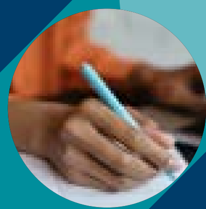

CERTIFICATE IN TREASURY

SYLLABUS

ACT LEARNING

INTRODUCTION

SUMMARY

The Certificate in Treasury (CertT) is the ideal qualification for someone at the initial stages of their career, whether they are in a treasury role or in a job where an understanding of treasury would be beneficial. The qualification is naturally suited to those working in treasury, but it is equally of relevance to someone working in an advisory role, such as consultancy or banking where the clients are treasury professionals. It assumes some knowledge, so if you have no experience of treasury at all it might be more appropriate for you to start with the Certificate in Treasury Fundamentals (CertTF) qualification. The ACT can advise you if you are not sure of the best entry point for you, so do get in touch.

The CertT qualification will provide you with an excellent foundation in the general principles and concepts of treasury. It provides insights into treasury and the key activities undertaken by treasury professionals. CertT covers the essential elements of treasury and provides a solid platform both for a career in treasury and for further study that would be useful in supporting your future personal development.

CertT comprises five separate units. Each unit should take around 50 hours of study, so you should expect to commit around 250 hours in total for the qualification. It is expected that you will be able to complete the entire qualification within six to twelve months, alongside full-time working. There is flexibility so it can be completed more quickly by those who have more study time available and with on-demand assessments you can progress at a speed that works for you.

BACKGROUND

The Certificate in Treasury (CertT) will provide students with an introduction to all of the key elements of treasury. Each unit focuses on an important area and together the five units combine to provide students with a clear picture of the importance of treasury and the value it contributes to the organisation. It starts by setting the scene and providing a clear context for treasury. The role of the typical treasury function is explained and important fundamental principles that are relevant to treasury decisions are explored, for example in relation to interest rate and foreign exchange markets.

Effective treasury management is without doubt a significant contributory factor to business success. Whilst specific activities might vary, depending on the nature, location and type of organisation, most treasury functions will have a strong focus on cash and liquidity management, corporate finance and risk management. Each of these key areas is the feature of its own specific unit in the CertT qualification. Each of these units provides a clear explanation of relevant terminology, general principles and applicable theories. There is also a separate unit focused on ethics, governance and regulation, which all have a direct impact on treasury decision-making. Ultimately, the intention is that through developing knowledge of all these areas students will be able to make better informed decisions in the workplace. This will both enhance the performance of the organisation and support the student’s own personal development, with a view to achieving career progression aspirations.

Overall, what can you expect from the CertT qualification?

- You will learn about the key principles of treasury.
- It will help you to understand the role and importance of the treasury professional and the activities they are involved in.
- If you already work within treasury it will help to improve your performance in the workplace.
- If you are in a role in which you interact with treasury professionals, CertT will help you to understand their needs more clearly and will support you in developing better relationships.

The CertT qualification can also provide a springboard for higher level ACT qualifications for those with aspirations of achieving more senior treasury positions.

QUALIFICATION STRUCTURE

UNIT	PROGRESS TESTS	SUMMATIVE ASSESSMENT	Weighting for grade award (%)
1. The context of treasury	Yes	One exam covering the whole unit	20
2. Cash and liquidity management	Yes	One exam covering the whole unit	20
3. Corporate finance	Yes	One exam covering the whole unit	20
4. Technology, governance and ethics	Yes	One exam covering the whole unit	20
5. Financial risk analysis and management	Yes	One exam covering the whole unit	20

TEACHING AND LEARNING

Students will benefit from an active and engaging online learning experience. They will undertake self-directed study with PDF, ePUB and MOBI versions of the materials and be supported by ACT technical tutors who will initiate, respond to and moderate a discussion forum for queries and wider debate. Students will have access to the online platform for 18 months from the date booked on the qualification.

Throughout the course additional resources will be added to the online learning platform in the form of webinars, podcasts, links to relevant news and updates, and wider reading. You will also be able to take practice assessments as part of your learning programme to assist you in your preparation and to familiarise yourself with the types of assessment questions you can expect during the assessment.

ASSESSMENT AND FEEDBACK

The Certificate in Treasury will be assessed through the following method:

- one online exam, remotely invigilated, per unit. The exam structure, for each unit is comprised of three sections: Sections A and B are multiple choice questions (MCQ) and Section C consists of long answer questions based on mini case studies. Each unit exam is two hours in duration and has a pass mark of 50%
- students will be able to opt into the exam when they feel ready, as the assessments are on demand, however they will need to complete the assessments and full qualification within the timeframe of their learning license
- once you have booked your assessment, you will be provided with information and guidance on how to prepare for taking your exam with the ACT
- upon successful completion of each unit exam, you will receive an eCertificate, confirming your final result, within five to six weeks. Once you have successfully completed the qualification you will be issued with digital credentials confirming your completion of the full CertT qualification
- you may then use the designatory letters, CertT, provided you are a member of the ACT
- if you have failed a unit exam, you will be able to re-sit the exam, when you are ready, within your license period.

ENTRY REQUIREMENTS

Entry requirements do exist for the CertT and we have a number of different ways you can gain recognition from any prior learning.

More information on the entry routes for the CertT can be found here:

https://learning.treasurers.org/qualifications/certificate-treasury

UNIT 1: THE CONTEXT OF TREASURY

INTRODUCTION

This first unit starts by providing an overview of treasury and the core activities typically undertaken by a treasury function. It also examines different types of structures for the treasury function and the implications of each. In addition, it considers the key treasury policies and their impact on decision-making and activities.

The unit then considers two areas of crucial importance to treasury professionals – interest rates and foreign exchange. All organisations are impacted by interest rates, whether as a borrower or investor (sometimes both). The fundamental principles and concepts relating to interest rates are explored. Different types of rates and their calculations are discussed. The unit considers the differences between yield and discount. It also discusses the importance of the yield curve and its application in treasury.

As regards foreign exchange, the unit provides an overview of the market, its participants and conventions. It explores considerations in relation to market dealing and the use of forward foreign exchange markets. It discusses relationships between spot rates, interest rates and forward rates. It examines the role and activities of treasury in managing foreign exchange transactions and exposures.

OVERARCHING LEARNING OUTCOMES

At the end of this unit you should be able to:

LO1

Explain the role of the corporate treasury function, recommending and justifying appropriate treasury policies and structures.

LO2

Discuss different interest rates, yields and yield curves and undertake relevant calculations to support recommendations.

LO3

Analyse the features, participants and conventions of the foreign exchange (FX) market and the role and activities of treasury in this market (including undertaking relevant calculations).

UNIT ONE: INDICATIVE CONTENT

1. Treasury organisation and operations

LO1: Explain the role of the corporate treasury function, recommending and justifying appropriate treasury policies and structures.

- The treasury function e.g. supporting business activities and managing risk.
- Core treasury activities.
- The structure of treasury (centralised vs decentralised).
- The organisation and policies of a treasury department.

2. Fundamentals of interest rate markets

LO2: Discuss different interest rates, yields and yield curves and undertake relevant calculations to support recommendations.

- Numerical techniques and calculations to support treasury analysis.
- Interest rate market conventions.
- The differences between yield and discount.
- The yield curve and its application.

3. Foreign exchange market principles

LO3: Analyse the features, participants and conventions of the foreign exchange (FX) market and the role and activities of treasury in the FX market (including undertaking relevant calculations).

- An overview of the foreign exchange market.
- Foreign exchange market dealing conventions.
- Forward foreign exchange markets.
- Linking spot rates, interest rates and forward rates.

UNIT TWO: CASH AND LIQUIDITY MANAGEMENT

INTRODUCTION

Managing cash and liquidity are vital functions of treasury in most organisations. This unit starts by providing an explanation of the general principles relating to cash, liquidity and working capital. To be effective, treasury professionals must understand the importance of these to the business. In addition to exploring the fundamentals of cash and liquidity, the unit also considers cashflow forecasting and the working capital cycle. The unit examines the relationships between working capital and liquidity and the steps that can be taken, within the organisation, to improve its cash position.

The unit then examines considerations in relation to short-term borrowing and international trade. Specifically, the unit examines bank borrowing (both committed and uncommitted facilities) of relevance to treasury. It also considers the use of commercial paper as a form of short-term funding. It explores intra-group funding and other alternative solutions, which may be more appropriate for the organisation. An introduction to foreign exchange featured in the previous unit; this unit explores other considerations relating to international trade transactions.

Finally, the unit focuses on the practicalities of cash management and manging surplus cash positions. The key principles of cash management are examined and their implications for treasury. Different cash management structures and solutions are considered, including those available from more recent entrants to the financial services market. Different investment options are explained including those addressing specific requirements, for example Sharia compliant products.

OVERARCHING LEARNING OUTCOMES

At the end of this unit you should be able to:

LO4

Explain the principles of cash, liquidity and working capital and how these principles are applied by treasury to support the business (including undertaking relevant calculations).

LO5

Recommend and justify appropriate short-term borrowing instruments and international trade solutions (including undertaking relevant calculations).

LO6

Recommend the most appropriate cash management and investment solutions to safeguard the organisation's cash and minimise interest expense, justified by relevant calculations.

UNIT TWO: INDICATIVE CONTENT

1. Cash, liquidity and the business

LO4: Explain the principles of cash, liquidity and working capital and how these principles are applied by treasury to support the business (including undertaking relevant calculations).

- Cash and liquidity fundamentals.
- The how and why of cashflow forecasting and its benefits.
- The working capital cycle.
- The relationships between working capital and liquidity.

2. Key considerations: short-term borrowing and international trade

LO5: Recommend and justify appropriate short-term borrowing instruments and international trade solutions (including undertaking relevant calculations).

- Bank borrowing (committed and uncommitted facilities).
- Commercial paper (CP) and money market borrowing.
- Intra-group funding and alternative funding solutions.
- Managing and financing international trade.

3. The practical aspects of cash management and investment

LO6: Recommend the most appropriate cash management and investment solutions to safeguard the organisation's cash and minimise interest expense, justified by relevant calculations.

- Principles of cash management, e.g. security, liquidity, flexibility and yield.
- Cash management structures.
- Cash management solutions, e.g. fintech offerings.
- Investing surplus cash including Sharia compliant investments and money market funds.

UNIT THREE: CORPORATE FINANCE

INTRODUCTION

This unit focuses on corporate finance from a treasury perspective. It starts by examining capital markets and a range of funding sources and techniques. The characteristics and considerations of these various funding options are all explored. This includes comparisons between debt and equity funding. The unit also explores important considerations that will impact funding decisions including ESG drivers (environmental, social and governance). The world of finance continues to evolve at pace. Recent trends and developments, as well as alternative funding sources, are all explored.

The unit examines considerations relating to different capital structures, building on the earlier comparisons between debt and equity finance. In particular, different theories, models and approaches to calculating the cost of capital are explored.

Finally, the unit examines investment appraisal. It considers the principles of, and techniques used in, investment appraisal. Different business valuation techniques are discussed, including both discounted cash flow (DCF) and non-DCF methods. The content includes explanations and examples of relevant calculations to determine business and project valuations and outcomes.

OVERARCHING LEARNING OUTCOMES

At the end of this unit you should be able to:

LO7

Discuss the main, and contemporary, sources of capital for an organisation and their practical characteristics to enable appropriate funding recommendations to be made (including undertaking relevant calculations).

LO8

Discuss appropriate capital structures for the organisation and calculate the cost of capital, using a range of appropriate practical models and techniques.

LO9

Recommend and justify a range of appropriate practical valuation and investment appraisal techniques and calculate business and project valuations and outcomes.

UNIT THREE: INDICATIVE CONTENT

1. Capital markets and funding

LO7: Discuss the main, and contemporary, sources of capital for an organisation and their practical characteristics to enable appropriate funding recommendations to be made (including undertaking relevant calculations).

- Financial markets.
- Equity.
- Bank debt and alternative funding sources, e.g. peer to peer.
- Debt capital markets.
- Trends and developments in the funding markets, including ESG.

2. Capital structure

LO8: Discuss appropriate capital structures for the organisation and calculate the cost of capital, using a range of appropriate practical models and techniques.

- The theory of capital structure.
- Capital structure in practice.
- The cost of equity and debt capital.
- Weighted Average Cost of Capital (WACC).

3. Investment appraisal

LO9: Recommend and justify a range of appropriate practical valuation and investment appraisal techniques and calculate business and project valuations and outcomes.

- Fundamental principles in investment appraisal.
- Further techniques in investment appraisal.
- Business valuation: discounted cashflow (DCF) techniques.
- Business valuation: non-DCF methods.

UNIT FOUR: TECHNOLOGY, GOVERNANCE AND ETHICS

INTRODUCTION

This unit focuses on three very important areas of influence on treasury decisions and activities. First, it examines the considerations in relation to corporate governance, regulation, ethics and controls. These are all vital to the effective running of any organisation, but can also have a significant impact externally, on the organisation's reputation, should things go wrong. The meaning and application of corporate governance is explored as are relevant regulations which impact treasury. There is discussion on operational risk and the importance of compliance and control. Treasury policy and procedures are also examined. The important factors of culture and ethics are also explored, in addition to the ACT's own Ethical Code, which sets the minimum standard of behaviour for treasury professionals. The landscape is continually evolving in all these areas. Recent trends and developments are also examined and their impact for treasury are considered.

The unit then focuses on the principles of financial accounting and reporting and tax, all of which can have significant implications for treasury transactions, planning and decision-making. The content provides an overview of the key financial statements and the importance of business analysis. It considers the implications, for treasury, of international accounting standards. It discusses tax and international tax planning, which play a significant role in influencing treasury decisions. There is also consideration of the importance of treasury reporting and how the performance of treasury might be measured.

Finally, the unit focuses on the use of technology within treasury and its impact on operations. There is discussion on the role and importance of technology in treasury and specific focus on different types of treasury management systems. In particular there is examination of the key considerations for selecting and implementing an appropriate treasury management system, based on the organisation's requirements. The unit concludes by considering the risks that might arise due to the use of technology within treasury, for example cyber-crime and fraud.

OVERARCHING LEARNING OUTCOMES

At the end of this unit you should be able to:

LO10

Discuss how corporate governance, regulatory controls and policies apply to treasury and the importance of ensuring ethical behaviour.

LO11

Explain the fundamental principles of financial reporting and tax and their implications for treasury transactions and planning (including undertaking relevant calculations).

LO12

Compare technology solutions for differing treasury requirements and recommend actions to protect the business from the risk of fraud.

UNIT FOUR: INDICATIVE CONTENT

1. Corporate governance, ethics and treasury controls

LO10: Discuss how corporate governance, regulatory controls and policies apply to treasury and the importance of ensuring ethical behaviour.

- Corporate governance and regulation.
- Operational risk, compliance and control.
- Culture, ethics and the ACT's Ethical Code.
- Treasury policy and procedures.

2. Financial accounting and reporting for treasury

LO11: Explain the fundamental principles of financial reporting and tax and their implications for treasury transactions and planning (including undertaking relevant calculations).

- Financial statements and business analysis.
- Implications of international accounting standards for treasury.
- International tax planning, AML and sanctions.
- Treasury reporting, ESG and performance measurement.

3. Treasury technology

LO12: Compare technology solutions for differing treasury requirements and recommend actions to protect the business from risk of fraud.

- The digitisation of treasury and treasury management systems.
- Treasury system selection and implementation.
- Cyber, fraud and crypto risk management.

UNIT FIVE: FINANCIAL RISK ANALYSIS AND MANAGEMENT

INTRODUCTION

The focus of this final unit is on financial risk analysis and management, which are key areas of treasury responsibility. Treasury decisions and transactions can themselves carry risk for the organisation. Conversely, many transactions are executed by treasury with the aim of minimising risk. It is essential that treasury professionals understand the principles of risk management and the various tools and techniques that can be used to help manage risk. The first part of the unit provides an overview of these principles and of the main areas of risk that can arise in treasury. It explores risk management frameworks and a range of tools and techniques to support risk analysis.

The unit then focuses on the use of different hedging instruments and techniques used specifically in the management of treasury related risks. The main instruments are examined and compared. These include the use of instruments where there is some degree of certainty in relation to the exposure, for example where the details of future transactions are known and firm. Hedging approaches when there are greater levels of uncertainty are also explored. Characteristics, considerations and pricing of all these different tools are considered.

Finally, the unit concludes by examining the practical considerations and application of methods of risk management and reporting in treasury. A range of interest rate and foreign exchange risk management tools and techniques are be examined. The practical application of these is considered, in the light of appropriate hedging strategies based on the organisation's specific requirements.

OVERARCHING LEARNING OUTCOMES

At the end of this unit you should be able to:

LO13

Analyse the key risks that organisations face and the frameworks used by treasury to ensure a structured risk management approach is taken.

LO14

Analyse how risks are assessed, evaluated and managed using a range of techniques (including undertaking relevant calculations).

LO15

Explain risk management tools, considerations and reporting (including undertaking relevant calculations)

UNIT FIVE: INDICATIVE CONTENT

1. Key concepts of risk for treasury

LO13: Analyse the key risks that organisations face and the frameworks used by treasury to ensure a structured risk management approach is taken.

- Introduction to risk.
- Risk management frameworks.
- Risk classification.
- Risk identification and emerging risks.

2. Risk assessment, evaluation and management

LO14: Analyse how risks are assessed, evaluated and managed using a range of techniques (including undertaking relevant calculations).

- Risk assessment.
- Risk measurement tools and techniques, e.g. standard deviation, correlations and Value at Risk (VaR).
- Hedging with certainty, e.g. the use and pricing of Forwards and Swaps.
- Hedging with uncertainty, e.g. the use of options.

3. Practical applications for risk management

LO15: Explain risk management tools, considerations and reporting (including undertaking relevant calculations).

- Interest rate risk management strategies, e.g. swaps.
- Foreign exchange risk management, e.g. FX swaps.
- Practical risk management and reporting.

GLOSSARY OF QUALIFICATIONS TERMS	
Award	For the purpose of this qualification, upon passing all five assessments, you will be awarded the Certificate in Treasury. The award is therefore the outcome of your studies and assessment and represents your achievement.
Unit	A unit represents a segment of learning within the Certificate in Treasury. Each individual unit has a number of learning outcomes and supporting indicative content.
Overarching learning outcomes	The learning outcomes within a unit lay down the expectations of the learner and define the level of knowledge and understanding required in order to be fully prepared to take the ACT assessment.
Learning outcomes (LOs)	These appear within each of the sections in the units and act as the basis to determine knowledge and understanding which shape your learning and assessment. Within each LO, we have included assessment criteria which will help guide you to what will be expected within the assessment for each unit.
Indicative content	The indicative content is an indication of the knowledge required in order to fulfil the assessment requirements and achieve the learning outcome and it details the level of technical content of the programme.
Weightings	The weighting indicates the amount of input and learning required for each section of the syllabus as a proportion of the whole. All units in the Certificate in Treasury are equally weighted and total 100 percent. Therefore, for the purpose of the Certificate in Treasury, your study time should be equally spread across the five units.

ACT COMPETENCY FRAMEWORK

The result of consultation with senior treasurers, banks and learning and development teams, the framework defines the competencies treasurers need to operate successfully in global business today. The skills a treasurer needs over their career varies according to seniority. The competencies have been benchmarked and mapped to four job levels; tactical, operational, managerial and strategic.

The content of this syllabus introduces the skills required to operate at a operational level.

Strategic Level
Managerial Level
Operational Level
Tactical Level

FOLLOW US

@ACTupdate
facebook.com/actupdate
treasurers.org/linkedin
youtube.com/treasurersorg

ACT LEARNING

treasurers.org/qualifications

Content correct at date of publication – May 2022 treasurers.org/qualifications