



## 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.

