



[FACULTY ARTICLES \(https://digitalcommons.kennesaw.edu/facpubs\)](https://digitalcommons.kennesaw.edu/facpubs)

The Cost of Float to a Firm: A Banking Treasury Management Analysis Case Study.
(<https://digitalcommons.kennesaw.edu/cgi/viewcontent.cgi?article=4373&context=facpubs>)

Authors

Patricia R. Robertson, *Kennesaw State University* (https://digitalcommons.kennesaw.edu/do/search/?q=%28author%3A%22Patricia%20R.%20Robertson%22%20AND%20bp_author_id%3A%5B%2A%20TO%20%2A%5D%29%20OR%20bp_author_id%3A%28%222895a14a-c9be-4415-853e-ff210dd2261c%22%29&start=0&context=835011) Follow (<https://network.bepress.com/api/follow/subscribe?user=NjhjODMxZDQxZjYwYWVhMA%3D%3D&institution=OGNjYjdkMTYwZGU0MGJmMQ%3D%3D&format=html>)

Document Type

Article

Publication Date

1-1-2015

Abstract

This case is ideal for an upper-level finance course that has an emphasis on short-term financial management. Despite significant advancements in electronic payment systems, most U.S. firms continue to pay invoices with paper checks mailed to suppliers. So long as the checks are received by the due date, firms are in compliance with supplier credit terms. However, paper checks must be processed and recorded by the supplier, deposited in the supplier's bank, and cleared against the payer's bank before the cash is transferred from the payer's checking account to the supplier's checking account. This delay in the conversion of a check to cash is known as float and has a cost to the receiver of a check.

Journal Title

International Research Journal of Applied Finance

Journal ISSN

2229-6891

Volume

6

Issue

1

[Download \(https://digitalcommons.kennesaw.edu/cgi/viewcontent.cgi?article=4373&context=facpubs\)](https://digitalcommons.kennesaw.edu/cgi/viewcontent.cgi?article=4373&context=facpubs)

1,112 DOWNLOADS

Since March 25, 2015



PlumX Metrics (https://plu.mx/plum/a/?repo_url=https://digitalcommons.kennesaw.edu/facpubs/3366&theme=plum-bigben-theme)

Included in

[Finance Commons \(https://network.bepress.com/hgg/discipline/345\)](https://network.bepress.com/hgg/discipline/345)