No Workstation, No Problem
Options for Streamlining Treasury Management Processes without Treasury Workstations

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Agenda

- Effectively managing the lifecycle of cash
- Challenges in cash positioning
- Options to automate and streamline every day Cash Management processes without investing in an expensive workstation
  - David Julis, Treasury Analyst, Rutgers, The State University of New Jersey
  - John Daly, Assistant Treasurer, Cumberland Gulf Group of Companies
Effectively Managing the Lifecycle of Cash
Demands Faster, More Efficient and Reliable Integration

Collect Revenue
- Manage AR Credit Risk
- Collect Cash
- Business Risk Assessment & Mitigation

Manage Cash
- Cash Concentration & Positioning; Subsidiary Funding
- Operational Excellence; Straight Through Processing (STP), Business Intelligence (BI)

Preserve Capital
- Liquidity & Investment Portfolios, FX Management
- Risk Management; Asset Protection & Investment Returns
- Execution of Capital Plan & Strategic Investments
What Are Treasurers Thinking?
Cash Positioning Survey

- 73% saw their existing cash visibility as sub-optimal.
- 69% still use spreadsheets for cash forecasting.
- 60% want to improve visibility over the next 12 months.

Note: Data and analysis based on Asia Pacific Treasury Barometer Survey 2013 conducted by Bank of America Merrill Lynch and SunGard.
Common Challenges in Cash Positioning

- Looking through reports to verify transactions
- Re-keying data into Excel
- Matching transactions to general ledger accounts
- Spending 4 to 20+ hours monthly entering data into various cash positioning and reporting spreadsheets
- Spending too much time gathering data
- Making a bad decision because of re-keying or formula errors
- Cash positioning/cash flow forecasting

YOUR CHALLENGES
David L. Julis, Treasury Analyst, Rutgers, The State University of New Jersey
Overview

- University of Medicine & Dentistry of New Jersey (UMDNJ)
  - Multiple locations and campuses – New Brunswick, Newark & Stratford
    - 8 Medical Schools; 102 Faculty Practices; 1 Hospital

- Multiple Banks/Accounts
  - Bank of America – 4 Depository (DDA); 2 Lockboxes; Disbursement (CDA); Payroll (ZBA)
  - Wells Fargo – 5 Lockboxes; 102 Depository (DDA)

- Multiple Sources of Revenue
  - Tuition – Federal/State Loans
  - Medical - Medicare/Medicaid, Government Contracts, Managed Care, Self-Pay
  - Federal and State Grants
  - State Funding/Appropriations
Pain Points

- One-person treasury office
- Multiple bank accounts and sources of revenue
- Large volume of daily transactions
- Manual daily reporting from multiple banks
- Manual recording and data entry of multiple bank balances and activity
- Manual calculation of daily cash position
- Manual grouping of revenue and expenses for cash forecasting and reporting
- Additional mid-day reporting to capture future disbursements – ACH, EFT, Checks
- Large volume of checks (A/P) impacts proper funding of accounts
- Merger of University of Medicine & Dentistry of New Jersey (UMDNJ) with Rutgers, The State University of New Jersey – July 2013
Solutions

- **CashPro Scheduler**
  - Generate standard and/or custom daily reports automatically and save to shared drive and/or email to stakeholders

- **CashPro Accelerate**
  - Daily scheduled download of BAI2 files to capture transactional activity from Bank of America and other banks
    - “Set it and forget it” data capture multiple times per day
  - Automated calculation of daily cash position
  - Automated population of customized spreadsheet
    - Capture revenue and expenses in proper categories for cash flow reporting and forecasting
    - Ability to view data at summary level and then “drill-down” for detailed activity and analysis
Solutions

- BOA Works (Virtual Credit Card)
  - Reduction in amount of A/P checks
  - Diminishes unpredictability of funding for cleared disbursements
  - Frees up current funds to invest in overnight portal
  - Generates rebate revenue
  - More accurate cash forecasting due to monthly billing

- BOA Paymode (ACH)
  - Reduction in amount of A/P checks
  - Email notification to vendors
  - Daily funding requirement notification
Benefits

- Daily cash position determined within minutes - not hours
- Improved accuracy of daily cash activity
- Better monitoring of available cash balances and funding requirements
  - Maximum account balances allowed
  - Investment opportunities
- More accurate recording of revenue sources
- More accurate cash forecasting and positioning
- Improved overall efficiencies

“Being a one-person treasury office, I had to work smarter and more efficiently without sacrificing accuracy. By leveraging multiple BAML products to automate daily processes, not only did I “build a better mousetrap”, but it freed up time for other tasks.”
The Cumberland Gulf Group of Companies

John Daly, Assistant Treasurer, The Cumberland Gulf Group of Companies
Treasury Systems Overview

- Cash Forecasting
- Debt Management
- Smart Safe Deposit Reconciliation
- Non-Smartsafe Deposits Reconciliation
- Statement Line Item Reconciliation
- GL Transaction Mapping
- BAI File Imports
- Positive Pay
- Paymode/E-Payables
- Depository Bank Polling
- Account Service Charge Analysis [822]
- Remote Deposit
- 3rd Party Vendors
- Treasury Management
- Manual Processes

Bank of America
Merrill Lynch

Cumberland FARMS
Gulf
Current Day Cash Management/Treasury Processes

- Daily Cash Positioning (Manual – Excel Based)
  - Cumberland Farms
  - Gulf Oil
- Cash Forecasting (Manual – Excel Based)
  - Cumberland Farms
  - Gulf Oil
- Debt Management (Manual – Excel Based)
  - Cumberland Farms
  - Gulf Oil
  - Tracking Daily Principal, Interest and Loan Availabilities
- Remote Deposit

- Automated Cash Concentration Process
  - For all Non-Smartsafe Cumberland Farms Depository Stores

- Email Communication of Daily Cash, Loan and Investment Balances to Top Management
Challenges

- Print daily bank reports and then re-key the same data into daily cash positions and cash forecasts
- Manual keying of tax payment information into cash forecasts
- Paper checks
  - Although we use Remote Deposit we receive over 6,000 paper checks per year
  - Depositing paper checks through Remote Deposit is efficient however, every check has to get coded and then entered into our ERP system manually
  - Risk of errors occurring during the manual entry of data
  - No central portal for management to view cash positions, revolver balances, revolver availability and invested cash
  - Treasury emails this information to management on a daily basis or provides on an as needed basis
Cash Management/Treasury Process Improvements

- Implemented Remote Deposit
- Deployed SmartSafes within 300 Cumberland Farms Stores
- Implemented an Online Change Ordering/Delivery Service for all Cumberland Farms Stores on Smartsafe Program
- Company Rolled-Out SmartPay Rewards Program
- Utilize Third Party Service Provider to Poll Daily Deposit Activity for all Non-SmartSafe Cumberland Farms Stores
- Daily Reconciliation of Cash Activity for all Stores on Smartsafe Program (Performed within Excel)
- Daily Reconciliation of Deposit Activity for all Non-Smartsafe Stores
- Automated Bank Service Charge Account Analysis (Receive 822 Files)
- Implemented Fraud Prevention Controls on All Cumberland/Gulf Corporate Accounts
  - Debit Blocks
  - Filters
  - Positive Pay
  - ACH Positive Pay
Accounts Payable Process Improvements

- Converted 94% of Check Payments to Electronic
- ACH – Paymode
- Card Payments – ePayables
- Implemented Weekly Check Runs – Formerly Daily
- EDI
- Imaging
Cash Management/Treasury

- Evaluating Various Treasury Management Systems in an effort to Streamline Daily Cash Positioning and Cash Forecasting for both Cumberland Farms and Gulf Oil
  - i.e. Cashpro Accelerate

- Evaluating the Feasibility and Cost of Implementing a Full Treasury Workstation

- Evaluating Third Party Automated Account Reconciliation Software for Non-Smartsafe store and SmartSafe Store Daily Cash Reconciliations

- Converting Monthly "Tenant" Check Payments to ACH

Accounts Payable

- Purchasing Card Program

- Workflow
  - Elimination of a large Volume of Paper Invoices and Faster Invoice Approvals

- Automated Import of Large Excel Files Into ERP System
  - Eliminate Hours of Manual Data Entry each Month

- Explore Opportunities Surrounding Direct Disbursement
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