

# CUNA and GTreasury Develop A Payment Hub



## ABOUT

*For more than 75 years, CUNA Mutual Group has delivered product and service solutions that meet the unique challenges and needs of credit unions and their members. Based in Madison, Wisconsin, CUNA Mutual Group is a leading provider of insurance and lending solutions.*

## Introduction

CUNA Mutual Group's business is heavily focused on the transferring of money – collecting and disbursing cash. Treasury operations are extremely strategic in nature, but business growth can outpace technological innovation. Over time, CUNA Mutual Group's business processes required rapid innovation. In doing so, several products, operations, and systems were created. Strict industry regulations, coupled with internal policies and procedures, resulted in having to maintain a multitude of systems necessary to handle various types of cash transactions.

## The Challenge

CUNA Mutual Group used multiple legacy systems to execute payment activities, which led to decentralized processing and difficult administration internally. This resulted in CUNA Mutual Group treasury leaving too much idle operating cash, or it left them at risk of a cash shortage. The maintenance and reconciliation of the legacy systems at a product level became overwhelming and time consuming with the growing number of financial institutions CUNA Mutual Group kept adding. In addition, payments had to be managed within the strictest confines of the SEC, insurance, broker/dealers, international

## KEY RESULTS

- Initiated 444,000 ACH payments in one day
- Reduced bank fees by over \$300,000 annually
- Reduced balance sheet cash assets by \$70 million
- Increased ability to service more customers per day
- Elevated Treasury's role as a strategic partner

regulations, and internal policies, to ensure compliance. Internal data privacy policies mandated that all customer account and credit card numbers be masked. With all these factors in play, CUNA Mutual Group treasury identified a serious need for a centralized and PCI compliant payment solution to improve operational efficiencies, simplify internal and external customer service, enhance cash optimization, and of course, to save and make money.

## The Solution

CUNA Mutual Group partnered with GTreasury to develop a completely unique, PCI compliant centralized "Payment Hub" treasury solution. The GTreasury payment hub was a first-of-its-kind payment solution to accommodate all the unique requirements of internal interfacing, financial institution funds transfers and notifications, centralized controls, audit compliance, and front-end staff enabling. In total, GTreasury connects to roughly 20 separate systems where CUNA Mutual Group processes more than 200,000 ACH payments daily. Each one of the payments is masked and run through GTreasury's SaaS-based PCI security structure. This not only saves time, it but also reduces bank fees for online systems and manual processing charges by over \$300,000 annually.

“GTreasury has allowed for us to process around 1.5 million transactions, totaling \$2.5 billion, and the generation of more than 2,200 accounting entries that feed into the general ledger monthly.”

—Kris Conway, Senior Manager of Corporate Treasury at CUNA Mutual Group

GTreasury's ability to handle all of CUNA Mutual Group's ACH functionality requirements has also been a big success. The payment hub allows CUNA Mutual Group to not only process ACH payments, but ACH returns, revals, and notices of change. The platform handles extremely large volumes of transactions. CUNA Mutual Group has initiated 444,000 ACH payments out of the system in one day.

### The Results

This centralization of all payments within GTreasury has improved both the timing and accuracy of cash forecasting. It has allowed for a significant increase of cash visibility, which has improved overall liquidity management for CUNA Mutual Group treasury. Upon the completion of the GTreasury project, CUNA Mutual Group enhanced its cash optimization, reducing the cash balance sheet assets from 3.1% to 2.7%, having more than \$40 million of new long-term investments, and generating \$1.7 million a year of additional run-rate operating gains.

The solution has also improved business recovery resilience by having all operations housed in a single system that is accessible from anywhere, and it is both permanently PCI compliant and bank agnostic. Kris Conway, Senior Manager of Corporate Treasury at CUNA Mutual Group, stated that “GTreasury has allowed for us to process around 1.5 million transactions, totaling \$2.5 billion, and the generation of more than 2,200 accounting entries that feed into the general ledger monthly.”

In conjunction with payment centralization, the achievement of PCI compliance was integral in the implementation's success. This has allowed for over 40 non-treasury users to have

access to the system to research customer activity live during a customer call. The real time access has drastically reduced service resolution times, human resource hours, and has helped CUNA Mutual Group assist more customers in a given day.

The teams at CUNA Mutual Group and GTreasury are proud of the way that the implementation has already achieved its key objectives and is continuing to add value as its scope is broadened. The constant teamwork and collaboration enabled the project to be completed successfully and in a timely manner. GTreasury has placed CUNA Mutual Group at the leading edge of treasury technology in terms of volumes, controls, and insight into cash.

### Future Sustainability

The daily cash liquidity analysis and positioning is now refined with the payment data analysis housed within GTreasury from both company and product levels. CUNA Mutual Group treasury can now meet the 2014 goal to reduce the balance sheet cash assets by \$70 million. The team is also aptly prepared for any growth and integration of new product offerings that may be introduced.

CUNA Mutual Group's treasury project resulted in significant operational changes. Aside from tremendous monetary gains in bank fees and working capital, CUNA Mutual Group's treasury project changed the nature and ability of front line support operations. Most importantly, the implementation's success has expanded treasury's role within the organization, making the treasury group a strategic counsel and partner within organization.

### ABOUT GTREASURY

GTreasury's integrated TMS not only keeps pace with today's rapidly evolving enterprises, it surfaces the critical relationships between cash management and risk management. In this way, your treasury information becomes an invaluable driver of strategic business decisions.

For more information visit [gtreasury.com](http://gtreasury.com)



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