

CASH MANAGEMENT PLAN FOR THE BOROUGH OF MAGNOLIA

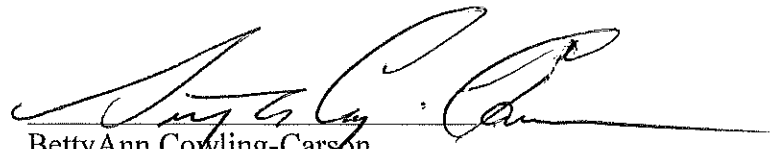
WHEREAS, this plan is established to comply with the requirements of NJSA 40A:5-14 and to provide a guide to municipal officials and employees in carrying out their duties concerning the receipt and disbursement of all funds of the Borough of Magnolia:

The following requirements shall be adhered to:

- A. The Mayor and Council shall annually, at its reorganization meeting designate the legal depositories for all municipal funds. Such resolution(s) shall be deemed a part of the Cash Management Plan.
- B. The Mayor and Council shall annually establish by Resolution adopted at its annual Reorganization meeting the required signatories to all municipal bank accounts.
- C. All Municipal funds received by an official or employee shall be either deposited within 48 hours to an interest-bearing account in the name of the Borough of Magnolia or shall be turned over to the Municipal Finance Officer within 48 hours of receipt.
- D. All revenues received by the Municipal Financial Officer shall be deposited to interest bearing accounts in the legal depositories.
- E. The following funds shall not be required to be maintained in interest bearing accounts:
 - 1. Change Funds
 - 2. Petty Cash Funds
 - 3. Payroll Funds
 - 4. 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 funds.
 - 5. Checking accounts established for the express purposes of paying bills approved by the governing body. The balances in these funds shall be kept at the minimum amount required for the orderly operations of the account.
- F. The Tax Collector shall deposit all funds to an interest-bearing account.
- G. No municipal funds shall be disbursed by the Municipal Financial Officer prior to approval of Mayor and Council except for:
 - 1. Debt Service Payments
 - 2. Investments
 - 3. Payroll Turnovers to Agencies
 - 4. Discount Vouchers Debt Service Payments and discount vouchers must be ratified after payment.

It shall be the responsibility of the Chief Municipal Financial Officer 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 and loans, etc. the Municipal Financial Officer or Comptroller shall obtain a minimum of three quotations and shall invest at the institution offering the highest effective rate. The Municipal Financial Officer or Comptroller 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 investments, unless otherwise restricted by the governing body. The Municipal Financial Officer shall report monthly all investment transactions as required by NJSA 40A:5-15.2 to the Mayor and Council.

Adopted: January 6, 2021

A handwritten signature in black ink, appearing to read "Betty Ann Cowling-Carson", written over a horizontal line.

Betty Ann Cowling-Carson
Mayor
Borough of Magnolia