TreasuryCurve®

Operating Liquidity:

An Often-Overlooked Strategic Asset for Colleges & Universities

How Colleges and Universities Can Take a More Strategic Approach to Operating Liquidity While Maintaining Safety, Governance, and Flexibility

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TreasuryCurve®

Every college and university is focused on the same challenge: accomplishing more with limited financial resources.

Whether the priority is expanding academic programs, investing in research, modernizing campus facilities, improving student experience, or attracting world-class faculty, institutional leaders are constantly searching for ways to maximize every available dollar.

Much of that attention understandably centers on enrollment, fundraising, endowment performance, grants, and philanthropic giving. These are critical drivers of an institution's financial health and long-term sustainability.

But there is another financial asset that often receives far less strategic attention.

Operating liquidity.

Every institution maintains operating cash to support payroll, debt service, capital projects, working capital, reserves, and countless day-to-day financial obligations. Traditionally, those balances have been managed with three priorities in mind: preserving principal, maintaining liquidity, and ensuring sound governance. Those priorities remain as important today as they have ever been.

What has changed is the opportunity.

Optimized treasury technology can help institutions manage operating liquidity with greater visibility and oversight while continuing to prioritize safety, governance, and accessibility. Rather than viewing operating cash simply as a reserve waiting to be spent, many colleges and universities are taking a more strategic approach to liquidity management, improving visibility, strengthening oversight, and enhancing the way operating cash supports institutional financial objectives.

> **It is about asking a simple question:**
> **Is our operating liquidity working as hard for our institution as it could be?**

It's Time to Think Differently About Operating Liquidity

Investment officers devote considerable time to maximizing the performance of university endowments. Investment committees evaluate managers, review asset allocations, assess risk, and measure performance because they understand that every incremental improvement in return helps strengthen the institution.

Operating liquidity deserves a similar strategic mindset.

For decades, operating cash was viewed primarily as something to safeguard. Funds remained concentrated in long-standing banking relationships, investment decisions were often manual, and liquidity management was treated largely as an operational responsibility rather than a strategic opportunity.

Today's treasury environment is different.

Institutions now have access to money fund portals that provide greater visibility into cash balances, support investment workflows, centralize reporting, and expand access to institutional investment options. By consolidating investment activities and reporting within a single platform, these tools can support a more centralized approach to liquidity management.

> **The objective is not to replace endowment returns or alter an institution’s investment philosophy. The objective is to ensure that operating liquidity contributes as much as possible to institutional goals while remaining aligned with the organization's risk tolerance and governance requirements.**

Hidden Opportunity Often Lies in Existing Cash

Universities often maintain substantial operating balances across multiple accounts and organizations, including:

01 **Operating accounts**

02 **Foundation balances**

03 **Capital project funds**

04 **Working capital reserves**

05 **Debt service accounts**

06 **Departmental cash balances**

Over time, these accounts frequently become spread across multiple banking and investment relationships. Each may have been established for sound operational reasons, but collectively they can create unnecessary complexity.

Fragmented liquidity often leads to fragmented decision-making.

Finance teams may struggle to gain a comprehensive view of institutional cash. Investment opportunities can become more difficult to compare. Reporting grows increasingly time-consuming. Administrative processes multiply. Responding to changing market conditions becomes slower and more cumbersome.

The issue is rarely whether universities have enough operating cash. The question is whether they have the visibility and tools necessary to manage that liquidity as efficiently and strategically as possible.

For many institutions, improving liquidity management requires making better use of the capital they already have.

Better Information Leads to Better Investment Decisions

One of the greatest challenges facing treasury organizations is gathering the information needed to make good investment decisions. Institutional cash is often dispersed across multiple banks, accounts, departments, and investment providers. Treasury professionals spend valuable time collecting balances, reconciling information, preparing reports, and coordinating investment activities.

These manual processes consume resources that could otherwise be directed toward more strategic initiatives.

Optimized treasury technology changes the equation.

Instead of assembling information from multiple sources, finance teams gain centralized visibility into institutional cash, investment positions, reporting, and transaction activity.

- ✓ **Centralizes investment and liquidity information in one location.**
- ✓ **Supports consistent reporting and oversight.**
- ✓ **Provides greater visibility into positions and transaction activity.**
- ✓ **Helps treasury teams manage information more efficiently.**

The result is greater operational efficiency and a treasury organization that is better equipped to make informed financial decisions that support the institution's broader objectives.

Supporting Institutional Priorities Without Increasing Complexity

Operating liquidity is more than a balance sheet asset. When managed strategically, it can support initiatives that advance the institution's mission, including:

01 Student scholarships.

02 Faculty recruitment.

03 Technology modernization.

04 Campus improvements.

05 Research initiatives.

06 Strategic growth.

While operating liquidity may never rival the scale of an institution's endowment, thoughtful management of significant operating balances can support an institution's broader financial and operational objectives over time.

Importantly, those improvements do not require adding headcount or creating operational complexity. Instead, they result from better visibility, more efficient workflows, stronger governance, and more informed investment decisions.

Sometimes the most significant financial opportunities come from managing existing assets more effectively.

Why Money Fund Portals Are Becoming Part of Optimized Treasury Strategy

Across higher education, as well as corporate treasury, healthcare, municipalities, and other large institutions, money fund portals are becoming an increasingly important component of treasury strategy.

The reason is straightforward.

Rather than relying exclusively on a single provider or manually managing numerous investment relationships, institutions can evaluate multiple institutional money market fund managers through one centralized platform.

This approach offers several strategic advantages.

01

Centralizes access to institutional investment options and share classes.

02

Provides a centralized framework for executing, monitoring and reporting on investments.

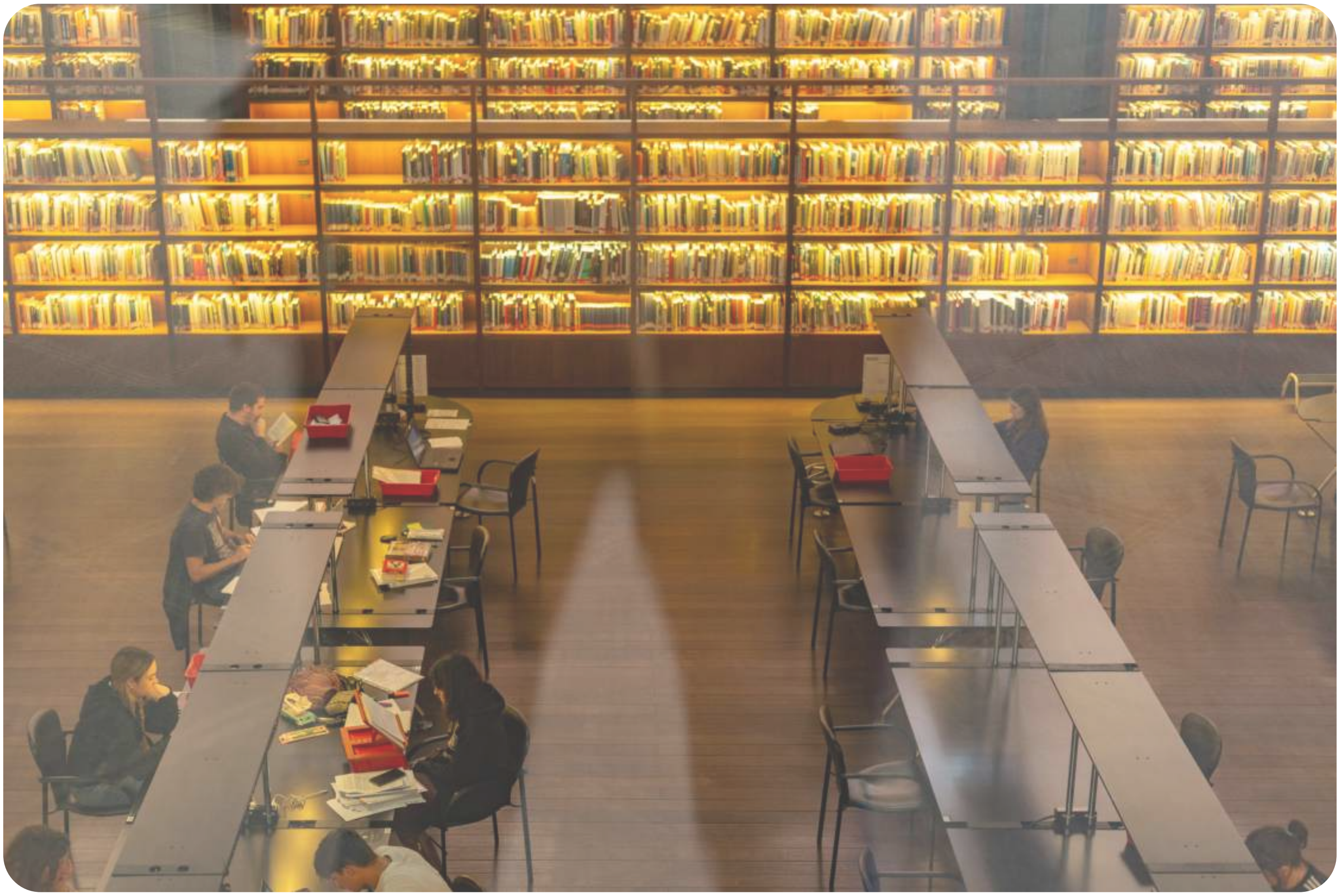
03

Supports centralized reporting and oversight across investment activities.

04

Supports governance through standardized workflows and consistent oversight.

That shift represents an important evolution in how operating liquidity is managed.



An Optimized Approach to Institutional Liquidity

Treasury Curve believes operating liquidity deserves the same strategic attention as every other institutional financial asset. Universities work hard to optimize enrollment, strengthen fundraising, improve endowment performance, and carefully steward every financial resource entrusted to them.

Operating cash should be no different.

Treasury Curve helps colleges and universities simplify the management of cash and short-term investments through a money fund portal that improves visibility, streamlines execution, strengthens governance, and provides access to institutional money market funds across multiple asset managers.

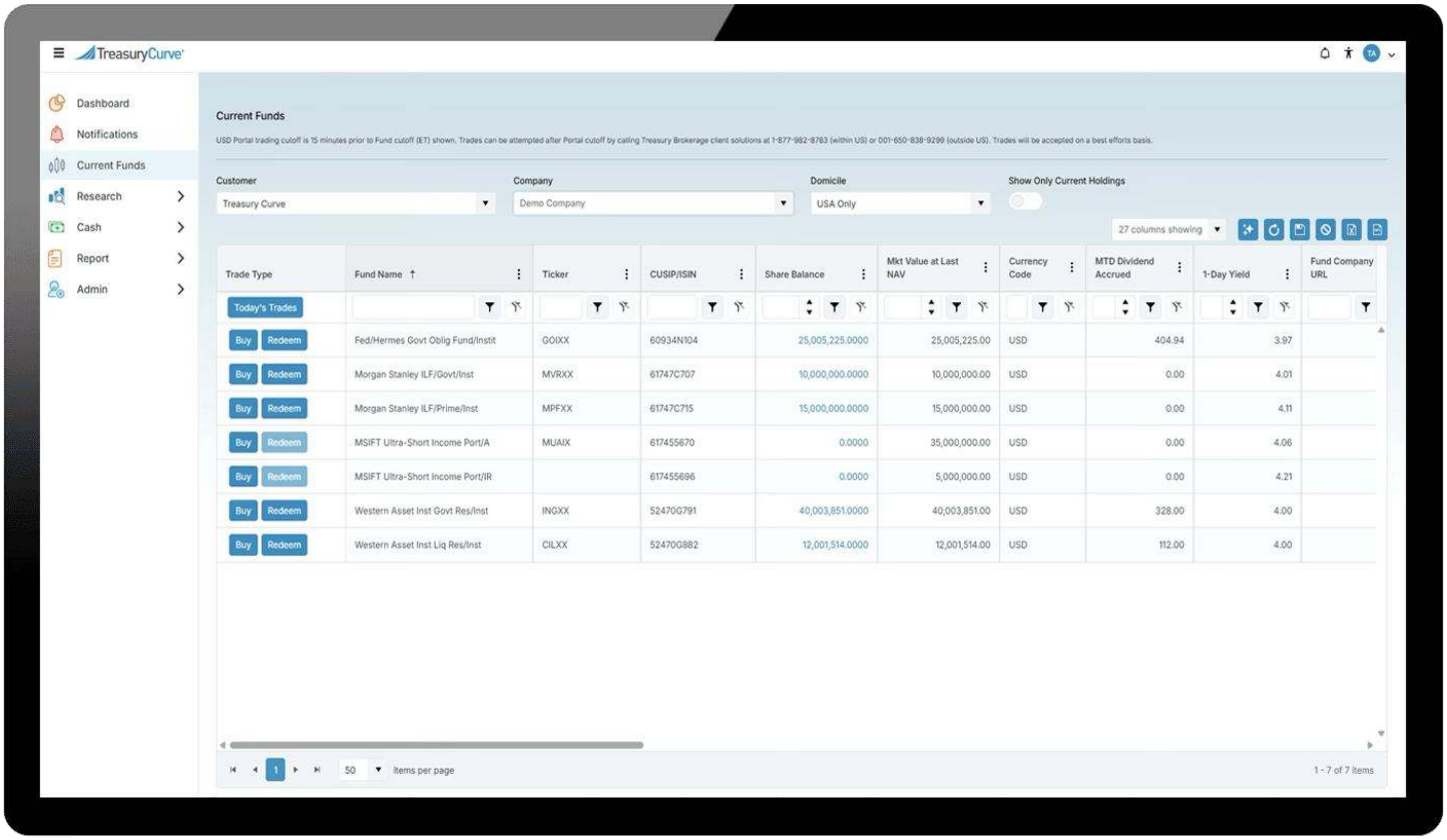
Our goal is to help institutions make better use of the resources they already have.

Because when treasury teams spend less time managing complexity and more time making informed decisions, operating liquidity can serve as a strategic asset when supported by effective governance, visibility and management practices.

Conclusion

Higher education faces no shortage of financial challenges. Institutions continue to navigate enrollment uncertainty, rising operating costs, capital needs, evolving student expectations, and increasing pressure to accomplish more with finite resources. There is no single solution to these challenges. However, institutions may benefit from evaluating how existing balance sheet resources support their financial and operational objectives. Operating liquidity has traditionally been viewed as an asset to preserve. Today, many institutions are placing greater strategic focus on liquidity management through enhanced visibility, governance, oversight, and the use of [optimized treasury technology](#).

To learn more about Treasury Curve, visit www.treasurycurve.com.



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