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## Course Information

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**Course Title:** Treasurer's Guidebook #365216

**Number of continuing education credit hours recommended for this course:**

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

**CPA: 15.5** (All states)

National Registry of CPE Sponsors ID Number: 107615.

Sponsor numbers for states requiring sponsor registration

Florida Division of Certified Public Accountancy: 4761 (Ethics #11467)

Hawaii Board of Accountancy: 14003

New York State Board of Accountancy: 002146

Ohio State Board of Accountancy: M0021

Texas State Board of Accountancy: 009349

**Course Description:**

This course discusses how the treasury department's performance can be organized and fine-tuned, focusing on bank relations, cash concentration systems, investment strategies, financing sources, credit management, insurance, and more. The course also addresses the administrative aspects of the treasurer's job, including the accounting for treasury transactions, treasury management systems, controls, and measurements.

**Program Delivery Method:** NASBA QAS Self-Study (interactive)

**Subject Codes/Field of Study**

NASBA (CPA): Finance

**Course Level, Prerequisites, and Advance Preparation Requirements**

Program level: Overview

Prerequisites: None

Advance Preparation: None.

## **Course Content**

Publication/Revision date: 1/17/2016.

Author: Steven M. Bragg, CPA.

Final exam (online): Eighty questions (multiple-choice).

## **Instructions for taking this course**

A passing grade of at least 70% is required on the final exam for this course. The exam may be retaken if not passed on the first attempt (no charge).

Complete the course by following the learning objectives listed on the following page and studying the review questions after each major section (or chapter) in the text. Once you are confident that the learning objectives have been met, answer the final exam questions (online).

## **Instructions for Taking the Final Exam Online**

- Login to your account online at [www.bhfe.com](http://www.bhfe.com).
- Go to "*My Account*" and view your courses.
- Select "*Take Exam*" for this course and follow instructions.

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# Learning Objectives

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- Recognize the responsibilities of the treasury function.
- Cite the circumstances under which local treasury expertise is needed.
- Note the activities of the different parts of the treasury department.
- Note the different types of bank fees.
- Identify the circumstances that could trigger a credit assessment.
- Note the benefits of a cash concentration system.
- Recognize the effects of a threshold cash sweep.
- Recognize how notional pooling functions.
- Identify the circumstances under which multi-tiered banking is used.
- Identify the type of cash pooling that works best when managers want local control.
- Note the methods and adjustments used to develop a cash forecast, and why a cash forecast reconciliation is used.
- Identify the need for a correspondent bank.
- Recognize the different types of settlement systems.
- Note the different types of investment strategies.
- Recognize the characteristics of the different types of investments.
- Identify the reasons why a secondary market is needed.
- Identify the circumstances under which exemptions can be used to raise capital, and the requirements of each one.
- Cite the terms used for factoring and hard money deals.
- Note the circumstances under which a supply chain financing offer would be accepted.
- Identify the types of hedging transactions that can be used to mitigate risk, note the terms of hedging contracts, and recognize when risk mitigation is not needed.
- Recognize the types of insurance sales channels.
- Note the methods used to review the financial condition of insurers.
- Cite the terms included in insurance contracts, and their effects.
- Identify the benefits and coverage characteristics of the different types of insurance.
- Recognize the methods used to reduce the cost of insurance.
- Note the documentation typically used in a credit review.
- Recognize the uses to which a credit policy can be put.
- Identify the characteristics of a high-quality credit rating system, and when it works best.
- Cite the indicators of possible future payment delinquencies.
- Identify the actions needed to achieve zero working capital.
- Note the accounting required for the different investment activities, as well as the accounting for impairment losses, and why investments are assigned to different classifications.
- Note the accounting required for hedging transactions, the types of hedges, and the characteristics of a highly effective hedge.
- Recognize the costs and advantages of a treasury management system.
- Identify the controls for cash forecasting, investments, debt, and stock issuances.
- Recognize the formulas for turnover measurements, investment returns, and the ability to pay.
- Recognize the measurements that can track the performance level of a production process.
- Note the measurements that should be used to focus attention on the development of products.
- Identify the purchasing measurements most useful for monitoring progress toward supplier certification and reduction, as well as the use of procurement cards.
- Cite the situations in which certain payables measurements can yield incorrect or skewed results.
- Recognize the measurements used to monitor different types of sales and marketing behaviors.

## About the Author

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**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 the following books and courses:

Accountants' Guidebook	Fixed Asset Accounting
Accounting Controls Guidebook	Foreign Currency Accounting
Accounting for Derivatives and Hedges	GAAP Guidebook
Accounting for Inventory	Hospitality Accounting
Accounting for Investments	Human Resources Guidebook
Accounting for Managers	IFRS Guidebook
Accounting Procedures Guidebook	Interpretation of Financial Statements
Bookkeeping Guidebook	Inventory Management
Budgeting	Investor Relations Guidebook
Business Combinations and Consolidations	Lean Accounting Guidebook
Business Ratios	Mergers & Acquisitions
CFO Guidebook	New Controller Guidebook
Closing the Books	Nonprofit Accounting
Constraint Management	Payables Management
Corporate Cash Management	Payroll Management
Corporate Finance	Project Accounting
Cost Accounting Fundamentals	Public Company Accounting
Cost Management Guidebook	Purchasing Guidebook
Credit & Collection Guidebook	Real Estate Accounting
Fair Value Accounting	Revenue Recognition
Financial Analysis	

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# Preface

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The treasurer is responsible for a broad range of activities, which include bank relations, cash forecasting, investments, fund raising, risk management, and even insurance. These are critical high-risk activities, so the treasurer must also have a detailed knowledge of processes, controls, and treasury management systems. The *Treasurer's Guidebook* addresses all of these topics and more, with the intent of giving a new treasurer a solid grounding in how to perform the job.

The book is divided into three sections. In Chapters 1 through 10, we focus on the core treasury activities, which begin with an overview of treasury management and then walk through all major job functions. In Chapters 11 through 13, we cover ancillary treasury functions that may not always be included in a treasurer's job description. These functions are insurance, credit management, and working capital management. In Chapters 14 through 17, we cover the treasury back office, which deals with administrative functions.

You can find the answers to many questions about treasury activities in the following chapters, including:

- What are the differences between cash sweeping and notional pooling?
- How do I create a cash forecast?
- Which investment strategy should I follow?
- How can I reduce the risk of foreign exchange fluctuations?
- Which types of insurance does my business need?
- How do I create an internal credit rating system for customers?
- What is the proper accounting for a hedging transaction?
- What are the components of a treasury management system?
- Which controls should be applied to the various treasury transactions?

The *Treasurer's Guidebook* is designed primarily for professionals, who can use it as a reference tool for all aspects of the treasurer's job, from accounting to risk management.

Centennial, Colorado  
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