improvement District Account
- Swim Pool Operating Account
- Unemployment Trust Account
- Workers' Compensation Account

All disbursements for the accounts listed above shall be made by checks signed (or facsimile signatures) by any three of the following: the Mayor, Comptroller, and Treasurer, or Designees.

B. It is understood that this Plan is not intended to cover certain funds and accounts of the Township of West Orange, specifically:

- Payroll Account

All disbursements for the Payroll Account shall be made by checks signed by the Comptroller, Tax Collector, Business Administrator, or Mayor.

III. DESIGNATION OF OFFICIALS OF THE TOWNSHIP OF WEST ORANGE AUTHORIZED TO MAKE DEPOSITS AND INVESTMENTS UNDER THE PLAN.

The Comptroller of the Township of West Orange (or Designee) (the "Designated Official") is hereby authorized and directed to deposit and/or invest the funds referred to in the Plan. Prior to making any such Deposits or any Permitted Investments, such officials of the Township of West Orange are directed to 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 and a copy of such acknowledgement kept on file with such officials.

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 the Plan:

Atlantic Federal Credit Union
Bank of America, N.A.
CitiBank
Kearny Federal Savings Bank
Glen Rock Savings Bank
JP Morgan Chase Bank
New York Community Bank
PNC Bank, National Association
Provident Bank
Regal Bank
Santander Bank
Sovereign Bank
State of New Jersey Cash Management Fund
TD Bank, NA
Valley National Bank
Union Center Bank
Wells Fargo Bank, NA

All such depositories shall acknowledge in writing receipt of this Plan by sending a copy of such acknowledgement to the Designated Official (s) in Section III above.

V. DESIGNATION OF BROKERAGE FIRMS AND DEALERS WITH WHOM THE DESIGNATED OFFICIALS' MAY DEAL.

The following brokerage firms and/or dealers and other institutions are hereby designated as firms with whom the Designated Official (s) of the Township of West Orange referred to in this Plan may deal for purposes of buying and selling securities identified in this Plan as Permitted Investments or otherwise providing for Deposits. All such brokerage firms and/or dealers shall acknowledge in writing receipt of this Plan by sending a copy of such acknowledgement to the Designated Official (s) referred to in Section III above.

None

VI. AUTHORIZED INVESTMENTS.

A. 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 Investments:

- (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) 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.52:18A-90.4); 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 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 1 of P.L. 1970, c.236 (C.17:19-41); and
 - (e) a master repurchase agreement providing for the custody and security of collateral is executed.

For purposes of the 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.
- (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 and repurchase agreements that are collateralized by such U.S. Government securities; and
- (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 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.

Local Government Investment Pool. An investment pool:

- (a) which is managed in accordance with 17 C.F.R. sec. 270.2a-7;
- (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, c410 (c.52:14B-1 et seq.) by the Local Finance 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;
- (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 an 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.

VII. 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 Township of West Orange, 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 Township of West Orange 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 Township of West Orange or by a third-party custodian prior to or upon the release of the Township of West Orange's funds.

To assure that all parties with whom the Township of West Orange deals either by way of 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 Designated Official (s).

VIII. REPORTING REQUIREMENTS.

Each month during which this Plan is in effect, the Designated Official (s) referred to in Section III hereof shall supply to the governing body of The Township of West Orange a written report of any Deposits or Permitted Investments made pursuant to this Plan, which shall include, at a minimum, the following information:

- A. The name of any institution holding funds of the Township of West Orange as a Deposit or a Permitted Investment.
- B. The amount of securities or Deposits 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 Township of West Orange.

IX. EXPENDITURES OF DEPOSIT

All distribution of funds for expenditures of Township of West Orange funds shall be recorded on a Bill List presented to the Township Council at a public meeting for their approval. Once approved, the Chief Financial Officer will distribute the funds for the expenditures as specified on the Bill List. If the Chief Financial Officer determines that withholding distribution of funds for any properly authorized expenditure until the next Council Meeting would provide a threat to anyone's health, welfare or safety and/or negatively impact the efficiency of Township operations, the Chief Financial may immediately distribute funds for the expenditure and record it as such on the next Bill List presented to the Township Council.

X. TERM OF PLAN.

The Plan shall be in effect for the 2024 year. Attached to this Plan is a resolution of the governing body of the Township of West Orange approving this Plan for such period of time. The Plan may be amended from time to time. To the extent that any amendment is adopted by the Council, the Designated Official 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.