Treasury Transformation: A Treasury Review Case Study

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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  - Out-of-Date Treasury Technology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Reason #5: Outdated Treasury Technology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

- 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

- **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
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

- 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
We are happy to address any questions.
You may also email questions to:
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