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Treasury Transformation: A Treasury Review Case Study

Presented by:

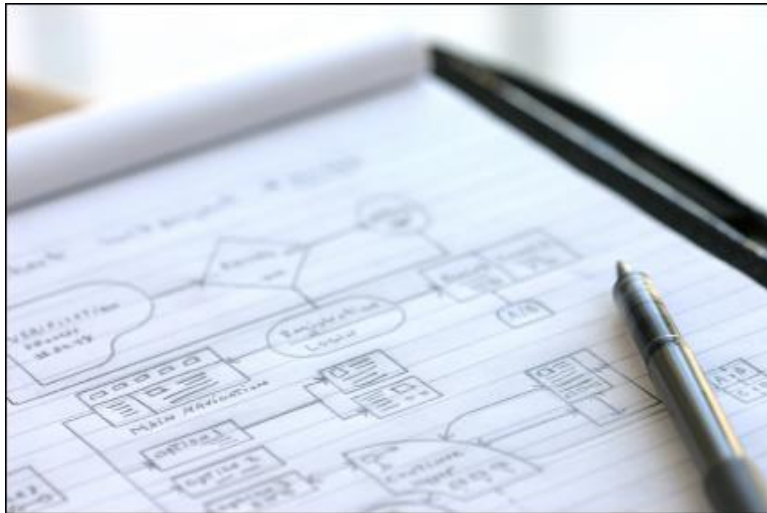
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Treasury Transformation: A Treasury Review Case Study

- **What is a Treasury Review?**
- **Who Can Conduct a Treasury Review?**
- **Reasons for a Treasury Review**
- **The Treasury Review Process**
- **Methodist Health System Case Study**
- **Questions & Answers**

Treasury Transformation: What is a Treasury Review?



- Review all Treasury Processes
- Review all Treasury Technology
- Review all Treasury Personnel
- Review all Treasury Internal Controls
- Review Banking Architecture

Treasury Transformation: Who Can Conduct Treasury Review?

- **Treasury Department Management**
- **Internal Audit / IT**
- **Treasury Consultants**
- **External Auditors**

Treasury Transformation: Reasons for a Treasury Review

- **Treasury Department Change**
 - New CFO / Treasurer / Director
- **Organizational Growth**
 - Organic Growth
 - Merger / Acquisitions
- **Static Treasury Department**
 - Stable Treasury Personnel
 - Out-of-Date Treasury Technology
- **Oversight / Regulatory**
 - Board of Director Request

Reason #1: New CFO / Treasurer / Director

- **Independent Opinion of Current Treasury Operations & Internal Controls**
- **Provide Recommendations for Improvements**
- **Review Treasury Personnel Work Allocation**
- **Prioritize Current / Future Treasury Projects**
- **Provide Estimates Pertaining to Treasury Best Practices**

Reason #2: Organic Organizational Growth

- **Treasury Department Development (>\$250M)**
- **Formalize Treasury / Accounting Functions**
- **Evaluation of Bank Architecture / Services**
- **Development of Typical Treasury Hierarchy**



Reason #3: Mergers / Acquisitions



- **Review Both Organization's Treasury Operations**
- **Highlight Duplicate Functions / Bank Services**
- **Recommend Bank Architecture Changes**
- **Review Treasury Technology**

Reason #4: Stable Treasury Personnel

- **“That's the way it's always been done.” Syndrome**
- **New Perspective Pertaining to Treasury Operations**
- **Introduce New Technology Solutions**
- **Catalyst for Change**

Reason #5: Outdated Treasury Technology

- **Old Treasury Technology:**

- Complicated Treasury Processes, Insufficient Internal Controls, Costly Maintenance, Etc.

- **New Treasury Technology:**

- Improved Treasury Automation, Efficiency, Internal Controls, Reporting, Etc.



Reason #6: Board of Directors Request

- **Treasury Review Report**
 - Status of Current Treasury Operations
 - Highlight Needed Treasury Upgrade
- **Strategic Information**
 - Assist with BoD Activities
- **Assist with Budgeting**
 - Treasury Technology
 - Treasury Personnel
 - New Bank Relationships

The Treasury Review Process: Discussion Overview



- **Project Planning / Project Management**
- **Static Data Collection**
- **Current Process Documentation**
- **Benchmarking Treasury Processes**
- **Best Practices Recommendations**

The Treasury Review Process: Project Planning / Management

- **Treasury Questionnaire**
- **Confirm Scope, Timing & Budget**
- **Create Project Task & Milestones**
- **Assign Project Responsibilities**
- **Project Management System**

The Treasury Review Process: Static Data Collection



- **Banking Information**
- **Treasury Personnel**
- **Treasury Technology**
- **Treasury Policies**
- **Critical Treasury Reports**

The Treasury Review Process: Current Process Documentation



- Treasury Operations
- Treasury Technology
- Treasury Internal Controls
- Separation of Duties
- Treasury Hierarchy

The Treasury Review Process: Benchmarking / Best Practices



- **Benchmark Everything!**
- **Benchmarking Data Sources**
- **Prioritize Best Practices Recommendations**
- **Provide Best Practices Estimates**
- **If Needed, Create CBAs**

MHS Treasury Review Case Study: Background



METHODIST

- **Not-for-Profit Health System**
- **Nebraska / SW Iowa**
- **3 Hospitals / 20 Multi-Specialty Physicians Clinics / 8 Other Entities**
- **\$655M in Revenue**

MHS Treasury Review Case Study: Reasons for a Treasury Review



METHODIST

- **New CFO / Finance Team**
 - Review Current Operations
 - Provide Recommendations for Improvements
- **Organic Organizational Growth**
 - Formalize Treasury Function
 - Evaluate Bank Architecture
- **Stable Treasury Personnel**
 - New Perspective on Treasury Operations
 - Evaluate Treasury Technology Solutions

MHS Treasury Review Case Study: Treasury Review Scope & Process



METHODIST

- **Two Week Duration**
- **Treasury Review Scope:**
 - Cash Management
 - Treasury Technology
 - Corporate Hierarchy / Personnel
- **Treasury Review Process:**
 - Onsite Interviews
 - Observation of Operations
 - Current Process Documentation
 - Treasury Best Practice Benchmarking

MHS Treasury Review Case Study: Treasury Review Recommendations



METHODIST

- **CFO Hierarchy Optimization**
- **Bank Relationship Optimization**
- **Formalize Cash Management Functions**
 - **Cash Reconciliation**
 - **Cash Positioning**
 - **Electronic Funds Transfer (EFT)**
 - **Inter-Company Balances**
 - **Debt Management**
 - **Cash Forecasting**
 - **Bank Fee Analysis**

Treasury Transformation: Questions & Answers



We are happy to address
any questions.

You may also email questions to:

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