

# TREASURY MANAGEMENT

# MAC023

## COURSE OVERVIEW

This practical five-day course deals with current issues, techniques and technologies that are vital to improved management of critical treasury activities. Key topics are emphasized that must be managed effectively by organizations of all sizes. This course concentrates on the ability to record treasury transactions and prepare financial statements related to treasury transactions in adherence with accounting principles and treasury rules.

## COURSE GOAL

To enhance the participants' Knowledge, Abilities and Skills necessary to understand and apply the concepts, principles, policies, and methods of treasury management.

## COURSE OBJECTIVES

By the end of the course, participants will be able to:

- Understand the role of cash and treasury management in corporate finance.
- Record treasury transactions.
- Prepare financial statements related to treasury transactions according to accounting principles and treasury rules.
- Manage credit and accounts receivable.
- Determine and use the collections systems.
- Determine and use the cash concentration systems.
- Manage accounts payable and disbursements.
- Be familiar with electronic commerce.
- Forecast cash flows.
- Understand how companies typically determines short-term investment policies.
- Understand the principal features of borrowing alternatives.
- Understand the basic difference between hedging and speculating.
- Develop appropriate interest rate hedging strategies.
- Be familiar with the international treasury management.

## WHO SHOULD ATTEND

Every person who deals with finance and treasury: accountants, financial consultants, treasurers, cash managers, financial directors, staff members of the financial department, controllers.

## COURSE DURATION

5 Working Days

## COURSE OUTLINES

### 1. The Role of Cash and Treasury Management in Corporate Finance

- The objectives of cash management
- How cash management supports major corporate financial objectives
- The major functions of cash management within the treasury function
- The place of cash management in the corporate financial function
- The historical evolution of cash management in the United States
- Financial Accounting and Relating Concepts
- The Statement of Cash Flows
- The Payments System

### 2. Credit and Accounts Receivable Management

- The objectives of credit and accounts receivable management
- How credit and account receivable management fit into corporate finance and treasury operations
- How companies develop credit policies
- How companies calculate the costs and benefits of credit policies
- The forms of credit extension

### 3. Collections

- The objectives of a corporate collection system
- The components of collection float
- The differences among over the counter, mail and electronic collection methods and how to choose the appropriate system
- The three different types of lockboxes and issues involved with lockbox selection

### 4. Cash Concentration

- The objectives of a cash concentration system
- Factors impacting cash concentration system configuration
- The advantages and disadvantages of funds transfer mechanisms used in cash concentration systems

### 5. Accounts Payable and Disbursements

- The objectives of accounts payable and disbursement systems
- The components of disbursement float
- Disbursement products and their applications
- The accounts payable function

- Check reconciliation and supporting services
- Technological developments in accounts payable

## 6. Electronic Commerce

- The basics of electronic commerce (EC)
- The evolution of e-commerce as well as the cost, benefits, and barriers to implementation
- How e-commerce standards are used
- The key terms and languages used for e-commerce on the Internet
- Information Management and Technology

## 7. Forecasting of Cash Flows

- The objectives of cash forecasting
- The steps in the forecasting process
- The distinction between short, medium, and long-term forecasting
- The primary forecasting methods

## 8. Investing

- Why companies hold short-term investments
- How companies assign authority and responsibility for short-term investments
- How companies typically determine short-term investment policies
- Factors influencing short-term yields
- The most frequently issued short-term government, agency, municipal, bank and corporate short-term investment instruments

## 9. Borrowing

- The objectives of short-term borrowing
- The principal features of borrowing alternatives
- The common provisions of loan agreements
- Learn how to calculate the following:
  - Effective annual borrowing rate for lines of credit
  - Effective annual borrowing rate for commercial paper

## 10. Financial Risk Management

- Basic difference between hedging and speculating
- Types of hedging strategies using futures, options, swaps, and products such as interest rate ceiling, floor, and collars
- Develop appropriate interest rate hedging strategies

## 11. International Treasury Management

- The importance of international cash management
- The objectives of international treasury management
- The basics of foreign exchange rates and markets
- The difference between various countries' payment and banking systems
- How cross-border payments and wire transfers are made

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