



**BOROUGH OF FLORHAM PARK
COUNTY OF MORRIS, STATE OF NEW JERSEY
RESOLUTION #26-06**

TO ESTABLISH FEES AS REQUIRED

WHEREAS, Local Fiscal Affairs Law: N.J.S.A. 40A:5-14, requires that each municipality designate a Cash Management Plan for the deposit of each local unit's monies.

NOW, THEREFORE, BE IT RESOLVED, that the following Cash Management Plan of the Borough of Florham Park for 2026 is hereby adopted as follows:

A. DESIGNATION OF OFFICIAL DEPOSITORIES:

Bank of America
Blue Foundry Bank
Citibank
Citizens Bank
NJ/ARM
Peapack-Gladstone Bank
PNC Bank
Provident Bank
Santander Bank
Somerset Regal Bank
State of New Jersey, Cash Management Fund
TD Bank
Unity Bank
Valley Bank
Wells Fargo Bank

Designated Official Depositories are required to submit to the Chief Financial Officer of the Borough of Florham Park (hereafter known as Chief Financial Officer) a copy of the State of New Jersey Department of Banking, Governmental Unit Deposit Protection Act Notification of Eligibility which must be filed semiannually in the Department of Banking as of June 30 and December 31 of each year.

Designated Official Depositories are required to submit to the Chief Financial Officer a copy of Institution's "Annual Report" on an annual basis.

B. EVALUATION OF DESIGNATED OFFICIAL DEPOSITORIES:

The Chief Financial Officer shall from time to time evaluate the credit worthiness of the Financial Institutions through the use of rating service reports: Consolidated reports of conditions (Call Reports), Profitability analysis through measure of various ratios: return on assets (ROA), return on equity (ROE), net interest margin (NIM), and other specific ratios which can be compared with banking industry averages.



On an annual basis all financial statements of designated official depositories will be reviewed. The Chief Financial Officer shall be aware of current market trends and current changes of designated official depositories through such periodicals as the Wall Street Journal that will affect the Borough's fiscal status.

C. DEPOSIT OF FUNDS

All funds shall be deposited within forty-eight hours (48) hours of receipt in accordance with N.J.S.A. 40A:5-15.

Operating funds shall be deposited into interest bearing accounts to maximize interest earnings. Non-interest bearing accounts shall be regularly monitored for availability of funds for investment except where either State or Federal Laws prohibit the earning of interest of such funds. Payroll funds shall be maintained in a regular checking account, only insofar as the balances serve to compensate the Bank for processing services.

D. DESIGNATION OF ALLOWABLE INVESTMENT INSTRUMENTS:

The Borough of Florham Park may permit deposits and purchase of securities permitted by N.J.S.A. 40A:5-15.1 as specified below:

1. United States Treasury Bills (TBILLS)
2. Commercial Bank Deposits and Certificates of Deposits (CD's)
3. Repurchase Agreements (REPO's)
 - a. Repurchase Agreements may only be transacted with a recognized bank in New Jersey.
 - b. Securities being purchased – termed the underlying collateral – must be limited to U.S. Treasury Securities.
 - c. Collateral will be placed with a third party for safekeeping and documented by a written receipt acknowledging that the securities are being held for the account of the Borough of Florham Park. When dealing with a Primary Bank which acts as Principal, safe keeping requirements may be overlooked.
 - d. Collateral should be valued at cost on the date of the transaction. Provisions shall be made to adjust the collateral based on changes in the market value at the time of sale.
 - e. Master repurchase agreements are to be used whenever possible.
4. Savings and Loan Association Deposits.
5. United States Government Agency and Instrumentality Obligations.
6. State of New Jersey Cash Management Fund.



E. BEST PRACTICES FOR WIRE TRANSFERS AND ACH PAYMENTS

1. Review contracts with financial institutions - Borough of Florham Park legal counsel shall immediately review all agreements and be certain that the "presumptive liability" is placed on financial institutions that process wire transfers and ACH payments.
2. Confirm receipt of Best Practices - Verify that your Chief Financial Officer has reviewed each of these practices and provides specific "no exception guidelines" as to wire transfer and ACH payment policy and procedures.
3. Include Best Practices in Annual Cash Management Plan - Require that your Chief Financial Officer includes the entire Best Practices for Wire Transfer, ACH Payments, and Check Issuance protocol as part of the Annual Cash Management Plan pursuant to N.J.S.A. 40A:5-14, which is required to be adopted annually by the governing body.
4. Establish specific wire transfer and ACH payment requirements - Wire transfers payments are completed the same day while ACH payments take 1-2 business days for the transaction to be completed. Banking institutions have indicated that ACH payments are more secure than wire transfers. Identify at least 2 individuals, one in Finance Department, one in Administration who are authorized to execute and confirm wire and ACH transfers:
 - Finance - setup wire transfer & communicate information to Administration.
 - Administration - release wire transfer - **not online through banking system**. Either through phone call/ text/ or email on another platform from online bank system
5. If certain bank accounts do not use ACH transactions, then a policy and system blocks should be established with the financial institution expressly blocking these transactions.
6. Set up established blocks and alerts.
7. Use Positive Pay for all checks and ACH transactions.
8. On a daily basis, CFO to review overnight transactions and daily balances to identify any unusual transactions or events.
9. Notify the municipal administration and the banking institution as soon as you believe any suspicious activity has occurred.

The following requirements must be part of your wire transfer and ACH payments policy:
For new transaction:

1. Create a template for all transactions.
2. The template includes the name of vendor and title and phone number.



3. In Finance, the individual authorizing the transaction and the individual confirming the transaction should have the receiving bank information, the routing number and amount.
4. If possible, confirming phone call to the recipient of the transaction verifying the amount and the receipt of the dollar amount.
5. Finance communicates wire/ACH information to Administration.
6. Phone / Text / Email from Bank to Administration confirming ACH / Wire transaction.
7. Print / save report showing completed transaction, maintained by CFO.
8. Verbally, confirm, when possible, that the vendor received the funds.
9. Include transactions on bill list.

For recurring transactions:

1. Use established template.
2. Print / save report showing completed transaction, maintained by CFO.
3. Verbally, confirm, when possible, that the vendor received the funds.
4. Include transactions on bill list.

F. DEFINITION OF ACCEPTABLE COLLATERAL AND PROTECTION OF BOROUGH ASSETS:

1. All designated depositories must conform to all applicable State Statutes concerning depositories of Public Funds and furnish proof of GUDPA Coverage.
2. All depositories shall obtain the highest amount possible F.D.I.C. and/or F.S.L.I.C. coverage of all Borough assets (Demand and Certified of Deposit)
3. Collateral will be required for all deposits and investments of the Borough, except for those in the State Cash Management Fund. Collateral must have a market value of not less than 100 percent of all deposits and investments.
4. For pledges by depositories on Borough funds the following securities will be considered acceptable for pledges:
 - a. Any security backed by the U.S. Government.
 - b. Any direct obligation of any taxing authority within the Borough of Florham Park.
 - c. Real Estate Mortgage Loans for real estate property located within the Borough of Florham Park area. Pledges of real estate mortgage loans shall be maintained at a market value of 115 percent of deposits.
 - d. All pledges of collateral must be indicated on an advice copy of the investment instrument which shall be forwarded to the Borough Chief Financial Officer.



5. Delivery of securities can be taken in two ways:

- a. By taking physical possession of the securities.
- b. By having the securities delivered to an independent third party of the Governmental Entity. This delivery can be made to the independent third party either physically or through book entry with confirmation being made to the Chief Financial Officer.

G. REPORTING PROCEDURES:

The Borough Chief Financial Officer shall prepare the following investment reports:

1. A monthly report for the Borough Council of the Borough of Florham Park reflecting the details of the month's activity. (Trial Balance)
2. A schedule of outstanding investments for the independent auditors as of December 31 of each year and at other such times required by the auditors. (Balance Sheet)
3. Any such other reports as may be requested by the Borough Council of the Borough of Florham Park or the Auditors.

H. DIVERSIFICATION REQUIREMENTS:

The Chief Financial Officer shall closely examine investments to guard against the effects of a Financial Institution going into default. This may be accomplished through the practice of spreading the investments around in various designated official depositories.

I. MAXIMUM MATURITY POLICY:

Investments shall be limited to a maturity not to exceed one year on all operating funds unless a longer maturity is permitted within the provision of regulation promulgated by either the Federal or State Governments.

J. INVESTMENT PROCEDURES:

Bids for Certificates of Deposit and Repurchase agreements will be solicited of all designated depositories only if the amount is \$100,000.00 or greater.

Telephone bids will be solicited of designated depositories by the Chief Financial Officer or Designated Staff Member.

The depository shall specify the principal amount of investment bid on, interest rate, and number of days used the interest to be paid upon maturity.

Interest paid shall be from the date the bid was awarded to the day of maturity.

All bidders may request the results of the bid after the bid is formally awarded.



A check or wire transfer of funds will be made available to the winning bidder the business day the bid is awarded.

Each quotation shall be documented to record the date and time of quote, the parties in the discussion, the instrument (s), maturities and rates, a bid form of the Borough may be used.

K. CONTROLS

1. When possible, the internal controls should provide for a separation of the investment placement functions and the accounting activity. Controls must be designed for telephone orders, wire transfers, and securities safekeeping. Only specifically designated personnel of the Chief Financial Officer shall be allowed to conduct this part of the transactions and all activity should be subject to immediate written confirmation by the designated depository, The Chief Financial Office shall review each day's activity.
2. All transactions are to be recorded on the form attached and signed by the person making the transaction, approved by the Chief Financial Officer and reviewed by the Borough Administrator.

L. BONDING

The following officials shall be covered by the surety bonds, said surety bonds to be examined by the Independent Auditor to insure their proper execution:

Chief Financial Officer and Tax Collector

M. COMPLIANCE:

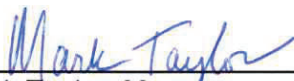
The Cash Management Plan of the Borough of Florham Park shall be subject to the annual audit conducted pursuant to N.J.S.A. 40A:5-4.

N. AS LONG AS THE TERMS OF THIS PLAN ARE COMPLIED WITH:

The official charged with the custody of the monies of the Borough of Florham Park shall deposit them as designated by the Cash Management Plan and shall thereafter be relieved of any liability or loss of such monies due to the insolvency or closing of and depository designated in the Cash Management Plan pursuant to N.J.S.A. 40A:5-14.

O. AND BE IT FURTHER RESOLVED that this Plan will take effect immediately and will be renewed on an annual basis.

Council Approval: January 6, 2026



Mark Taylor, Mayor



Attest:

Danielle M. Lewis

Danielle M. Lewis, RMC, Municipal Clerk

I HEREBY CERTIFY this to be a true and correct Resolution of the Mayor and Borough Council of the Borough of Florham Park, and adopted on January 6, 2026

Danielle M. Lewis

Danielle M. Lewis, RMC, Municipal Clerk