

# International Services Item Processing: Cash Letter vs. Collection

## *Collection Item*

- **Less risk** to your credit union
- Payment is **final**
- A check or draft denominated in a currency other than the currency of the foreign institution on which it's drawn (*e.g.*, item drawn in U.S. dollars on a financial institution in Spain)
- Valued **at or greater than \$200** U.S. dollars
- **Provisional credit is not given** (funds will not be distributed to your credit union until the check/draft has cleared and funds have been received at VolCorp)
- Payment can take up to 6-8 weeks (8-12 weeks if drawn on an institution in a country deemed 'exotic' or with a less developed payments system)
- Collection items include any of the following:
  - Item usually processed as cash letter but final payment is required (items must be greater than \$200 U.S. dollars)
  - Checks denominated in an uncommon currency or drawn on an institution in a country with a less developed payment system

## *Cash Letter Item*

- **More risk** to your credit union
- Payment is **not final**
- Must meet at least one of the following criteria:
  - Check or draft denominated in the currency of the financial institution on which it is drawn (*e.g.*, item drawn in Great British pounds on a financial institution in England)
  - Check or draft denominated in U.S. dollars drawn on banks in Canada and the UK
  - Foreign postal money orders
- **Provisional credit is given** (credit is given before funds are received from the paying institution)
  - If the item is returned VolCorp will debit your corporate account
  - Foreign item returns take much longer than domestic returns, especially concerning fraud; **there are no commensurate regulations pertaining to international items - these can take months to process and be returned with little or no recourse for the credit union**

## **Shipping Information**

Please send all original items by certified mail or reputable carrier to:

Volunteer Corporate Credit Union

Attn. Member Services

2460 Atrium Way

Nashville, TN 37214

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