



September 2004  
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# TMAC NEWS

## Treasury Management Association of Chicago

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### TENTATIVE MEETING SCHEDULE

**Sept. 23, 2004**

Rosewood Restaurant  
Rosemont

**Oct. 21, 2004**

Chicago

**Nov. 18, 2004**

Milwaukee, WI  
Harley Davidson Tour

**TBD**

Winter Outing

**Jan. 20, 2005**

Chicago

**Feb. 17, 2005**

Suburbs

**Mar. 17, 2005**

Chicago

**Apr. 21, 2005**

Suburbs

**May 25-27, 2005**

Windy City Summit  
Chicago Hilton &  
Towers

## PRESIDENT'S WELCOME MESSAGE

Welcome back! On behalf of the Officers and Board, I would like to welcome everyone back to TMAC after our summer break. I hope that you all had a wonderful summer. We are looking forward to another enjoyable and rewarding year in TMAC, but first let me share a couple of postscripts to 2003-2004 with you.

I want to thank and congratulate Gary Silha and last year's Board on a very successful 2003-2004 program year. They delivered improved membership value while meeting their objective of fiscal responsibility. On a consolidated basis, we substantially exceeded our net income budget. TMAC expenses were approximately 23% under budget due to deferred items and the successful cost control initiatives of Gary and the Board. Windy City Summit, thanks to the exceptional efforts of Norm Goldstein, Mike Madden, the WCS committees and M&I, realized a net income almost 67% in excess of the budget. This was a record year for the Windy City Summit, in terms of its financial contribution to TMAC. The success of WCS was principally due to significant cost reductions in speaker fees and food and beverage expenses, despite higher attendance over 2003. We are all grateful because it is this success that enables TMAC to provide outstanding meetings and programs and fund a successful scholarship program.

In July, Rachel Miller and Julie Qualiato represented TMAC at the AFP Regional Officers' Meeting in Washington, DC. Excellent ideas were shared at this meeting, some of which the Board will review for applicability to TMAC. Additionally, TMAC fared very well in the Idea Fair competition. Julie has written a summary article about the Regional Officers' Meeting, and TMAC's achievement. Please read on in the newsletter for further information.

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**President's Welcome Message**

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The Board has already met to discuss our objectives and projects for this 2004-2005 year, and the budgets needed to support them. We'll review and approve the TMAC and WCS budgets at our September meeting. In the meantime, we are planning a slate of interesting monthly meeting programs, including the possibility of joint meetings with the Wisconsin Treasury Management Association and RIMS. We'll continue to offer dual program sessions at many of our monthly meetings. We are already busy marketing TMAC to increase membership this year (please see related article by Jonathan Buchbinder later in this newsletter). We plan to continue leveraging the capabilities of our website to make it more useful for our members. And, as a carry-over project from last year, we'll be conducting an audit of the M&I processes that are critical in determining the WCS financial results and cash flows.

The 2004-2005 Board members are all listed later in this newsletter. I thank them all very much for making the commitment of service to our association. We again have an Ad-Hoc Committee this year, which is chaired by Norm Goldstein, and its purpose is to manage the multiple contracts negotiation projects that we have to achieve this year. All of our service contracts are up for renewal: GSS, M&I, and the Hilton (both for 2006 & 2007). Norm's thoroughness and substantial experience will benefit TMAC greatly in this process.

At the beginning of my term as president, I solicited our entire membership for participation on our Board and in our committees. My objective was to get fresh ideas and contributions from members who were willing to be of service to our association. I am extremely pleased that we have some new people participating on the Board this year. I encourage our members to become involved in TMAC because I strongly feel that it makes membership that much more rewarding. An easy way to become involved would be to participate on one of our committees (TMAC or WCS). For more information, please contact any of the Officers or Board members.

Jim McHale, TMAC President

**COMMITTEE CHAIRS****Meeting Site**

Susan Donatello  
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847.583.7161

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**Membership**

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312.496.1723

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**Scholarship**

Robert Donaldson  
815.758.0918

**Web Site**

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Motor Coach Industries  
847.285.2052

**Windy City**

Mike Madden  
General Binding Corp.  
847.291.5340

Angelyn Pennington  
Brookdale Living  
Communities, Inc.  
312.977.3743

**WCS/Ad Hoc**

Norm Goldstein  
Gold Int'l Inc.  
847.966.4002

**SEPTEMBER 23 PROGRAM****Dual Session Format****RATING AGENCIES**

Who are they? What is their role in the business process? This presentation will begin with a focus on the credit rating process itself and then the reality, versus the perception, of its final product. The many users of the credit rating and their different perspectives will be touched on. An overview of the expectations and accountabilities shared by both the rating agency and the issuer will be reviewed. Finally, from the issuer's point of view, some of the current issues facing the rating agencies and their clients will be discussed.

*presented by*  
*George J. Davidson, Treasurer, UOP LLC*

**George J. Davidson** has responsibility for capital markets activities, corporate finance, financial planning, short and long term debt, foreign exchange, cash management, investments, credit, insurance, risk management and all global treasury operations.

George joined UOP in 1988. He was appointed Assistant Treasurer in 1989 and Treasurer in 1990. From 1973 to 1988, he was with the Treasury Group of Union Carbide Corporation.

A 1972 graduate of Rutgers University, George received his MSA from Western Connecticut State University in 1982. He is a member of the Association of Financial Professionals, the National Association of Corporate Treasurers and Financial Executives International.

A frequent speaker on various treasury-related affairs, he is presently a judge for the "2004 Treasury Best Practices" forum, which is hosted by *Treasury and Risk Management* magazine. George had won the 2001 gold award for best practices in the credit management category. He is Six Sigma trained and certified.

George and his wife, Jacqueline, have two daughters and reside in Algonquin.

UOP LLC, headquartered in Des Plaines, Illinois, USA, is a leading international supplier and licensor of process technology, catalysts, adsorbents, process plants, and technical services to the petroleum refining, petrochemical, and gas processing industries.

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## SEPTEMBER 23 PROGRAM

### Dual Session Format

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#### CHECK 21 AND ELECTRONIC CHECK CONVERSION

What is the latest on Check 21? What new products and/or services are being offered for image-based presentment? What impact, if any, do these new services have on Electronic Check Conversion?

*presented by  
Scott Gordon, Vice President and Senior Account Manager, Fifth Third Bank*

Scott A. Gordon is the Vice President and Senior Account Manager of Fifth Third Bank Chicago. He is responsible for the delivery, implementation and ongoing account satisfaction of Fifth Third Bank's full suite of Treasury Management products and solutions to large corporate customers. Scott's extensive work experience with Citibank, First Chicago and Continental Bank includes cash management sales to Financial Institutions and product solution delivery of wholesale lockbox services.

A student of University of Chicago's undergrad and graduate programs, Scott received his MBA with concentrations in Marketing and Financial Accounting. He received his Certified Treasury Professional accreditation in 2003.

Fifth Third based in Cincinnati, Ohio is among the top 15 largest bank holding companies in the country with \$94 billion in assets and among the 10 largest in market capitalization.



## Membership Committee

The TMAC membership roster has grown at a slow, steady, pace since I joined the Association in 1991. On average, TMAC membership grows at approximately 2% per year on a net basis. While size is not our goal, the reality is that TMAC lacks members from many of the Chicago area's leading companies. Among multibillion-dollar companies who do not have any employees as members of TMAC are Sears, USG, Hyatt, and Walsh Construction. Surely, each of those employers has Treasury staff members who can benefit from the educational and networking opportunities TMAC offers. My job is to tap into that void. If you would like to help me with that task, I encourage you to email or call me about becoming a member of the Committee.

Unlike prior years, we do not expect to host a new member orientation this year. It is my hope that the more seasoned members will help me in welcoming our newest additions during our cocktail hour and dinner. It's nice that the Association creates an atmosphere, which allows us to form such tight bonds with our fellow members, but we must all remember what it was like to walk into our first TMAC meeting. Even under the best of circumstances, joining any organization and attending the first function can be a trying experience. It's all of our responsibility to mitigate that feeling by greeting our newest members with a welcoming smile, a hearty handshake, and intelligent conversation.

I leave you with this final thought. The most valuable aspect of this Association has always been access to the knowledge and breadth of its membership. It is incumbent on each existing member to help the Association grow by donating our time in ways that expand the Association and its collective knowledge. Whether you have time to make phone calls and encourage your peers to join the Association or whether you are more comfortable helping new members become acclimated to our meeting environment, there is an opportunity for you to help the Association grow. Please help us by asking to join the Membership Committee or by being a good host to newer faces during our social hour and dinner.

I hope you all enjoy the meetings and events planned for the coming year. Please feel free to contact me with any questions, comments, or thoughts you have about the Association.

Sincerely yours,

Jonathan Buchbinder  
Director of Treasury  
Heidrick & Struggles International, Inc.  
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## Newsletter Submissions

If you have an item of interest for the newsletter, please contact Leslie Stermetz at 630.530.6846 or by email at [lsternetz@duch.com](mailto:lsternetz@duch.com)

### Deadlines for article submissions

October – 10/5/04  
November – 11/3/04  
January – 1/3/05  
February – 2/1/05  
March – 3/1/05  
April – 4/4/05  
May – 5/2/05  
June – 5/23/05

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## Congratulations

Sheila Johnson  
gave birth to triplet boys  
on August 24

Matthew David, 3lbs 13oz  
Samuel Boyd, 4lbs 4oz  
Jack Gregory, 3lbs 3oz

All the best to Sheila  
and her family

## Current Issues in Washington

by June Johnson, Hartmarx Corporation  
Member, AFP Government Relations Committee

Congress is currently on summer break and not scheduled to meet until later this month. Watch for next month's newsletter for current issues in Washington.

For more information regarding these issues including comment letters and AFP positions, please visit the AFP website and read "*Legislative and Regulatory Status Update*". Feel free to contact me at [jjohnson@hartmarz.com](mailto:jjohnson@hartmarz.com) or any other member of the AFP Government Relations Committee (GRC) if you have any questions.

## CTP Registration Deadline Extended

This is a reminder that the CTP registration deadline has been extended to **September 30, 2004**. AFP has extended the deadline in response to requests for more time to inform regional members about their last opportunity to take the current version of the CTP exam during the November/December 2004 testing window.

The exam administered during the November/December testing window will be the last exam based on current versions of *Essentials of Cash Management, 7<sup>th</sup> Edition* and the *AFP Learning System: Treasury*. Updated materials will be introduced at the AFP Annual meeting in San Diego in November.

Beginning with the June/July 2005 testing period, CTP exams will be based on an expanded body of knowledge designed to reflect the expanding scope of the profession. The new body of knowledge covers 35 percent to 40 percent more content than the current exam. In keeping with this expanded scope, there will be an increase in the number of exam questions and a corresponding increase in the length of the exam from three and one half to four hours.

For those individuals who are not successful in the November/December testing window, and pay to sit for the new examination in June/July, 2005, AFP will provide a complimentary copy of the new body of knowledge as published in *Essentials of Treasury Management, 1<sup>st</sup> Edition*.

For further information, go to the Certification section of [www.AFPOnline.org](http://www.AFPOnline.org)



## Regional Officer's Meeting (ROM)

The AFP Regional Officer's Meeting (ROM) was held in Washington D.C. on July 15-17. Jim McHale attended as member of the AFP Regional Association Task Force. Representing TMAC were Rachel Miller (Treasurer) and Julie Qualiato (Vice President). The two-day meeting included a Legal Update, AFP Legislative & Regulatory Update, AFP Update and Q&A, CTP Certification Update, Idea Fair Presentations and five Roundtable discussions covering various topics of interest. TMAC was the winner in two of the six **Idea Fair** categories. **Our submission of the New Member Networking Group won for Membership Growth and Retention and our Webinar hosted by ABN Amro won for Best New Idea for Partnering.** The winner of Best Communication Vehicle was the Minnesota TMA for their website upgrade and the winner for Best Meetings was the San Antonio TMA for Texpo. Lastly, the winner of Cost Control Innovations was the Wisconsin TMA for their utilization of past presidents for their annual conference planning, and the Detroit TMA won in the Open Topics category for their development of a strategic plan for the association covering a 3-5 year period.

The **Legal Update** included tips for incorporating and samples of Bylaws, Articles of Incorporation, etc. (for associations that may not have incorporated), a reminder on the importance of keeping current on annual report filings and an encouragement to convert regional name to AFP for branding purposes. Changing the name of the organization can be accomplished by filing an amendment with the state of incorporation. There was a reminder that By-Laws and Articles of Incorporation will have to be revised for the name change (which will require board and possibly membership approval). In addition, the IRS and vendors will need to be notified as well as bank accounts revised. (NOTE: over 53% of the regionals attending the meeting had not converted to AFP.

Those remaining as a TMA, in addition to TMAC, were Alabama, Central Ohio, Cincinnati, Colorado, Detroit, Fairfield County, Houston, Iowa, Mid-Atlantic, Minnesota, New England, New York, North Carolina, Northeast Florida, Northeastern Ohio, Peninsula, San Antonio, San Diego, San Francisco, South Carolina, St. Louis and Wisconsin.)

Also discussed was Sarbanes Oxley for non-profits, D&O Insurance and possible anti-trust issues related to regionals with membership or board member ratios in their bylaws (e.g. 2 to 1 Corporates to Bankers). It was noted that Sarbanes Oxley compliance applies to all outside board members and that AFP has an audit committee, a conflict of interest policy and a "whistleblower" provision in their employee ethics policy. It was also recommended that regionals adopt a record retention policy (5-7 years). Sample "whistleblower" record retention and indemnification language for association bylaws was provided.

**Roundtable Discussions** on such topics as Administration, Legal and Insurance, Association Operating Issues, Board Transition and Recruitment, Community Involvement and Extracurricular Activities, Marketing/Public Relations and Partnering, Member Growth and Retention, Monthly Meeting Topics and Website/Communications/Newletters/Job Opportunities were held. The roundtable discussions provided a forum for representatives of the regional associations to share ideas and best practices and/or ask for specific input and ideas from other, more-experienced regionals. All of the feedback from the roundtable discussions was summarized and distributed to the regional association delegates. TMAC, as well as the other regionals, will review the benefit and applicability of the various ideas, and implement those that will enhance the association's functionality and ability to deliver improved membership value. Some of the more interesting discussion topics included: (1) bankers and vendors as members, (2) lunch meetings vs. dinner meetings vs. program-only meetings, (3) frequency of Bylaws updates, (4) Board transition practices, (5) marketing to increase membership, (6) effective meeting topics and speakers, (7) successful annual conferences and (8) even opportunities for community involvement.



Did you know that at military funerals, the 21-gun salute stands for the sum of the numbers in the year 1776?

Have you ever noticed the honor guard pays meticulous attention to correctly folding the American flag 13 times? You probably thought it was to symbolize the original 13 colonies, but we learn something new everyday!

- 1<sup>st</sup> fold     symbol of life
- 2<sup>nd</sup> fold     symbol of our belief in eternal life
- 3<sup>rd</sup> fold     made in honor and remembrance of the veterans departing our ranks who gave a portion of their lives for the defense of our country to attain peace throughout the world
- 4<sup>th</sup> fold     represents our weaker nature, for as American citizens trusting in God, it is to Him we turn in times of peace as well as in times of war for His divine guidance
- 5<sup>th</sup> fold     tribute to our country, for in the words of Stephen Decatur, "Our Country, in dealing with other countries, may she always be right; but it is still our country, right or wrong."
- 6<sup>th</sup> fold     where our hearts lie. It is with our heart that we pledge allegiance to the flag of the United States of America, and the Republic for which it stands, one Nation under God, indivisible, with Liberty and Justice for all.
- 7<sup>th</sup> fold     tribute to our Armed Forces, for it is through the Armed Forces that we protect our country and our flag against all her enemies, whether they be found within or without the boundaries of our republic.
- 8<sup>th</sup> fold     tribute to the one who entered into the valley of the shadow of death, that we might see the light of day
- 9<sup>th</sup> fold     tribute to womanhood and Mothers. For it has been through their faith, their love, loyalty and devotion that the character of men and women who have made this country great has been molded.
- 10<sup>th</sup> fold     tribute to the father, for he too, has given his sons and daughters for the defense of our country since they were first born.
- 11<sup>th</sup> fold     represents the lower portion of the seal of King David and King Solomon and glorifies in the Hebrews eyes, the God of Abraham, Isaac and Jacob.
- 12<sup>th</sup> fold     represents an emblem of eternity and glorified, in the Christians eyes, God the Father, the Son and Holy Spirit.
- 13<sup>th</sup> fold     (when flag is completely folded) – the stars are uppermost reminding us of our nations motto, "In God We Trust."

After the flag is completely folded and tucked in, it takes on the appearance of a cocked hat, ever reminding us of the soldiers who serves under General George Washington, and the Sailors and Marines who serviced under Captain John Paul Jones, who were followed by their comrades and shipmates in the Armed Forces of the United States, preserving for us the rights, privileges and freedoms we enjoy today.

There are some traditions and ways of doing things that have important deep meanings. If the future, when you see flags folded, now you will know why.

Please share this symbol of "Liberty and Freedom" with all of your friends and loved ones. Life is not measured by the number of breaths we take, but by the moments that take our breath away....