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Course Information

Course Title: Corporate Cash Management #362123

Number of continuing education credit hours recommended for this course:

CPA: 15 (All states)

In accordance with the standards of the National Registry of CPE Sponsors, CPE credits have been granted based on a 50-minute hour.

National Registry of CPE Sponsors ID Number: 107615.

Sponsor numbers for states requiring sponsor registration

Florida Division of Certified Public Accountancy: 0004761 (Ethics #0011467)

Hawaii Board of Accountancy: 14003

New York State Board of Accountancy (for ethics): 002146

Ohio State Board of Accountancy: CPE .51 PSR

Pennsylvania Board of Accountancy: PX178025

Texas State Board of Accountancy: 009349

Course Description

The proper management of cash is an essential part of business operations. *Corporate Cash Management* provides an essential framework for the development and operation of a cash management system. It does so by showing how to forecast cash flows, which can then be used as the basis for a campaign to enhance the inflow of cash to the organization. The course also notes the systems used to collect, concentrate, invest, and disburse cash, as well as the supporting controls and measurements needed to monitor these systems. It also covers the related topics of fundraising and risk management. In short, *Corporate Cash Management* is a useful tool for developing a comprehensive system of cash management.

Course Content

Publication/Revision date: 5/16/2023.

Author: Steven M. Bragg, CPA.

Final exam: Seventy-five questions (multiple-choice).

Program Delivery Method: QAS Self-Study (Interactive)

Program Subject Area: Management Services.

Course Level, Prerequisites, and Advance Preparation Requirements

Program Level: NASBA/CPA: Overview.

This program is appropriate for professionals at all organizational levels.

Prerequisites: Basic familiarity with finance.

Advance Preparation: None.

Instructions for Taking This Course

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- For a printed copy of the exam questions, open the exam and press "Print Exam."
- Once you pass the exam, the results (correct/incorrect answers) and certificate of completion appear in "My Account." A confirmation email is also sent.
- CFP Board and IRS credit hours, if applicable, are reported on Tuesdays and at the end of the month.

Have a question? Call us at 800-588-7039 or email us at contact@bhfe.com.

Learning Objectives

- Identify the key cash management tasks and who is responsible for them.
- Specify the sources and reliability of information used in cash forecasts.
- State the formats and uses of the bank reconciliation, as well as the types of differences that may arise.
- Cite the information requirements of a cash management system, and the frequency with which this information must be collected.
- Specify the requirements for counterparty risk tracking.
- Identify the control issues associated with a cash management system.
- Recognize the methods available for collecting and processing cash receipts.
- Specify the features of the main cash concentration systems, and the situations in which they should be used.

- State the characteristics of the different methods of payment, and when they should be used.
- Specify how positive pay and its variations can be used.
- Recognize the techniques that can be used to reduce the investment in working capital.
- Cite the more common cash investment strategies and investment instruments, and the circumstances under which they should be used.
- Describe the accounting for investment transactions.
- Recognize the role of agency financing entities, such as the Ex-Im Bank.
- Specify the types of debt funding and the major stock sale exemptions, as well as restrictions on their use.
- Identify the requirements for being classified as an accredited investor.
- Identify the main credit rating agencies and the types of credit ratings.
- State the features of and differences between the different clearing and settlement systems.
- Recognize the role of a correspondent bank.
- Identify the main aspects of foreign exchange risk and the methods available to mitigate it.
- Specify the impact of netting on hedging activity.
- Identify the main aspects of interest rate risk and the methods available to mitigate it.
- Cite the controls that can be used for the cash management function.
- Specify the areas in which cash management metrics should be employed, as well as how to calculate the key metrics.

About the Author

Steven Bragg, CPA, has been the chief financial officer or controller of four companies, as well as a consulting manager at Ernst & Young. He received a master's degree in finance from Bentley College, an MBA from Babson College, and a Bachelor's degree in Economics from the University of Maine. He has been a two-time president of the Colorado Mountain Club, and is an avid alpine skier, mountain biker, and certified master diver. Mr. Bragg resides in Centennial, Colorado. He has written more than 250 books and courses, including *New Controller Guidebook*, *GAAP Guidebook*, and *Payroll Management*.

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Preface

Cash is essential to the daily functions of a business, and yet it is rarely managed to ensure that sufficient cash is on hand, or that excess cash is properly invested. Instead, cash is considered just another item to be handled by the accounting department, which can result in periodic cash shortages or excess cash being invested incorrectly, if at all. *Corporate Cash Management* reveals how to create a system from which to compile a detailed cash forecast, discusses the processes related to cash inflows and outflows, describes how to mitigate risks associated with cash, and many other topics related to cash management.

Following an introduction to cash management in Chapter 1, we cover in Chapters 2 through 4 the information needed to create a detailed cash forecast. Next, in Chapters 5 and 6, we address the systems for collecting and concentrating incoming cash for operational and investment activities. We then cover the types and characteristics of payments in Chapter 7, before moving on to a broad-ranging discussion of how to improve cash flows with alterations to working capital. The book then describes investment strategy and a number of the more common investment vehicles in Chapter 9, as well as debt and equity funding methods in Chapter 10 and credit rating agencies in Chapter 11. After a discussion of the larger clearing and settlement systems in Chapter 12, we move on in Chapters 13 and 14 to the concept of risk in relation to foreign exchange and interest rates, as well as how to mitigate those risks. Finally, Chapters 15 and 16 address the controls that can be implemented over cash flows, as well as the metrics available for monitoring various aspects of cash flows. The chapters include tips and a variety of illustrations.

You can find the answers to many questions about cash management in the following chapters, including:

- Who is responsible for cash management?
- How do I construct a cash forecast?
- What are the features of a treasury management system?
- How does remote deposit capture work?
- What are the features of a notional pooling system?
- How can I reduce the cash committed to inventory?
- How do I use laddering to increase the return on invested funds?
- How do I register stock?
- How can I shift foreign exchange risk to another party?
- How does a forward rate agreement mitigate the variability of interest rates?

Corporate Cash Management is designed for both professionals and students. Professionals can use it as a reference tool for improving their cash management systems, while it provides students with an overview of how cash flows can be anticipated and handled. Given its complete coverage of cash management, *Corporate Cash Management* may earn a permanent place on your book shelf.

Centennial, Colorado
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