

The significance of cash management

What aged care providers should know

Despite numerous changes in regulations, what is still in the control of operators is how the balance sheet is managed.

Effective financial management is crucial for aged care providers to ensure the sustainability and high-quality delivery of care for older people who access services.

Among the various aspects of financial management, managing cash effectively plays a pivotal role – with significant benefits and opportunities for aged care providers.

For the aged care sector, it is not just about the accounting, but about the treasury functions. This refers to the way deposits are placed effectively and cashflow is managed.

Effective cash management is crucial for maintaining financial stability, in relation to analysing cash flows and identifying surplus funds.

This allows providers to invest in infrastructure, enhancing staff training and upgrading equipment.

A proactive approach helps ensure the long-term viability of aged care facilities, enabling them to deliver high-quality care to residents.

Being ‘clever’ doesn’t mean managing an investment portfolio or using overly engineered structured products. Being clever is just about being efficient: earning as much from the banks as possible on any capital and ensuring excess cashflow is not left with banks at little to no interest. Banks call this ‘treasury management’ or ‘balance sheet management’.

The role of the Chief Financial Officer in aged care as we move forward is not just about reporting and managing operational cashflows. They should also ensure that the operating cashflows are highly efficient and that the company has the capital on call to meet the plans of the management and board.

A solution is not sticking with just one bank, and staying up-to-date with interest rates, ensuring you get the best deal.

Remember, banks only need you as a depositor until they run out of need for that capital. They pay for your deposits until they can’t make any more money lending your capital, so the rates they offer will also decrease accordingly.

The key is always depositing with the banks that want your capital and doing so without taking on extra risk.

Treasury management is not something that an operator can outsource as every operator’s strategy is different to the next.



Tim Pritchard (far right) with the Care360 team.

A tailored approach for aged care

Care360 are partnering with aged care providers to provide a vehicle to benefit from a low cost ‘Treasury Management’ service ensuring that operators maximise deposit rates available.

Care360 is a FinTech (digital technology finance) company that combines transparent information and advice with innovative financial technology solutions to extend providers’ financial resources and reduce the administrative burden. On the flip side, we also help families to enhance their finances in order to secure the best possible support for their loved one.

Care360 is partnering with forward thinking businesses to provide innovation in the aged care sector to deliver real change and innovation for providers in how they can proactively manage their cash flow more productively, to deliver enhanced investment returns.

Our offerings allow portal access to multiple banks, cash on call, and the most competitive deposit rates currently offered in the market.

Whether you choose Care360 or another finance company, it’s important to do your due diligence and ensure you’re getting the most competitive product, with the least amount of burden.

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