2017 Higher Education Rapid Research

1st Annual Survey Results Webinar

May 16, 2017

Presented By:

Strategic Treasurer

Consultants in Treasury

What's Coming Up

PDG is in their 38th year of providing Student Financial Service Training in Higher Education. To learn more about PDG's Treasury Training, please visit their website.

About the Speaker

Craig Jeffery formed Strategic Treasurer, LLC in 2004 to provide corporate, educational, and government entities direct access to comprehensive and current assistance with their treasury and financial process needs. His twenty-five years of financial and treasury experience as a practitioner and as a consultant with various financial institutions have uniquely qualified him to help organizations craft realistic goals and achieve significant benefits quickly.

Mr. Jeffery was previously a Senior Vice President and Practice Leader for Wachovia Treasury & Financial Consulting from 2000 through 2004. Prior to joining Wachovia, Mr. Jeffery worked with a major regional bank as Vice President and worked in the Information Management, Investment, and Treasury Divisions at The Hartford. He is the author of a book for Treasury, The Strategic Treasurer: A Partnership for Corporate Growth, published July 2009 by John Wiley & Sons.

Today's Presenter:
Craig Jeffery, CCM, FLMI
Founder & Managing Partner
Strategic Treasurer

Our mission is to
elevate & enhance
the ***practice of treasury***
by advising individual clients
& informing the industry at large.

ADVISE:
- Treasury Technology
- Treasury Security
- Corporate Compliance
- Working Capital Optimization
- Financial Risk Management
- Bank Connectivity & Onboarding
- Bank Fee Management

INFORM:
- Industry Surveys
- FinTech Analyst Reports
- Corporate Benchmarking
- Interactive Webinars
- Visual Guides & eBooks
- Informative Whitepapers
- Topical & Engaging Videos

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Webinar Agenda - Content

Survey Demographics

Higher Education Specifics

Treasury Fraud in Higher Education

Winners Announced

Special thanks to
Professional Development Group
for their involvement in the survey.

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Demographics

What is your organization's industry?
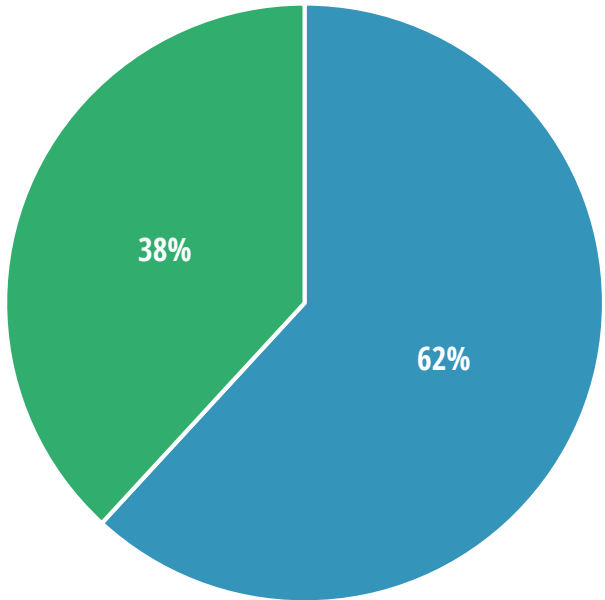
■ Academic (Public schools, universities) ■ Academic (Private schools, universities)

n=87
*11 responses discounted due to industry
Survey Duration: March – April 2017

98%
of respondents HQ'd in
North America

56%
of respondents have a
global treasury
organization of 3 or fewer

42%
of respondents are bursars

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Spending Plans

Higher Education Participants:
What are your significant treasury/payment technology spending plans over the next two years? (Select all that apply)

Category	Percentage
None	38%
Payments	30%
Card Services	24%
Investment Related	11%
Reconciliation	11%
Treasury	11%
Bank Account Management	8%
Other	5%
Treasury Aggregator/Bank connectivity...	5%
Credit Risk Management	3%
Treasury Reporting	3%
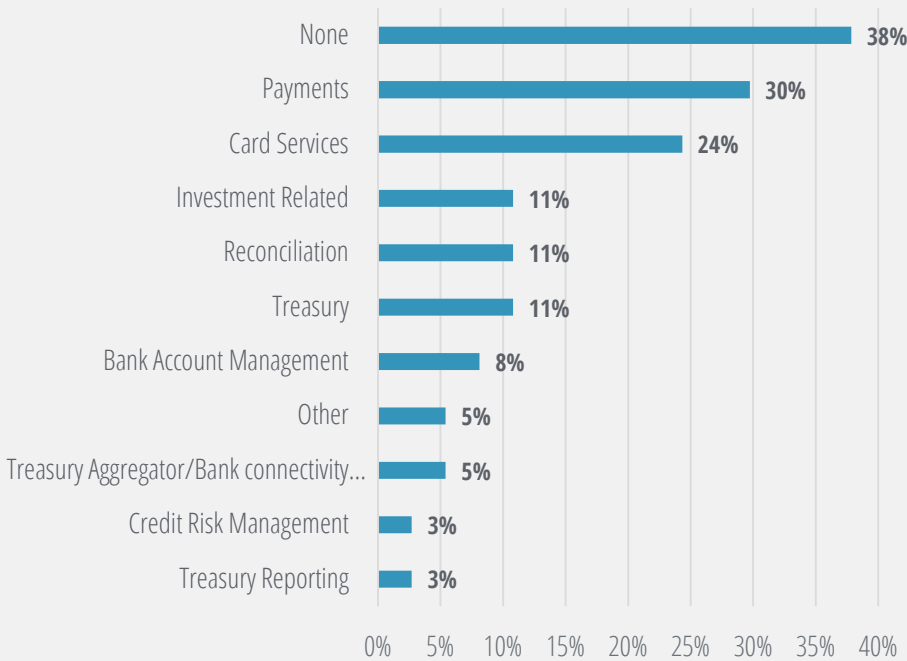
2016 Cash Forecasting Survey Results

41% investing in treasury

27% investing in payments

Net Promoter Scores
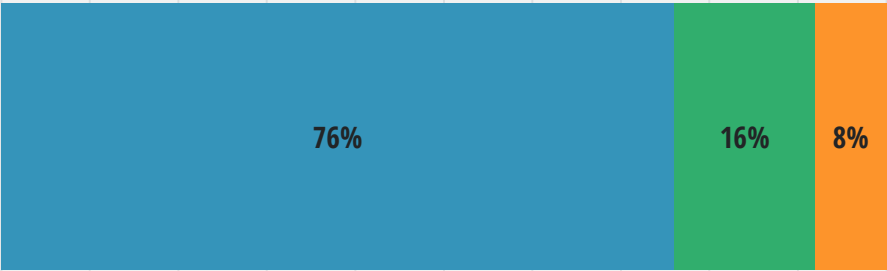
How likely are you to recommend your current TMS or treasury module of an ERP to a friend or colleague?
Overall NPS: -67.57%

76%	16%	8%

■ NPS Detractors (0 to 6)　■ NPS Passives (7 and 8)　■ NPS Promoters (9 and 10)

How likely are you to recommend your primary banking/partner provider to a friend or colleague?
Overall NPS: -11.43%

43%	26%	31%
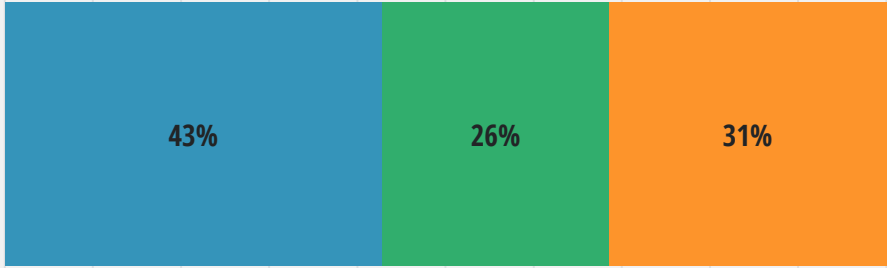
■ NPS Detractors (0 to 6)　■ NPS Passives (7 and 8)　■ NPS Passives (7 and 8)

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Staffing

Are your treasury staffing levels where they need to be now?

Yes, we are appropriately staffed	44%
No, we are overstaffed	0%
No, we are understaffed	42%
No, we are significantly understaffed	0%
Unsure	14%

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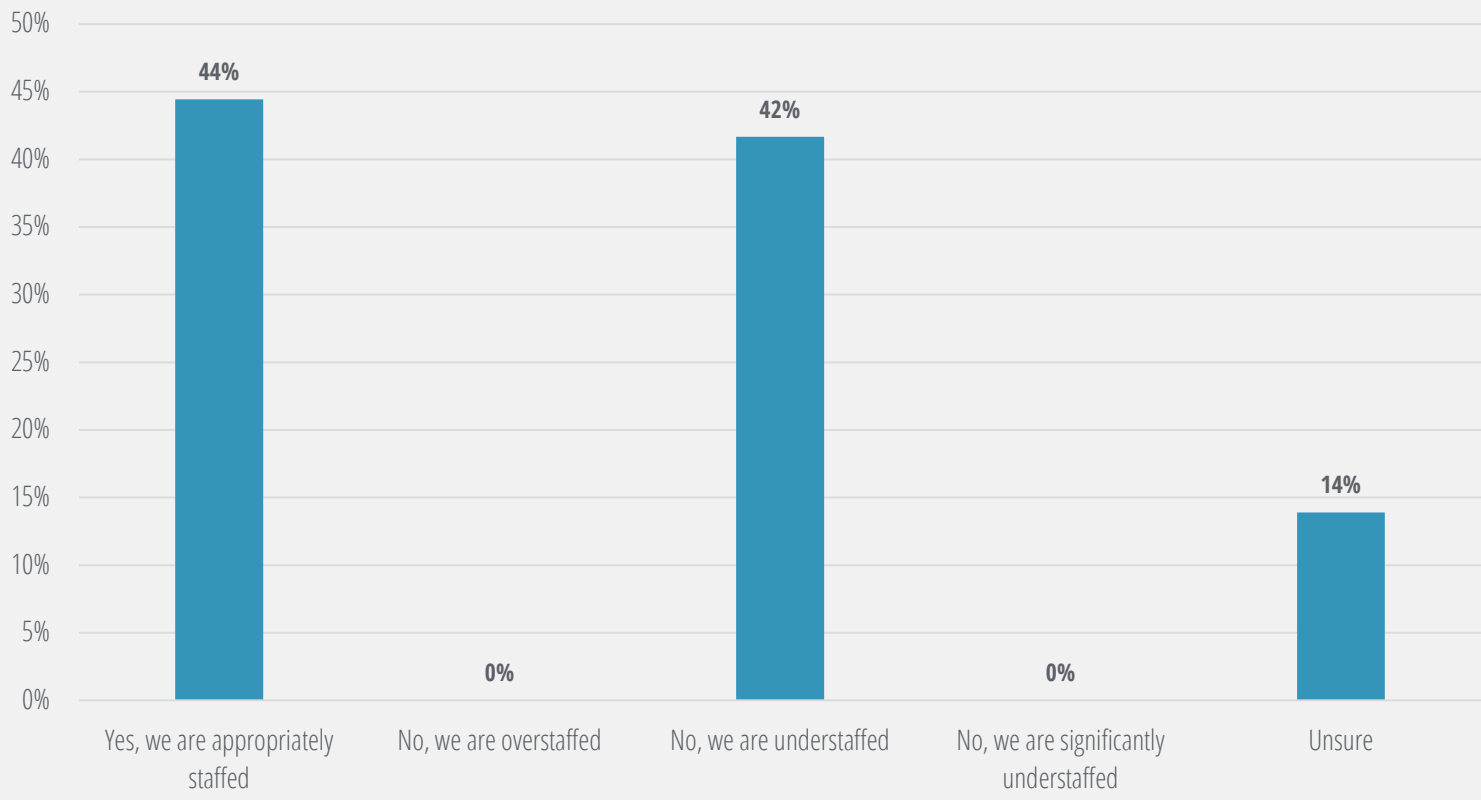
Regulation

Is regulatory change a significant concern for your institution?

Yes	79%
No	12%
Unsure	9%
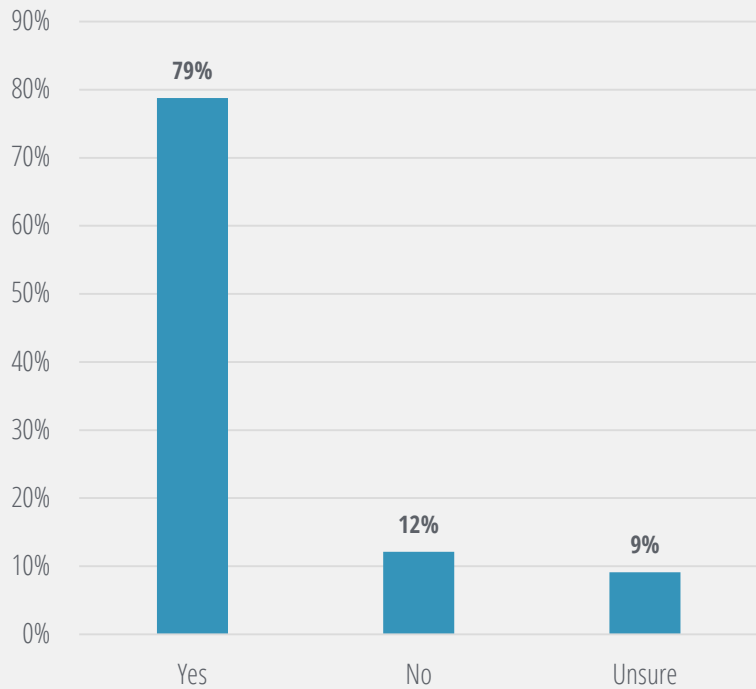
What, if any, regulatory concern(s) are top of mind for your institution? (Select all that apply and provide others as needed)

Title IV: Disbursements and Refunds	67%
IRS Form 1098-T	61%
PCI	48%
FERPA	33%
ACH Rules	33%
Federal Education Tax Credits	27%
FASB	21%
GASB Statement No. 75	12%
E-Sign & EFTA	12%
Other	9%
EMV	9%
N/A	6%

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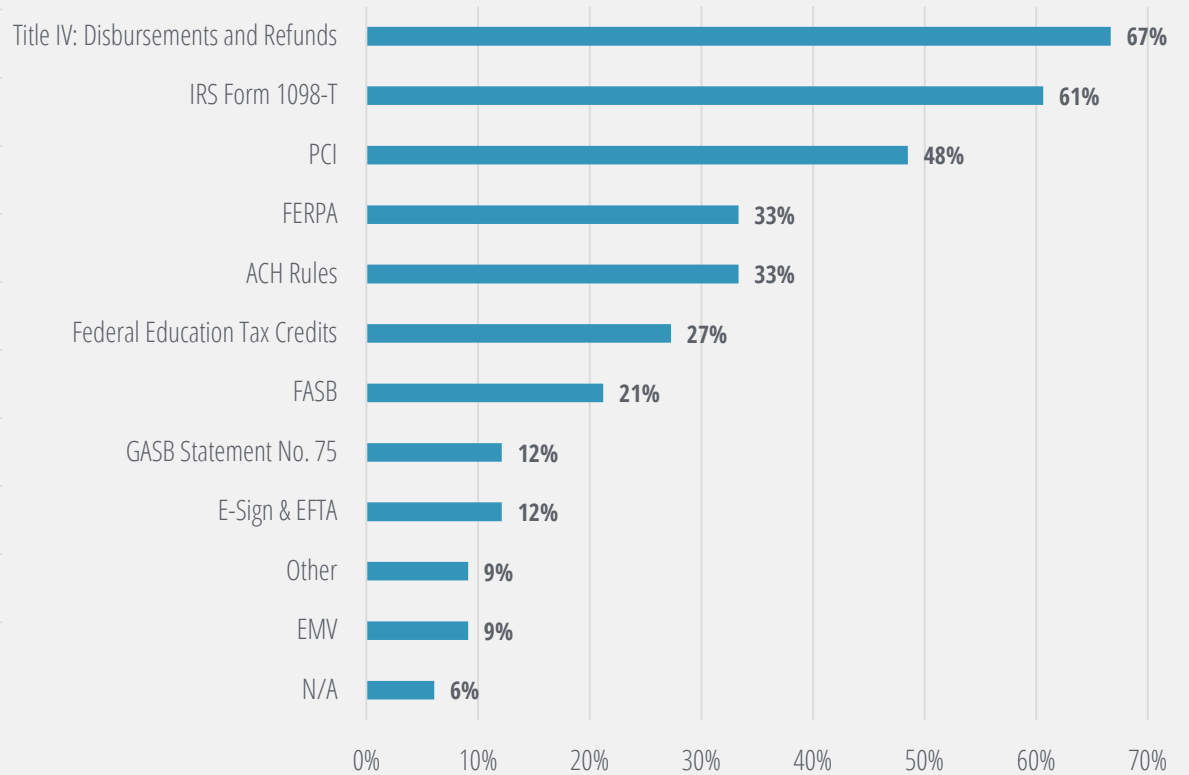
Specialized Concerns

How satisfied is the institution with current enrollment /student retention levels given rising tuition?

How satisfied is the institution with current enrollment /student retention levels given rising tuition?

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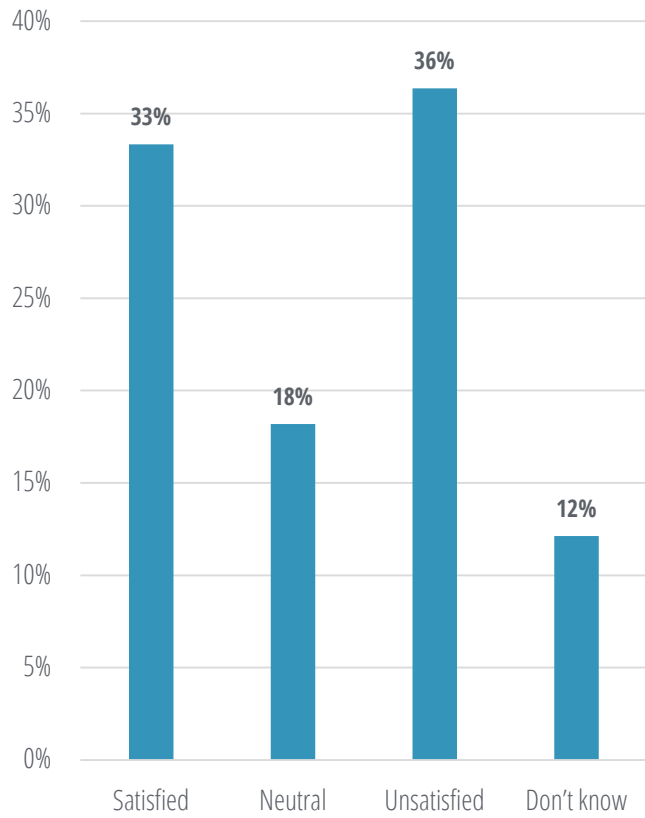
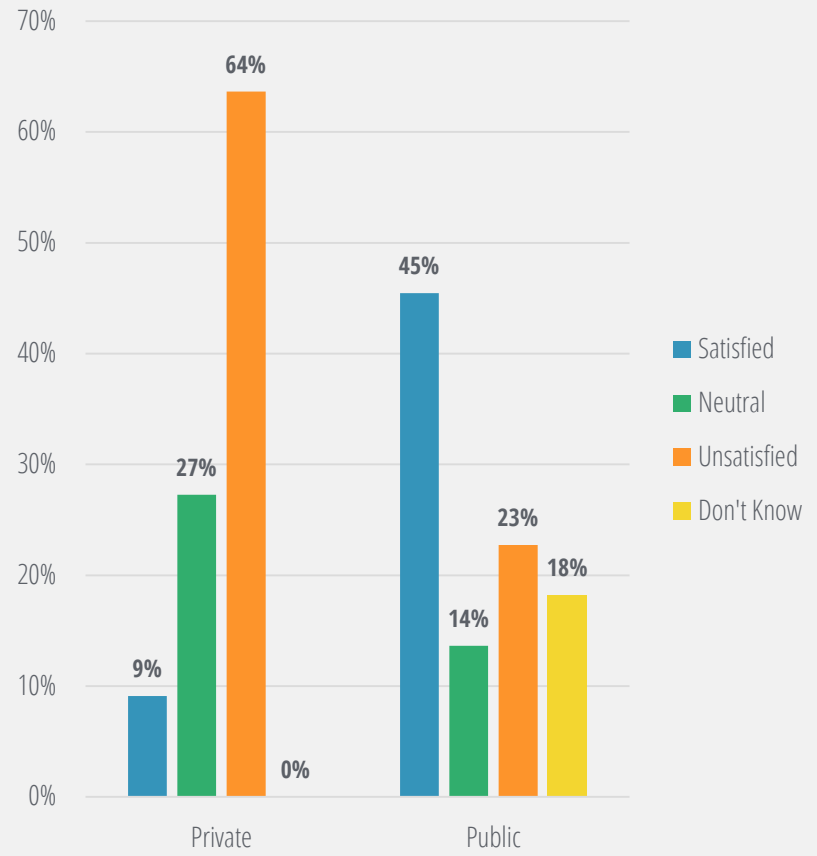# Specialized Concerns

Do you expect the current rates of enrollment/ student retention to grow, remain flat, or decrease over the next 2-4 years?

Grow significantly	3%
Grow	45%
Remain flat	36%
Decrease	3%
Don't know	12%

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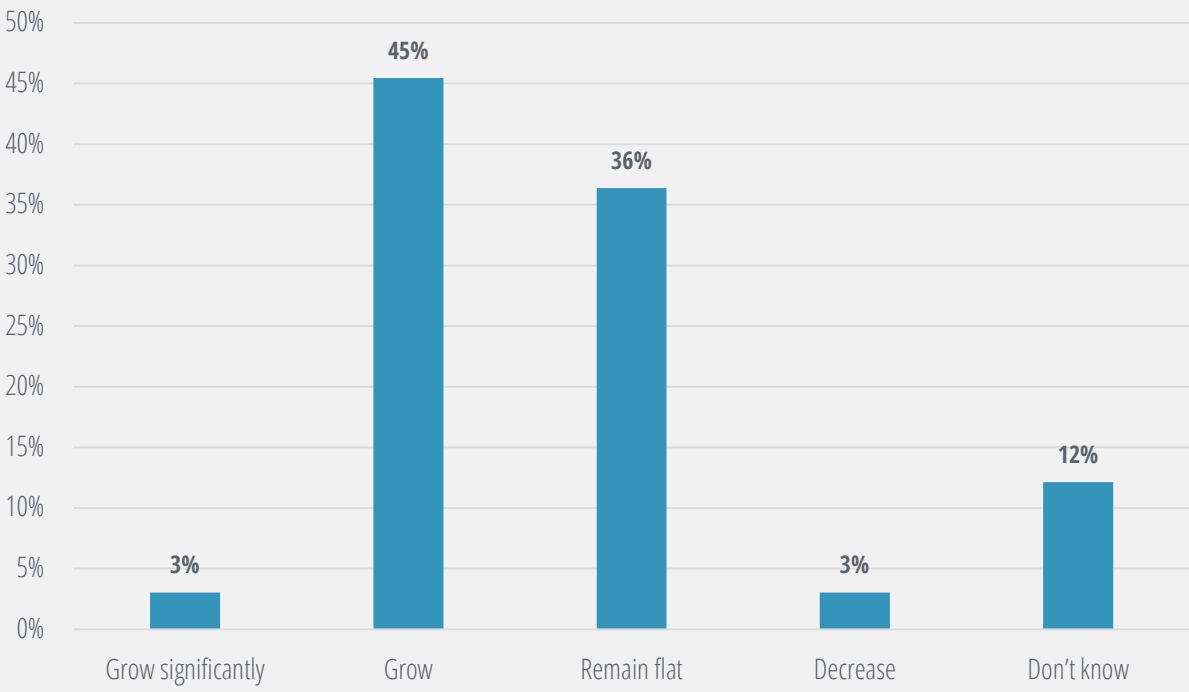
Poll Question

Given the global ransomware attack this past weekend have your concerns about cybercrime increased?

Increased greatly
Increased
About the same
Decreased
Decreased greatly

Fraud Concern

Chapter: Fraud Management
Which statement best reflects your level of concern about fraud?
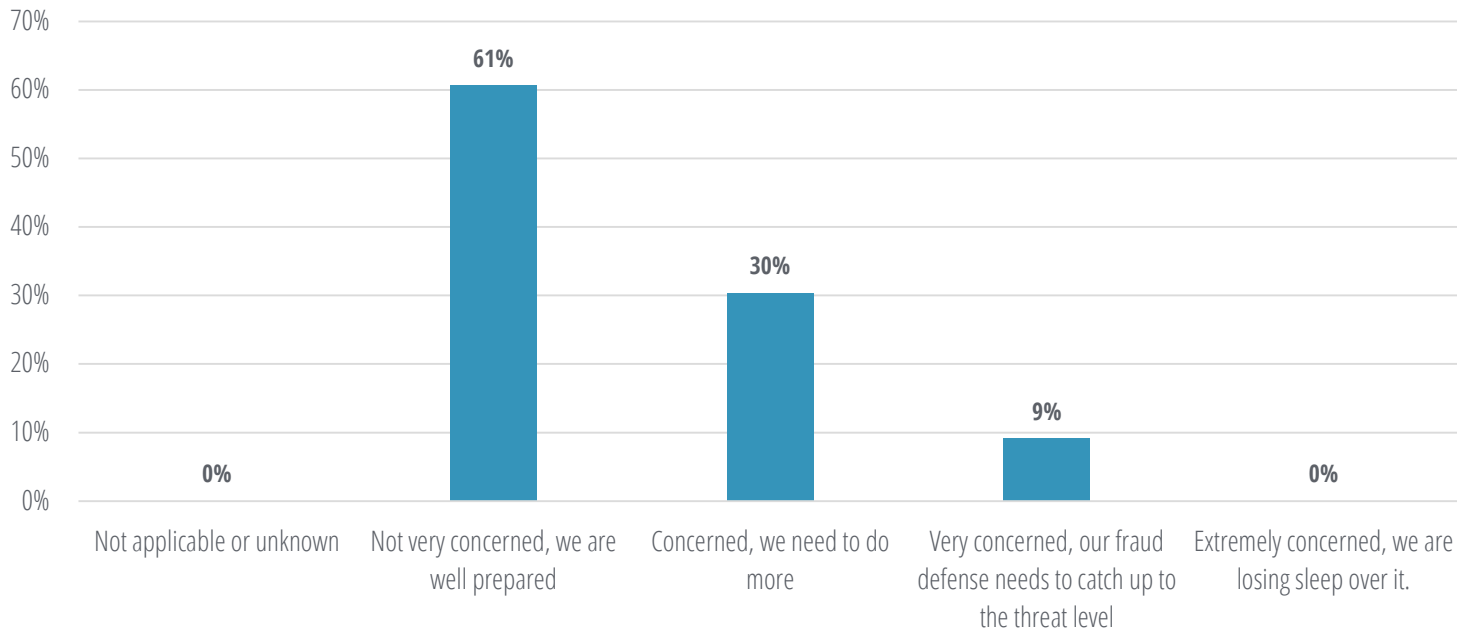
61% of respondents to the 2017 Higher Education Survey indicated **little concern regarding fraud.** We find this surprising, given how many firms experienced attacks over the past year.

Fraud & Cybercrime

Crime Hierarchy- The Criminal:

1. **Controls your assets and takes them**

2. **Acts as imposter and gets you to send money**

3. **Steals valuable information they can sell**

4. **Locks your information down so you can't use it unless you pay**

POLL - Check all that apply:

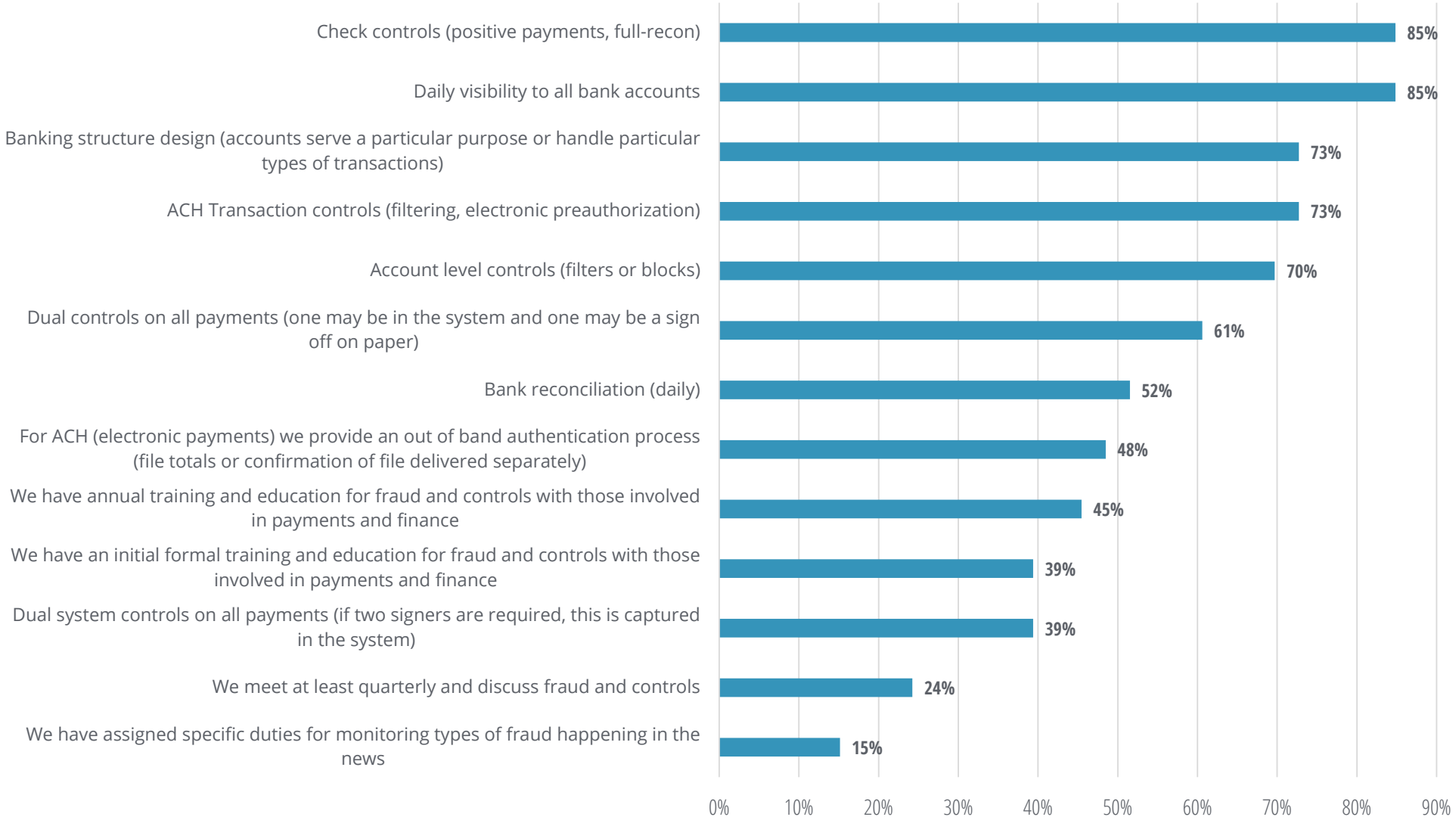**We have the following in place:**

- **Email Phishing training**

- **Phishing testing**

- **Ongoing Fraud/Security Training**

- **Separate computer for payments that doesn't have email access**

- **Account/Transaction controls: positive payment**

- **Account/Transaction controls: ACH debit filtering or blocking**

- **None of the above**

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Fraud Prevention

## Please indicate where/whether treasury has the following fraud prevention tools, controls or structure:
(select all that apply)

Check controls (positive payments, full-recon)	85%
Daily visibility to all bank accounts	85%
Banking structure design (accounts serve a particular purpose or handle particular types of transactions)	73%
ACH Transaction controls (filtering, electronic preauthorization)	73%
Account level controls (filters or blocks)	70%
Dual controls on all payments (one may be in the system and one may be a sign off on paper)	61%
Bank reconciliation (daily)	52%
For ACH (electronic payments) we provide an out of band authentication process (file totals or confirmation of file delivered separately)	48%
We have annual training and education for fraud and controls with those involved in payments and finance	45%
We have an initial formal training and education for fraud and controls with those involved in payments and finance	39%
Dual system controls on all payments (if two signers are required, this is captured in the system)	39%
We meet at least quarterly and discuss fraud and controls	24%
We have assigned specific duties for monitoring types of fraud happening in the news	15%

0% 10% 20% 30% 40% 50% 60% 70% 80% 90%

Fraud Prevention

Does your institution have adequate INTERNAL monitoring tools to prevent fraud, theft or detect anomalous behavior?
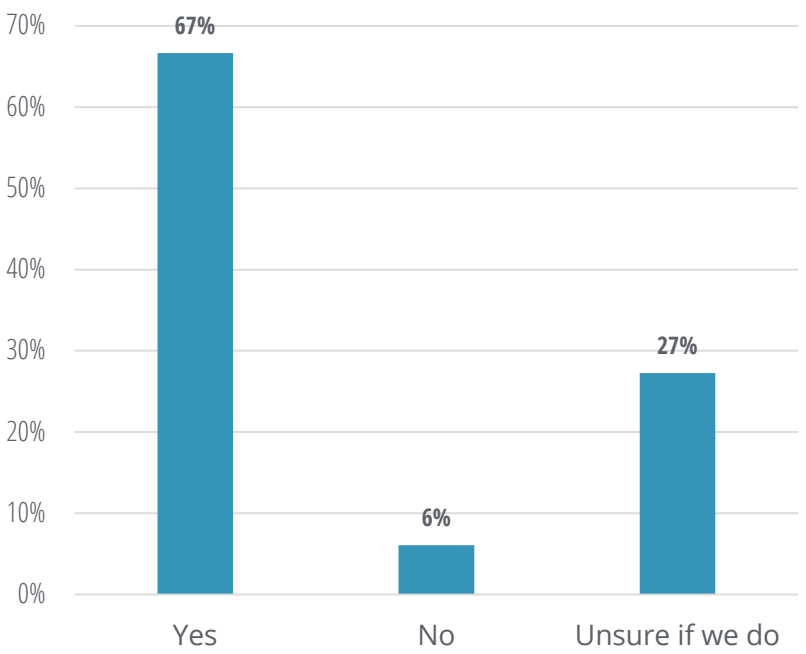
Do you have the ability to proactively monitor anomalous or suspicious behavior within your system(s)?
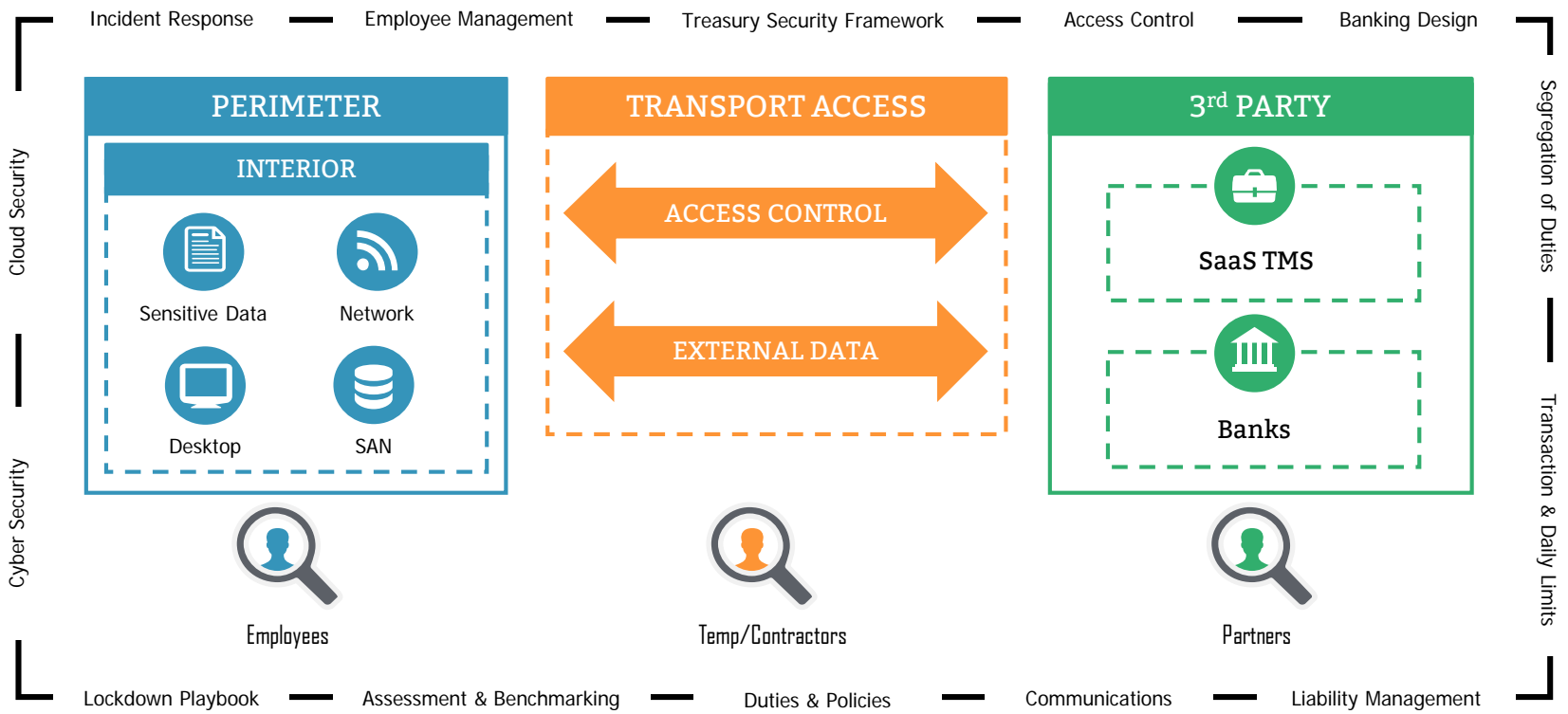
(From 2017 Fraud & Controls Survey)

Corporate
Banking

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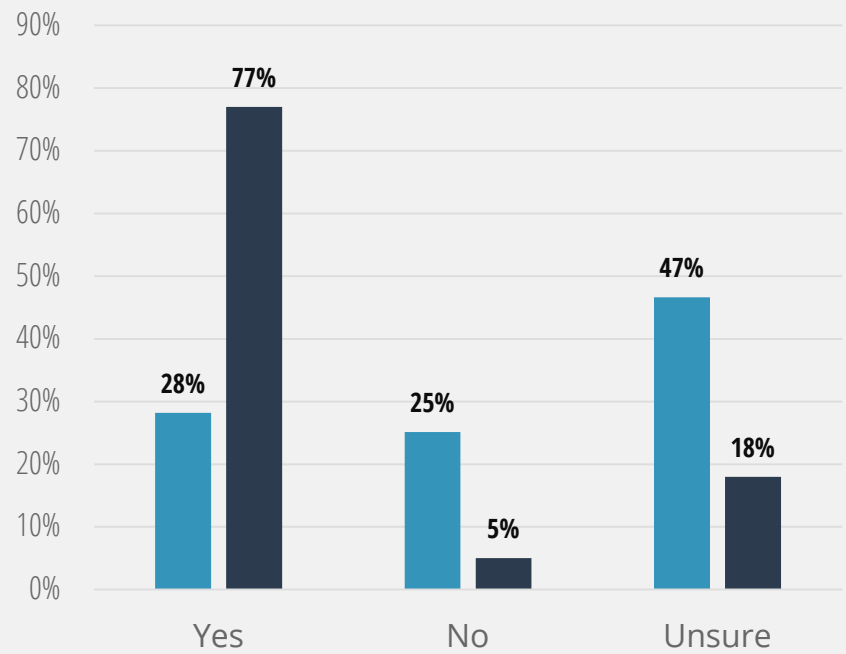
Treasury Fraud Protection

TREASURY SECURITY: AREAS OF EXPOSURE

Treasury Fraud Protection

FOUR PILLARS
of TREASURY SECURITY

1. ASSESS & ARCHITECT
- Greater Awareness

2. PREPARE & PREVENT
- Stronger Defense Posture

3. MANAGE & MAINTAIN
- Ongoing Training
- Testing

4. RESPOND & RECOVER
- Reporting
- Response (Fast, Appropriate, Lockdown)
- Rework (Restore to New Operating Model)

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Survey Respondent Winners

$100 Gift Card courtesy of PDG:
Donna Reilly

Scholarship winners:
Nancy Majarek
Lynn Beauregard

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