



U N I V E R S I T Y O F
ROCHESTER

**Foreign Currency Check
Acceptance Policy**

APPROVED BY:
Foreign Currency Team

DATE:
October 2, 2002

PAGE: 1 of 3

- I. **Date of Initiation/Revision:** October 2, 2002
- II. **Policy Classification:** Office of Treasury
- III. **Policy Summary:** This policy establishes the policy and process for collecting funds by the University of Rochester that are not issued by US banks in US Dollars.
- IV. **Related Policies:** N/A
- V. **Delegation of Authority:** Treasury, maintained by the Office of Treasury reporting to Senior VP for Administration & Finance and Chief Financial Officer. Treasury will identify a team of University users of the policy to assist Treasury.
- V. **Policy Statement:** The purpose of the foreign currency check acceptance policy is to identify a University-wide policy and process that will assist in expediting the collection of checks that are not issued by US banks in US Dollars.
- VI. **Definitions:**

ICO: HSBC International Check Operations
USD: US Dollars

The following country codes have been used for purchased foreign currency:

| Currency Code | Currency | Country/Region |
|---------------|----------|----------------|
| GPB | Pounds | United Kingdom |
| AUD | Dollars | Australia |
| CHF | Francs | Switzerland |
| DKK | Kroner | Denmark |
| HKD | Dollars | Hong Kong |
| EUR | Euro | European Union |
| CAD | Dollars | Canada |

Purchased item: bank will reimburse UR prior to receiving final payment from the foreign bank.
Collection item: bank will credit UR when final payment is received from foreign bank.

- VII. **Responsibilities:** Business administrators in the areas accepting foreign currency checks will prepare a deposit ticket (Bursar's Office) or a 9 control ticket (Medical Center Cashiers' Office) for each foreign currency being deposited for collection to HSBC Bank at 1475 Mt. Hope Avenue. Deposits will be prepared according to outlined process in Section IX, Procedures.

The International Check Operations (ICO) of HSBC Bank will receive foreign currency items from UR. The ICO will attempt to process each item as a purchased item, if not possible, then the item will be processed as a collection item.

Treasury will maintain and provide a list of countries from which funds and currencies may not be deposited as it becomes necessary. Items SHOULD NOT be accepted from Cuba, North Korea, Libya, Iraq, Iran, Myanmar Sudan and Yugoslavia.

Deposit slips and foreign currency checks will be deposited at HSBC Bank at 1475 Mt. Hope Ave.

Finance/accounting will receive information from HSBC Bank and forward to appropriate division/department for necessary action.

University Mail Services (UMS) will pick up envelopes from depositing areas and transport to HSBC Bank two times per week.

VIII. Procedures: Business administrators will receive and accept foreign currency checks as a form of tender. Items may be accepted in the form of foreign currency checks from United Kingdom, Australia, Switzerland, Denmark, Hong Kong, European Union and Canada. Items may also be accepted from foreign banks in these countries in US dollars. Items CANNOT be accepted from Cuba, North Korea, Libya, Iraq, Iran, Myanmar Sudan and Yugoslavia. Items will be deposited with appropriate deposit ticket to Bursar's Office on the Bursar's Office deposit ticket or the Medical Center Cashiers' Office on the 9 control ticket. The business administrator area that is depositing the item will retain a copy of each foreign currency check.

The Bursar's Office and the Medical Center Cashiers' Office will prepare a separate deposit ticket for each differing foreign currency. A copy of each foreign currency check will be retained prior to depositing the item with a copy of the front and back of each item with the HSBC deposit ticket. The face value of the deposit will be noted on the daily/weekly deposit report, which will include the foreign currency, and the amount of the foreign currency. The deposit ticket and foreign currency items will be placed in an envelope labeled:

ICO - HSBC Bank
Foreign Currency
P.O Box 270003

University Mail Services will pick up the envelope for deposit when they visit your area each day. Special arrangements can be made when necessary by contacting the UMS couriers in advance, but this may incur a charge to your department.

UMS will drop deposits in the night drop facility at 1475 Mt. Hope Avenue two times per week, Tuesday and Thursday afternoons at 4:45. UMS has established Post Office Box 270003 as Foreign Currency to receive and collect these deposits.

Accounting in Finance will receive credit advices in order to confirm and/or match activity from HSBC Bank. Documentation will be forwarded to division/department who made the deposit where they will post the net amount to their daily/weekly deposit report and prepare the corresponding entries.

HSBC Bank will receive foreign currency item deposits from UR and process as follows:

Purchased Items: fee of \$10 per item; Canadian fee is \$2 per item

- \$5,000 USD equivalent or less –IMMEDIATE.
- Over \$5,000 USD equivalent – ICO will place a 15 DAY HOLD on the deposited funds prior to availability.

Purchased items are those items in the following currencies: Canada-dollars, United Kingdom-pounds, Australia-dollars, Switzerland-francs, Denmark-kroner, Hong Kong-dollars, and European Union-euro. Canadian items will be processed in the HSBC Bank branch at 1475 Mt. Hope Avenue. All other items will be forwarded by bank courier systems to ICO in Buffalo.

All items are purchased with recourse. If an item is purchased and subsequently returned, the original item is purchased at the buy rate if returned the sell rate will be used and charged to UR account.

Collection Items: fee of \$45 plus a paying bank collection fee

- Collection items are credited to UR account when final payment is received from the foreign bank. This will take two to six weeks to receive settlement. UR may incur a collection fee from the receiving bank, which will be passed along from HSBC Bank.

Collection items are those foreign currency checks that are not issued in or from Canada, United Kingdom, Australia, Switzerland, Denmark, Hong Kong, or European Union-euro.

Deposits will be processed by ICO in Buffalo within 2 days of receipt. A credit advice, which details the transaction, will be mailed to University of Rochester, Accounting Suite 260, 1325 Mt. Hope Avenue,

Rochester, NY, 14620. The credit advice will include the following information: currency, drawer, endorser, UR account number credited, face amount of check, exchange rate, US equivalent, fee and a copy of the check.

IX. Policy Review: This procedure will be reviewed and revised in accordance with policy and procedure changes.