

RESOLUTION NO. 1-2012-14
RESOLUTION ESTABLISHING A CASH MANAGEMENT PLAN
FOR THE BOROUGH OF BARRINGTON

WHEREAS, N.J.S.A. 40A:5-14 requires all municipalities in the State of New Jersey to adopt a cash management plan that is subject to the annual audit;

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the Borough of Barrington that the following requirements shall be adhered to:

The Borough Council shall annually, at its reorganization meeting, designate the legal depositories for all municipal funds. The resolution may be amended or supplemented from time to time as the Borough Council deems necessary. Such resolution shall be deemed a part of the cash management plan.

The Borough Council shall annually establish by resolution adopted at its annual reorganization meeting the required signatories to all municipal bank accounts.

All municipal funds received by any official or employee shall be either deposited within 48 hours to an interest bearing account in the name of the Borough of Barrington, or shall be turned over to the treasurer within 48 hours of receipt.

All revenues received by the treasurer, tax collector and utility collector shall be deposited to interest bearing accounts in the legal depositories.

The following funds shall not be required to be maintained in interest bearing accounts: change funds, petty cash funds, payroll funds, trust funds (to the extent that the deposit of such funds to an interest bearing account would require by law the payment of interest to the provider of the funds), checking accounts established for the express purpose of paying bills approved by the Governing Body (such accounts will be maintained at the minimum amount required for orderly operation of the account), and compensating balances maintained for the purpose of obtaining specific services from financial institutions (such accounts shall be established only under terms of written agreements approved by the Borough Council).

No municipal funds shall be disbursed by the treasurer prior to approval of the Borough Council except for debt service payments, investments, payroll turnovers to agencies and discount vouchers. Debt service payments and discount vouchers must be ratified after payments.

It shall be the responsibility of the treasurer to analyze the cash flow and to invest funds in legal investments so as to maximize interest earnings. When investing funds in commercial banks, savings banks, savings and loans, etc., the treasurer shall obtain a minimum of three quotations and shall invest at the institution offering the highest effective rate. The treasurer shall determine which type of legal investment will best serve the needs of the municipality and is authorized to place the funds in any such legal investment, unless otherwise restricted by the Governing Body.

The treasurer shall report monthly all investment transactions as required by N.J.S.A. 40A:5-15.2 to the Borough Council.

BOROUGH OF BARRINGTON

DATE: JANUARY 8, 2012

BY: _____
Robert Klaus, Mayor

ATTEST: _____
Terry Shannon, Clerk/RMC