



MANAGING YOUR MONEY

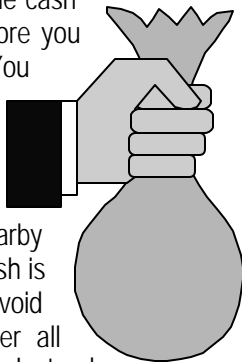
Managing your finances is one of the most important and challenging aspects of a successful and enjoyable academic experience abroad. Dealing with a new currency and cost of living are the beginning of the challenge. Before you leave home, pay attention to the exchange rate between the U.S. dollar and your host country's currency. Learn to think in that currency, and don't forget the value of a good pocket calculator.

Money Amounts

How much money do you need for your time abroad? It is very difficult to make guidelines - you will spend as much as you take. What your program fee covers will vary. Make sure you know how much money you will require beyond what you pay for the program. The amount you will need for incidental expenses will depend on your lifestyle as well as local costs. Take a close look at your expenses and prepare a budget for yourself based on the estimated expenses on the form. Use the following list to help you think about all the possible expenses you may have.

Ways To Carry Your Money

It may be wise to have some cash in the correct currency before you enter your host country. You may purchase foreign currency in most banks in the U.S. Upon arrival, you can often change money at the airport or nearby cash machine. Carrying cash is always risky; you should avoid bringing cash bills to cover all your needs while abroad. Instead, carry your money in other forms:



(1) Once you know which country you are traveling to, you should identify the currency and corresponding exchange rates to the dollar.

(2) Traveler's Checks

Traveler's checks are a convenient and safe way to carry money. In addition to being easy to cash, they are widely accepted for payment of goods and services in most establishments and usually treated as cash. Furthermore, if the checks are lost or stolen, the company that issued them will replace their full value, as long as you have a record of the serial numbers. Keep the receipt of the check numbers separate from your checks. Traveler's checks can be purchased at just about any bank in the United States, usually at the rate of one percent over the value of the checks you are buying. The American Express service is quite complete, and they also have offices in major cities around the world. If you are a member of AAA, you can get American Express traveler's checks for free. Traveler's checks in dollars can be exchanged at banks and money-changing houses overseas but remember to bring your passport as identification. Sometimes there is a charge per transaction.

(3) Credit Cards

Credit cards are convenient for most purchases, emergencies and cash advances, although there are usually higher interest charges for cash advances. Most major credit cards are honored abroad (e.g., American Express, MasterCard or Visa), but there are exceptions! When you use a credit card the company makes the exchange rate purchase for you, reflecting the exchange rate on the day your credit card transaction is processed. This amount may be more or less than what you thought you were paying at the time of your purchase. You will be billed in dollars on your statement, and sometimes you will see the foreign exchange conversion listed as well. The interest charged on an outstanding balance adds up quickly so you will need to leave someone you trust in charge of paying your monthly credit card purchases since most credit card companies will not send bills to non-U.S. addresses.

(4) Debit Card / ATM Machines

ATM machines are available in most cities across the globe and are a fast way to obtain foreign currency. An ATM, debit or checking card is excellent for international travel because it allows you to withdraw money from your bank account in the United States in the currency of the host country. Debit cards with Visa, MasterCard, Cirrus or Plus signs are the most widely accepted cards. The ATM machine will give you a menu choice of different languages and will ask you how much money you want in the currency of the country where you are traveling. The transaction will debit the money from your checking account in the United States at that day's exchange rate. There are usually transaction fees, and the fees vary significantly. Be sure to call your bank and check on the fees charged per each transaction. For larger transaction fees, be sure to withdraw larger amounts each time to avoid multiple fees. Note that some ATMs abroad may not work with the system (i.e. Honor, Cirrus, etc.) of your ATM card. Check the back of your debit card to know which system your card belongs to. Be sure that you (and someone back home) know your PIN number for ATM or credit cards. It may be wise to carry travelers' checks as back up cash in case your bank card becomes demagnetized.

(5) Advances/Check Cashing

With the use of credit cards and computers, it is now much easier to transfer money from a home account. Any bank that honors your type of credit card will help you draw funds in foreign currency as a cash advance. These advances are often considered a loan and you can get an advance only up to your line of credit. When requesting an advance, remember that banks always require proper identification. A high interest is charged if this is not paid back within the month. If you are cash advancing a large sum of money, you should consider a wire transfer instead. American Express offers check-cashing privileges to its clients. Any American Express office will cash personal checks from a U.S. account at no charge.

(6) Wire Transfers / Drafts

If you think you might need to use bank transfers visit your bank before you leave and ask them for a list of the correspondent banks in your host city. Let them know who is authorized to initiate cable transfers for you. Once abroad, you can contact your home bank by phone and receive the money, usually within 48 hours. Be advised that you will probably have to pay the cabling charges both ways, in addition to a commission charged by the host bank. Money can also be cabled from home through American Express; this type of transfer will take two to

five days and the charge varies according to how much money is sent. You can also notify your home bank and request that a bank draft in your name be mailed to you, via registered mail.

Power Of Attorney

It is advisable to designate an individual, usually a parent, to take care of legal or financial matters on your behalf while you are abroad. Find out what the proper procedure is and make those arrangements before you depart.

