**RESOLUTION R003-2026**

**WASHINGTON TOWNSHIP**
**GLOUCESTER COUNTY**

**RESOLUTION APPROVING THE CASH MANAGEMENT PLAN AND POLICIES FOR THE YEAR 2026**

***BE IT RESOLVED,*** that the Township Council of the Township of Washington in the County of Gloucester, State of New Jersey hereby approves the attached Cash Management Plan for the year 2026 set forth as follows:

**INVESTMENT OBJECTIVES.** The priority of investing practices shall be, in order of descending importance, security, liquidity and yield.

**SECURITY.** The safety of principal is the foremost objective of the cash management plan. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective is to mitigate credit risk and interest rate risk.

A. **Liquidity.** The portfolio should remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. Investments of various funds should be structured so that they match the potential need. Thus, investments with a maturity of not more than one year. Investments of a capitol, or long-term trust fund nature should match the expected use of the funds, but not exceed five years.

B. **Yield.** The investment portfolio must be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of least importance compared to the safety and liquidity objectives described above.

1) **SUITABLE INVESTMENTS**. The following are authorized as suitable investments.

- Interest-bearing accounts and certificates of deposit in authorized banks, listed below, for despite of local unitfunds.
- Government money market mutual funds as comply with N.J.S.A. 40A:5-15(e)
- Any federal agency or instrumentality obligation authorized by Congress that matures within 397 days from the date of purchase, and has afixed rate of interest not dependent on any index or external factors.

- Bonds or other obligations of the local unit or school district of which the local unit is a part.
- Any other obligations with maturities not exceeding 397 days, as permitted by the Division of Investments.
- Local Government investment pools which comply with N.J.S.A. 40A:5- 1(e) and conditions set by the Division of Local Government Services.
- New Jersey State Cash Management Fund.
- Repurchase agreements (repos) of fully collateralized securities which comply with N.J.S.A. 40A:5-15(a).

## 2) STANDARD OF CARE

### a. Prudence

The standard of prudence to be used by investment officials shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio in accordance with the State of Law and this policy. Chief Financial Officer acting in accordance with the cash management plan and policy shall be relived of any liability for loss if such moneys due to the insolvency or closing of any depository designated by the decrease in value of any or closing of any investment authorized by the cash management plan. Investments shall be made with judgment and care under circumstances the prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

### b. Ethics and Conflicts of Interest

Officers and employees involved in the investment process shall not have personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Employees and investment officials shall disclose any material investment in financial in financial institutions with which they conduct business. They shall disclose any personal financial investments positions that one could be related to the performance of the investment portfolio. Employees and officers shall refrain from undertaking personal investments transactions with the same individual with whom business is conducted on behalf of their entity. Personnel involved in investment activities shall comply with the Local Government Ethics Law.

### c. Delegation of Responsibility and Authority

Responsibility and authority to manage the Cash Management Plan and Policy is granted to the Chief Financial Officer pursuant to N.J.S.A. 40A:5-14. No person may engage in an investment transaction exempt as provided under the terms of the policy and the written procedures established by the chief financial officer. The

Chief Financial Officer shall be responsible for all transactions undertaken and shall establish system of controls to regulate the activities of subordinate officials.

## 3) Safekeeping and Custody

### a. Authorized Depositories

The following banks under the Government Unit Depository Protection Act are hereby deemed authorized depositories for deposit of funds.

- Fulton Bank
- NJARM
- Any other depository qualified and deemed appropriate by Council.

### b. Internal Controls

1. Internal controls shall be utilized to address the following points:

   a. Control of collusion. Collusion is a situation where two or more employees are working in conjunction to defraud their employer.

   b. Separation of transaction authority from accounting and record keeping. By separating the person who authorized or performs the transaction from the people who record or otherwise account for the transaction, a separation of duties is achieved.

   c. Clear delegation of authority to subordinate staff members. Subordinate staff members must have a clear understanding of their authority and responsibilities to avoid improper actions. Clear delegation of authority also preserves the internal control structure that is contingent on the various staff positions and their respective responsibilities.

2. Each month the Chief Financial Officer shall prepare a report for the governing body that consists of the following:

   - A summary of all investments made or redeemed.
   - Any and all financial institutions holding local unit funds.
   - The class or type of securities purchases or funds deposited.
   - Income earned on deposits and investments.
   - Market value of investments and disclosure and how the value was determined.
   - A listing of accounts or deposits that do not earn interest.
   - Any official who in the course of his or her duties deposits or invests in accordance with the plan shalt be relieved of any liability for loss of investment.

**4. Policy**

**a. Exemptions**

Any investment currently held that does not meet these guidelines shall be exempted from the requirements of the cash management plan. At maturity or liquidation, such monies shall be reinvested only as provided by the cash management plan and policy.

**b. Amendments**

This cash management plan must be approved by the governing body, by resolution, on an annual basis, and may be amended at any times during the year to reflect changes. Any amendment must also be approved by the governing body.

***BE IT FURTHER RESOLVED,*** that the Mayor and Chief Financial Officer of the Township are directed to immediately implement this resolution in accordance with New Jersey Local Budget Law, N.J.S.A. 40A:4-1, et.se, and the Local Fiscal Affairs Law N.J.S.A. 40A:5-1, et seq.

***BE IT FINALLY RESOLVED,*** that implementation of this Resolution shall be complete within thirty (30) days of the date of this resolution.

TOWNSHIP OF WASHINGTON

By: _____
Peter Del Borrello III, Council President

I, Christine Ciallella, do certify this to be a true copy of Resolution **R003-2026** adopted by the Township of Washington, Gloucester County, at the reorganization meeting held on January 2, 2026 and shall take effect immediately.

By: _____
Christine Ciallella, RMC/CMR
Township Clerk

| Members | Motion | Second | Ayes | Nays | Abstain | Absent | Recuse |
|---|---|---|---|---|---|---|---|
| Yerkes | | X | X | | | | |
| Harris | X | | X | | | | |
| Pasqualone | | | X | | | | |
| Brown | | | X | | | | |
| Del Borrello | | | X | | | | |