

Who Are the Financial Managers?

Throughout the book we refer loosely to *the financial manager*. Most large corporations have a **chief financial officer (CFO)**, who oversees the work of all financial staff. The CFO is deeply involved in financial policy and financial planning. The CFO is also the most important financial voice of the corporation, for example in explaining earnings results and forecasts to investors, financial institutions, and the media.

Below the CFO are usually a **treasurer** and a **controller** (or **comptroller**). Their main functions are set out in the following table. Notice that the treasurer's functions are primarily custodial – he or she manages the company's capital. By contrast, the controller is primarily responsible for seeing that the money is used efficiently

The largest corporations have dozens of more specialized financial managers, including tax lawyers and accountants, experts in planning and forecasting, cash managers, credit managers, and managers responsible for investing the money set aside for employee retirement plans.

FUNCTIONS OF CONTROLLER AND TREASURER

Controller	Treasurer
Preparation of financial statements	Overseeing capital expenditure decisions
SEC filings	Obtaining financing
Preparation of tax returns	Maintaining relationships with banks and investors
Oversight of audit function	Cash management
Preparing budgets	Credit appraisal and management of receivables
Management information systems	Insurance and risk management
Custody of records	Purchase and sale of currency
Payroll	Oversight of pension funds