

# Treasury Management System Restructured



## ABOUT

Since its launch in 1991, Charter Hall Group has grown to become one of Australia's leading property groups, with a total managed property portfolio of \$12.1 billion. Charter Hall owns and manages 209 commercial properties around Australia, including office buildings, supermarket anchored retail centres, and a rapidly growing stable of industrial assets, on behalf of its institutional, wholesale and retail investors.

## The Challenge

In 2013 the Charter Hall Treasury team identified the need for a centralised Treasury model across front, middle and back office functions for all Charter Hall funds - each with their own debt facilities. Stuart King, Group Treasurer and Ian Ko, Treasury Operations Manager at Charter Hall led the restructure and selected the GTreasury treasury management system (TMS) to play a key role in the treasury management restructure.

## The Solution

The treasury management restructure was driven by the need to improve internal processes and build better integration with the various teams across Charter Hall.

After a detailed scoping exercise and liaison with multiple stakeholders the key system requirements were identified. These were:

- Re-design and strengthening of treasury operations with an enforced internal control structure.
- Implementation of a general ledger (GL) interface to automate the posting of treasury accounting events and reduce manual involvement.

## KEY RESULTS

- Successful automation of previously manually processed GL journals into Charter Hall's accounting system
- Eliminated the impact of human error in producing treasury calculations
- The ability to capture and report the amortisation of assets

- Harmonisation of Charter Hall's accounting principles across the entire business.
- Automation of Treasury calculations.
- Improved system stability, reliability and flexibility through the use of a robust SQL back-end infrastructure and accessed via a private cloud service.
- Outsourced disaster recovery plan.

Throughout the implementation period, Charter Hall participated in internal and external audits to ensure the feasibility of the solution and that the project was meeting key milestones. This process resulted in the identification of unforeseen issues and new opportunities which meant scoping requirements changed on an as-needed basis. Throughout this process, the GTreasury implementation team were able to respond to the concerns raised by the Charter Hall treasury team quickly and effectively, resolving any issues and creating tailored solutions to meet any new or varying requirements.

Ian Ko explains: "Corporate Treasuries are often faced with ongoing and necessary internal measures to ensure the successful execution of something of this nature, scope and

“The immediate results of the GL interface were significant. What originally took 20 fund accountants a day per month to process across 25 funds, now is centrally managed by an automated interface. This process improvement has allowed the fund accountants to transition from a data processing role to focus on other value add activities,”

—**Iam Ko, Treasury Operations Manager**

size. Whilst this internal pressure can often lead to delays in projects, the flexibility GTreasury were able to provide enabled the project to progress with minimal disruption. This allowed for a timely and successful implementation”.

Once the final reengineered solution was implemented and user acceptance testing had been completed, Charter Hall’s internal and external auditors reviewed and signed off the TMS ensuring it met the standards set by the company.

### The Result

The implementation of the new treasury management system has already yielded strong results for Charter Hall, most significantly through time saved, improved workflow processes and the automation of complex calculations.

**GL Interface:** One of the key successes from the adoption of the GTreasury system is its GL interface solution which saw the successful automation of previously manually processed GL journals into Yardi - Charter Hall’s preferred accounting system. The implementation of the interface transformed a formerly manual process which required producing 1500 lines of GL journals per month. Automating this process saved an estimated 20 working days per month along with the overheads associated with these man hours.

The automation of GL journals also significantly improved internal controls by mitigating the risk of human error and fraudulent activity. As part of the GL solution, Charter Hall undertook a process to harmonise accounting treatment of all Treasury transactions across all Charter Hall funds with accounting treatment being centrally managed via GL Mapping within GTreasury.

**Automation of treasury calculations:** Treasury calculations such as accruals on debt, derivatives and fees, and amortisation were previously manually calculated in spreadsheets increasing the risk of error. Automation of these treasury calculations reduced the impact that human error played in producing these figures, as well as removed any inconsistent methodologies used across the Group.

**Amortisation:** Whilst carrying out the implementation of the new treasury management system, the need to capture and report the amortisation of assets was realised. As a result, the scope of the project was expanded to cover amortisation of borrowing costs with the amortisation schedules centrally managed within GTreasury to produce regular journals for the life of the borrowing costs.

### 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.

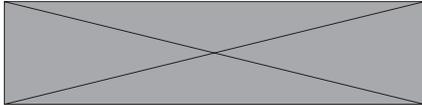
For more information visit [gtreasury.com](http://gtreasury.com)



**GTREASURY**

the clarity to act

# Making Tax Payments Less Taxing



## ABOUT

Formed “by educators for educators” in 1945, the Horace Mann Educators Corporation originally aimed to provide quality affordable auto insurance for those in the teaching profession. Today’s company has extended into home, property and life insurance as well as retirement annuities. It serves more than 4,100 US school districts and has nearly \$10 billion in assets.

## Introduction

Horace Mann is a multiline insurer. As such, the firm’s treasury team handles a high volume of payments. They include no less than 2,200 tax payments annually, totalling \$20 million. Each of the 40 states in which the company operates imposes its own regulations, reporting requirements and report format for these payments and requires specific addenda formats for ACH credit tax payments.

Horace Mann’s treasury team collaborated with GTreasury to amend 180 addenda templates in GTreasury covering 300 different fields. The effort saved time and improved forecasting.

## The Challenge

Horace Mann’s three-person treasury department is tasked with multiple responsibilities. A central one is ensuring that timely and accurate tax payments are made that comply with each state’s requirements.

Before signing on with GTreasury, the team’s work was mostly manual. Cash positioning still involved Excel spreadsheets, and completing payments was a repetitive, lengthy process that involved logging into multiple bank portals at several different stages. The tax payment process involved the redundant, manual activities of the tax department as well as the treasury

## KEY RESULTS

- Improved Forecasting
- Saved 10 hours of work per week
- Automated almost 100 different types of tax payments

team. As tax payments were the largest in volume for Horace Mann’s cash management team, relying on an outmoded process carried a high risk of human error.

Compounding the team’s treasury challenges with multiple bank portals was the fact that a growing number of states had abandoned the traditional check payment process and began requesting electronic ACH payments. Each of the 40 states Horace Mann operates in has its own regulations, reporting requirements, and report format. New or changed addenda record formats and state bank account information created by banks were either communicated too late or not at all to Horace Mann. So, many payments missed the deadline or were rejected, incurring late fees or penalties.

Treasury efficiencies were further hampered by an absence of set procedures, impacting multiple areas of the company’s operations, resulting in a high volume of reconciling items.

## The Solution

The Horace Mann treasury team worked in partnership with GTreasury to amend addenda templates in response to changes. Between 300 and 400 templates for tax payments were imported into the GTreasury system, starting first with withholding taxes and progressing successfully to premium

“GTreasury’s implementation team was really great about taking our ideas and bringing them to fruition. They helped us to solve a problem and, in turn, other clients are able to utilize those same tools.”

—Rachel Obert, CTP Manager Banking and Investments

taxes. Beyond taxes, the team used the imports for inter-company and third-party transfers. Using the new templates within the GTreasury Payments module, Horace Mann set up a centralized approval process that consolidates the payment process and creates a single point for regulatory scrutiny.

The solution satisfies several key criteria, including reduced manual data entry; creating an accessible audit trail; improving cash forecasting; and making payment processing easier—above all for tax payments. Last-minute adjustments are now fast, easy and inexpensive. The tax team has saved 10 hours of work per week but is continuing to unlock further savings. When the project is completed, Horace Mann will have automated and efficiently processed almost 100 different types of tax payments.

### The Result

Horace Mann’s collaboration with GTreasury to implement the solution has helped treasury overturn the fallacy that it is the company’s cost center, instead emphasizing its role as the gatekeeper of corporate money. This has raised the team’s profile and won it respect at the senior executive level. The tax project has also extended benefits to other departments within Horace Mann beyond treasury. It has also produced support for other projects, such as integration for short-term investments and a money market portal. In the end, having chosen GTreasury’s multi-tenant SaaS solution for treasury management means that Horace Mann’s efforts to improve its payment processes not only moved the company forward, but it helps move the needle on efficiency and compliance for other treasury organizations using GTreasury.

#### ABOUT GTREASURY

GTreasury’s coordinated 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](https://gtreasury.com)



**GTREASURY**

the clarity to act