

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 England)
- 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 typically takes 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 on a Canadian financial institution
 - Foreign postal money orders
- **Provisional credit is given** (next-day 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**
- All items that will collect for over \$200 U.S. dollars will be sent for collection unless otherwise specified by 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
