

How Treasury Management Helps Children Around the World

Many corporations and private citizens alike may assume that once they've made a donation to their charitable organization of choice that the money goes to those in need immediately, not taking into account the logistics involved in moving large sums of cash across borders. One of the logistical headaches that treasury executives at charities often run into is just having a clear understanding of what their current balance is within all the accounts they hold. For example, Save the Children International, a client of StoneX, maintains just under 500 bank accounts globally with over 100 different banks. While the average person may be accustomed to checking their balance on one application or web page, dealing with over 100 banks using different systems to track account balances can get complicated.

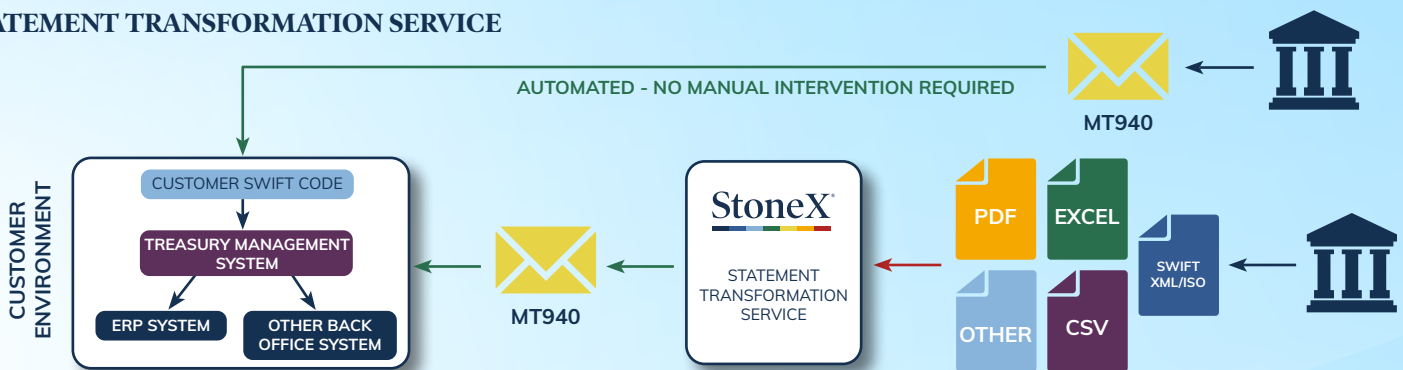
This is where StoneX steps in. As a global provider of cross-border payment solutions in more than 140 currencies across 180 countries, they leverage their proprietary technology to manage hundreds of account statements. In the case of Save the Children, less than half of their 500 account statements were being sent to them in the industry-standard SWIFT MT940

format, and therefore were not being automatically reflected in Save the Children's core systems. This provided very minimal real-time visibility over their bank account balances, resulting in less opportunities to have control over liquidity, as well as limited visibility into daily credit exposure with counterparty bank risk. Save the Children's finance team had to manually input non-MT940 transactions and balances into their ERP systems, resulting in less frequent bank reconciliations, opening them up to additional risk and fraud. Addressing this issue would provide Save the Children with the visibility needed of their global account balances to enable appropriate liquidity and counterparty risk controls. In March of 2019, Save the Children's treasury team was mandated to increase their visibility to an ambitious 80% of all their accounts by the end of 2020.

"When we started working with StoneX, their expertise and relationships were able to provide us with immediate value," said Asha Kumari, Global Head of Treasury Operations at Save the Children International. "Their understanding of our needs, and their willingness to use every tool at their disposal to give us the service we were looking for, is greatly appreciated. Their tools have directly and positively impacted our important work at Save the Children by helping us to streamline this critical process."

StoneX's proprietary technology, the StoneX Messaging Hub (XMH), played a leading role in addressing this issue. The XMH is designed to take bank account statements in a variety of formats, including PDF, Excel, and CSV, among others, and convert them to the MT940 industry-standard format that interfaces with Save the Children's treasury management system.

STATEMENT TRANSFORMATION SERVICE



XMH has a unique mapping capability in which the ability to map ANY Excel or pdf format is built into the product and doesn't have to be programmed each time a bank statement comes in with a different Excel or pdf format. The implementation of a new bank statement is just a simple run-time configuration, greatly reducing the time required to bring on a new bank. Successful implementation requires not just great technology, but also working with the banks to ensure they play their role in delivering the bank statements in a timely manner. Here, StoneX with its network of 350 correspondent banks and deep reach into 180 countries, is able to provide a value that a pure technology vendor cannot. In the case of one bank that was a common correspondent between StoneX and Save the Children, StoneX was able to leverage its relationship with the bank to work directly with them in order to get the appropriate statements delivered.

Balajee Shrikanth, Director – Payment Management and Lead Architect for the XMH Product said, “Two years ago, we decided to use our vast experience and expertise in implementing payment technologies to build a truly unique Messaging and Integration platform that would deliver benefits that we did not see in other products available in the market. We are delighted that so soon after the launch of the product in February 2021 we're seeing this platform already delivering benefits to our customers. We're particularly proud that we have been able to do this for Save the Children and support the wonderful work that this great organization does.”

Asha Kumari added, “We are live with several banks now and our immediate priority is to complete the implementation of the remaining banks. Our initial experience with this product has been very good and we are evaluating extending it further in 2023.”

Raveena Hirani, Treasury Operations Manager at Save the Children International added “Our finance colleagues in our local country offices are very pleased with this technology as they no longer have to manually enter bank statement information into the ERP system. StoneX's collaborative partnership approach has been industry leading and critical in moving this project along so efficiently.”

StoneX worked with Save the Children and their correspondent banks to enable MT940 reporting via the XMH platform. Through this optimization of reporting, Save the Children was able to gain better visibility of their account balances around the world, leading to a reduction in administrative costs. While these may seem like small issues in the face of helping children, fixing them helped create efficiencies that reduced costs, ensuring more money goes to where it's needed most.

To learn more about StoneX's Global Payments offerings, please visit: stonex.com/Main-Channels/Global-Payments/

