FOX | MANAGEMENT CONSULTING



CASE STUDY

TU Treasury: Identifying University Treasury Best Practices



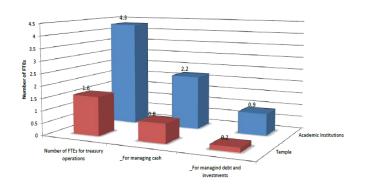
Client Profile

The Temple University Treasury Department (TU Treasury), reporting to the CFO and Treasurer, is responsible for cash management, bank relationships, borrowing, credit ratings, short-term investments, and institutional liquidity.

The Project

Fox Management Consulting (Fox MC) at Temple University's Fox School of Business conducted a study of best practices and organizational structure and design among peer universities and among corporations of a similar size.





Recommendations

- Cash forecasting is universally the central treasury function.
- University and corporate treasury offices have the same structure and responsibilities.
- TU Treasury management's aspirations for treasury are consistent with peer university interview findings and with Association for Finance Professionals (AFP) broad survey data.
- TU Treasury has fewer employees than would be expected compared to survey data and peer university interviews.
- TU Treasury's behaviors are consistent, excepting headcount, with peer universities when adjusted for budget size and endowment size.
- Strengthening the cash forecasting function in TU Treasury by adding a qualified financial analyst would pay for itself based on projected lower operating cash requirements, lower borrowing costs, and more active, but not riskier, cash management activities including use of a bank line of credit as an operating cash backstop.

Results

Following the project, the TU Treasury received approval to allocate \$200,000 to implement the Fox MC team's recommendations.