

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

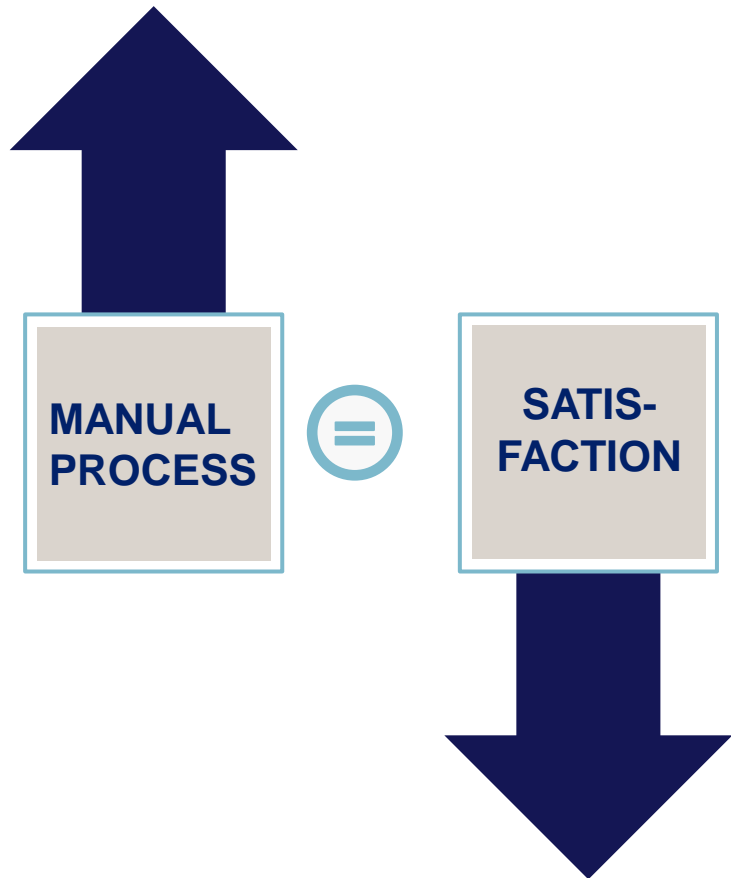
- Cash Concentration & Positioning; Subsidiary Funding
- Operational Excellence; Straight Through Processing (STP), Business Intelligence (BI)

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



Saw their existing cash visibility as **SUB-OPTIMAL**

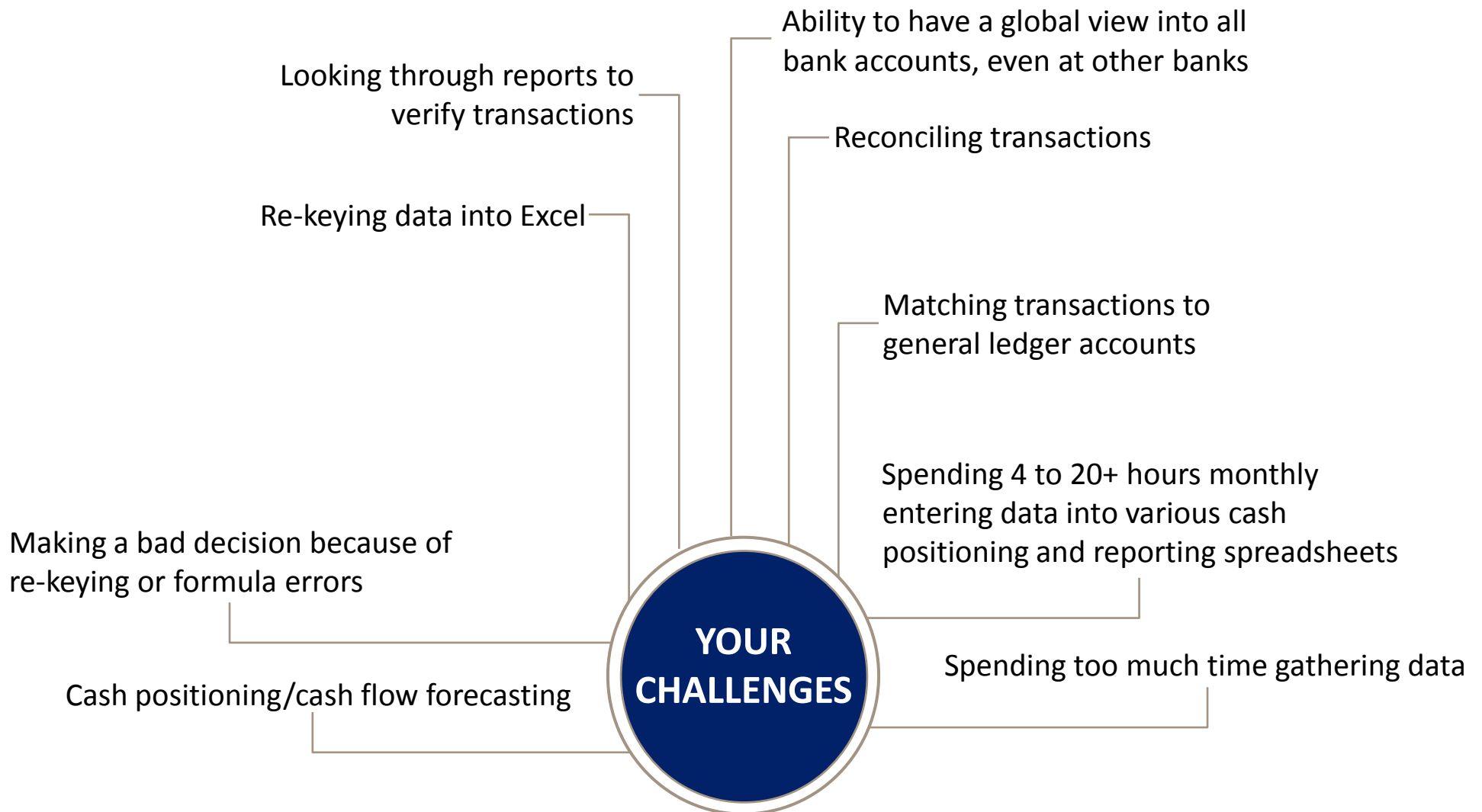


STILL USE spreadsheets for cash forecasting



Want to **IMPROVE VISIBILITY** over next 12 months

Common Challenges in Cash Positioning



RUTGERS

THE STATE UNIVERSITY
OF NEW JERSEY

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

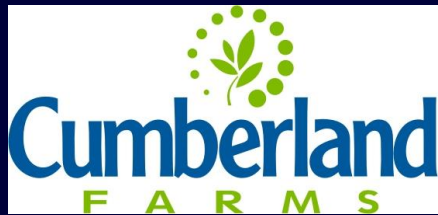
Benefits

- 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

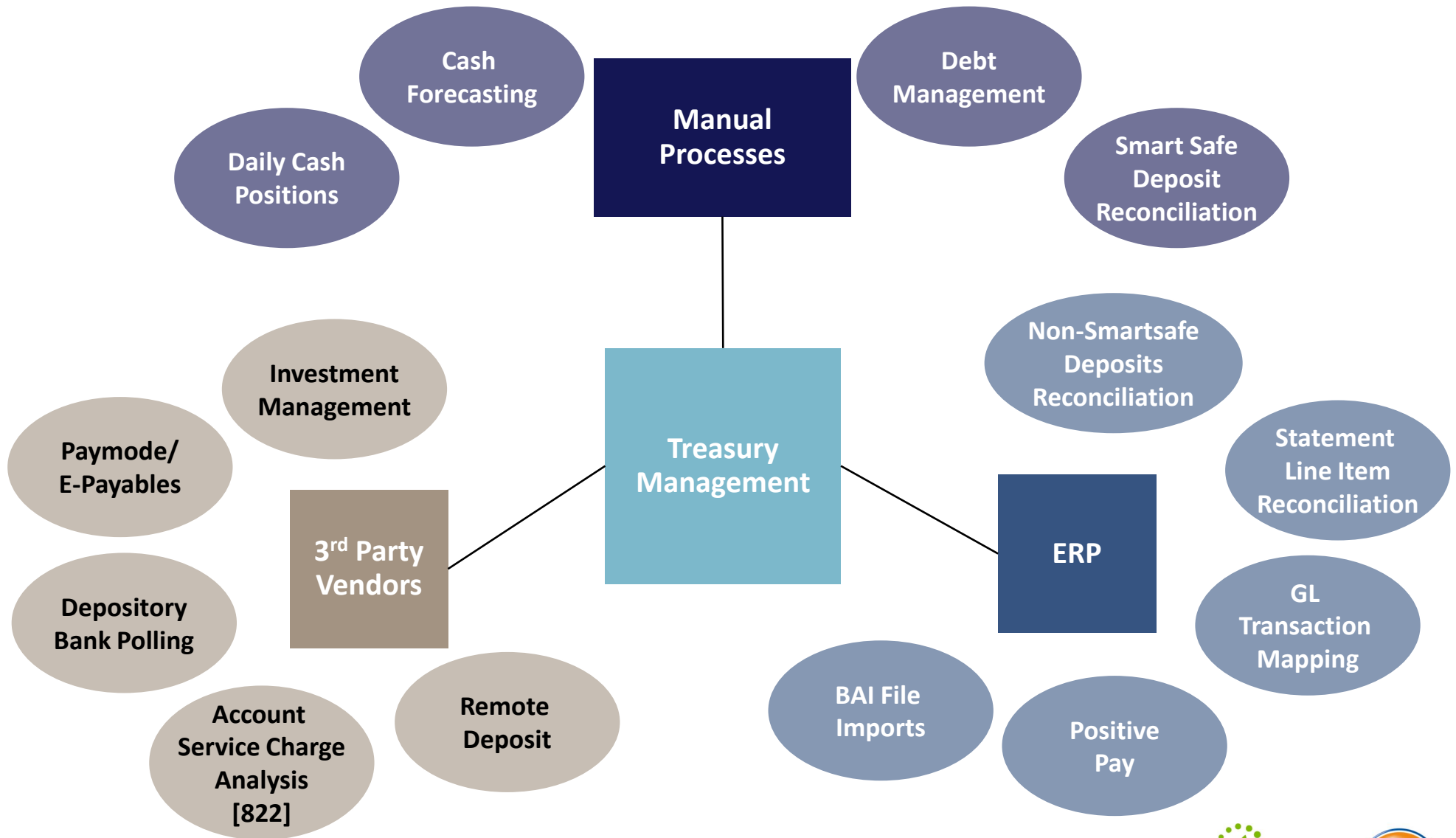
John Daly, Assistant Treasurer, The Cumberland Gulf Group of Companies



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Treasury Systems Overview



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 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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