
Cash Management

Overview

The objective of this module is to provide a broad understanding of the basic principles and practices of cash and liquidity management. The module examines the basic building blocks of cash management and then, through a series of case studies, extends the basic principles to tackling the complexities of international cash management.

Learning Outcome Statements

- Cash management and its importance
- Understand various instruments and cash management techniques
- Understand the importance of netting and pooling
- Understand the cash management strategies
- Understand the concept of NOSTRO/VOSTRO accounts and its effective utilization

Key Contents

- **Float Time**
 - The cost of poor cash management; invoicing; finality; value dating; payables and receivables management; liquidity and the cash cycle
 - Payment instruments (paper-based, electronic) and clearing systems (RTGS, NSS); domestic and international
 - Finality; value dating
- **Cash Management Structure**
 - Types of accounts; currency accounts; zero balance; lock box; disbursement
 - International account structures
- **Liquidity Techniques**
 - Notional pooling; cash concentration; cross border notional pooling
 - Short-term borrowing; investing; leading and lagging
- **Further International Complexity**
 - FX (spot, forward, swaps); regulations; netting
 - NOSTRO/VOSTRO accounts