

# Money and Banking in the USA

## U.S. Currency

United States' currency is based on a decimal system, with one dollar (\$1 or \$1.00) equal to one hundred cents. Since U.S. paper currency is the same size and color regardless of denomination be sure to check your currency before paying. Coin currency is used for amounts less than one dollar.

Most banks and some major airports and hotels will exchange foreign paper currency for a service fee; very few, however, exchange foreign coinage. Pay attention to fluctuations in the exchange rates between your home country's currency and U.S. currency.

## Bank Accounts

You will likely want to open a checking account with a bank on or near campus while you're in the U.S. You may directly deposit traveler's checks for free in most cases, or arrange for a wire transfer from your home bank (a fee may apply). Typically, you may make an unlimited number of additional deposits or withdrawals thereafter. Be sure to always have sufficient funds in your account to cover all outstanding checks; if you "overdraw," the bank may impose fees. Also be aware that there is usually a waiting period of a few days before you may withdraw the money you deposit. Note that some restaurants and taxis may require only cash as payment.

To open a bank account, you will be asked for a number of supporting documents for your application. These might include:

Current Passport

Proof of address- a piece of mail with your name and address is suitable

Enrollment verification from JMU Office of the Registrar

United States Immigration Document

Social Security Number\* or Individual taxpayer identification number

JAC Student ID card (JACard)

*\* As a non-US citizen, you will not automatically be given a social security number, and as a student you will not be able to apply for one until you find a job on campus.*

Most banks offer a number of different types of checking accounts. Learn about all options before deciding which type of account is best for you. There are a few potential bank fees you might run into when you have a US bank account. Before opening your account, confirm with your bank if you will incur any of the following:

*Account Fees.* Some banks will charge you a fee for having an account with them. This is usually charged monthly.

*ATM Fees.* This is an extra fee to draw money out of an ATM that is through a different bank. These fees can vary but usually begin at \$1 per transaction. Find out if your bank participates in a network of “fee free” ATMs.

*Transfer Fees.* Usually transferring funds from one of your accounts to another through the same company (ex: from your checking to your saving account) is free, however, a fee may occur when transferring to or from an account through a different bank.

*Insufficient Funds Charge.* If you pay with a check and it can't be processed because you don't have enough money in your account or you overspend on your debit card, you may be charged a fee.

*Paper Statement and Online Banking.* As many banks are striving to reduce their impact on the environment and cut costs, many are even starting to charge an additional fee for paper statements. Try to learn more about online banking when opening the account so you can manage your finances online, help the environment, and avoid an extra fee. Online banking will also give you access to your account information during non-banking hours.

*Lost Card.* If you lose your card, call your bank immediately to report this. You will be issued a new card to avoid potential fraud.

*Checks.* Writing a check is simple. The dollar amount is written twice: once using numerals (\$67.32 for example) and once using words (sixty-seven dollars and 32/100). Draw one horizontal line through any unused space after the words, to prevent someone from adding extra digits. Once a month, the bank typically mails or emails the account holder a statement of all transactions. If your records don't match with their record, contact your local bank office. Be prepared to show some form of photo identification, such as a driver's license, student I.D. (JACard), or passport.

*Wire Transfers.* If you'll be receiving money from home during your time as an international student, you may wish to explore wire transfers. International money transfers through banks often come with a fee, because of this, many international students choose to receive funds through a third party wire transfer company. If you plan on using wire transfers during your time as an international student make sure you research a variety of companies before committing to one.

*Credit Cards.* One payment option accepted nationwide is the credit card. As a matter of fact, you may find it difficult to make certain purchases without a credit card. You may need one to place an order by phone or online, or buy airline tickets in most instances. A credit card may become very expensive if you are not able to pay the full amount by the monthly deadline. Be sure to read all of the details of the credit card offer before committing to it; also know the structure of the credit card company's annual fees, such as how much and when they charge it to your card. As always, learn all you can so that you can make an informed decision. Pay attention to interest rates and APRs.

*Debit Cards* (also referred to as “bank cards”). When you open an account, you will most likely get a bank card which you can use to withdraw money from an ATM. You can also use it like a credit card to make purchases. Unlike credit cards, the money is instantly taken from your account, so if the money is not there it will be rejected. For students new to the US, the debit card is a great way to pay for things until you can establish credit.

## **Building Credit**

As an international student there are a few key pieces of information you should be familiar with when you first arrive, and credit is one. Although your time in the US might be short-lived, having established credit history during your stay can be very helpful and in some cases necessary to purchase a home, vehicle, or apply for a credit card. Many in the US builds their credit history almost daily, whether it's participating in small acts like paying the utility bill on time, or larger acts like paying off a car. An individual's credit history is the backbone in establishing financial independence in the US- so it's essential to develop.