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An important decision every business makes is what to do with its cash 💰.

Most thinly capitalized companies keep their cash in a business checking account.

But there are better options for businesses that have a year or more of runway. Much better! 🧵👉

Cash is the lifeblood of every business. Healthy businesses have more cash coming in than going out.

The healthiest businesses have cash buffers that enable them to weather adverse changes to their market or the economy.

Many businesses aren't yet healthy but intend to be down the road.

These "startups" raise capital specifically to build better solutions to profound problems with the promise that the resulting business will be profitable and valuable.

One of the main jobs of a Founder is to be a disciplined asset allocator. They allocate capital to people, projects, marketing and sales in the pursuit of proving out and scaling their business.

But capital isn't deployed all at once. It sits somewhere while it waits to be used!

For most CFOs, the solution is to keep the money in a near-zero risk, fully liquid vehicle like a checking account, a money market account or a short-term CD.

The reason for this is simple:

Investors haven't entrusted their capital with a company to take treasury risk. Taking on even a small amount of risk can be deemed an irresponsible use of capital especially if it chases marginally better returns than zero-risk options.

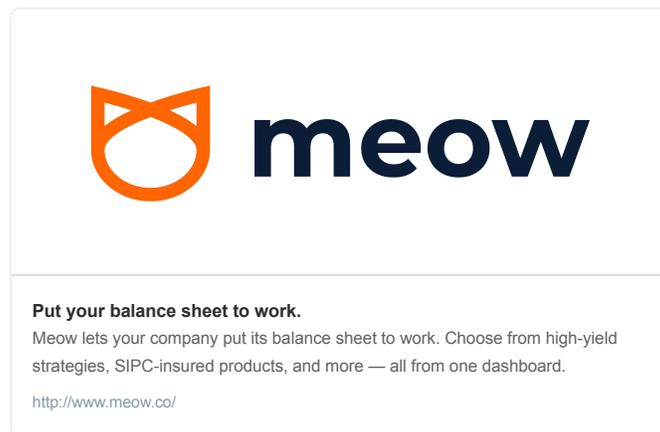
This implies that an important job of a CFO is to find the best near-zero risk investment in the market at any given time.

To accomplish this, a CFO has to constantly scan the market and maintain relationships with multiple Banks, Brokers and directly sourced solutions.

But technology should make this easier and companies like Meow are doing exactly that.

Meow is building a home for every type of dollar in every type of market for businesses that want to actively manage their cash stockpiles.

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And right now there's a zero-risk product with a solid yield profile that Meow is recommending and helping companies access. It's well known but typically purchased through Brokers or interfacing with clunky systems. Meow has made it easier and better.

The product: Treasuries

Most people know that the Federal government borrows money by selling bonds to investors to fund its operations and pay its bills. The bonds are issued through the Department of the Treasury and are simply referred to as "Treasuries".

Treasuries work well for income-seeking investors/companies because they're backed "by the full faith and credit" of the US Treasury. They rarely pay as much as high-quality corporate bonds but they're as good as good can be. The US government has never defaulted on a debt.

If you're looking to buy newly issued Treasuries you can go straight to the source: The Treasury Direct website.

But it takes no time flat interfacing with the site to feel like you've taken a trip back into the early days of the internet.

Or you can use a Broker.

You'll struggle to find a Broker that has a workable UI and most Brokers won't even onboard a business if it's moving less than tens of millions of dollars. And guess how you typically place your order?

A phone call!

Based on current rates, a \$10MM, 12-month T-Bill would earn a business almost \$300K in interest at maturity.

This is risk-free money (with favorable tax treatment!) that can be used to pay for engineers, marketing, or various corporate expenses.

\$300k. 0% dilution. \$0 of debt.

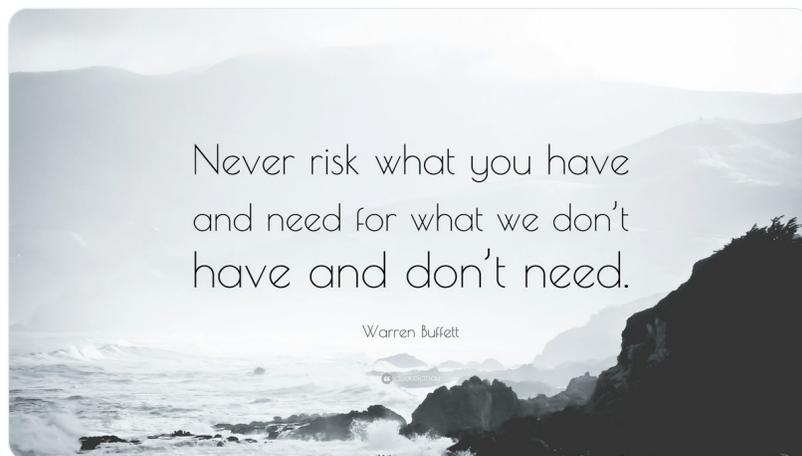
But this is one of many products that a CFO might want to access. Using Meow, businesses can optimize how their cash is allocated across a diversity of products from a single dashboard.

It's a great example of "built to purpose" software that makes people's jobs easier.

Onboarding takes two business days and is all done online (not via DocuSign or pdfs).

So if you're a CFO or a CEO wanting to get a bit more bang for your buck, it's worth learning more about Treasuries and how modern solutions can help with your treasury management needs.

I'll leave you with this quote from the great Warren Buffett:



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