

Working Abroad Budgets & Money Management

Money Management

This is a very important area that will require some research. Don't leave it to the last minute!

While you are abroad, you will be in charge of managing your own money. If you're like most students, you'll have a limited amount of funds so it is important to budget to ensure your money lasts throughout your entire time abroad. Be sure you know what money you have coming in and what will be going out, so you can accurately budget.

Before you go abroad, put together a budget. Make a list of expenses, which should include:

- *Living expenses:* housing, meals
- *Academic expenses:* tuition, books
- *Travel expenses:* airfare, passport, visa, local transportation
- *Communication expenses:* internet access, cell phone
- *Health and safety expenses:* insurance, immunisations
- *Personal expenses:* toiletries, souvenirs, entertainment

Now that you have an idea of how much you'll be spending, think about how you'll manage your money abroad. With so many things to pay for, you should ask yourself:

- Should I use my bank account from home or should I open an account with a local bank?
- Should I carry cash or use credit cards?
- What is the exchange rate of my host country?

Please note that the Erasmus+ grant is paid in sterling and will be paid directly into the British bank account you have registered on the Student Portal. Your bank details are added via the 'Student Services', then 'Financial Aid', the 'Support' tab on the Portal. Ensure your bank details are correct to avoid delayed payments.

It is not possible to pay the grant in Euros or to a bank account outside the UK.

Work Abroad Student Banking Resources

A bank account is essential when you go abroad. At minimum, you need to have an account from home and, depending on where and how long you decide to work abroad, consider opening an account in your host country too. The benefits to having a bank account include:

- Keeping your money in a bank account is safer than carrying cash
- Family or friends can deposit money into your account if your cash runs low or in an emergency
- It's easier for you to keep track of your spending.

Here are some aspects of financial preparation you should think about:

Firstly, check the expiry date of all your bankcards. They don't take long to renew, but it would be more difficult to do it from abroad.

- **Internet Banking:** A good way to control your money from anywhere in the world. Contact your local branch to arrange it with them.
- **Use a UK Account:** Several UK banks and building societies offer accounts where overseas transactions are free of charge. It is recommended students open one of these accounts if they intend to continue using their UK account whilst abroad.
- **Banking overseas:** It is often useful to ask for advice from previous students as to which banks they would recommend. Not all banks will accept you as a customer and you are unlikely to have overdraft facilities on a foreign bank account.
- **Letter of Introduction:** Ask your bank at home to provide a letter saying what a great account holder you have been and that you would be the ideal person to open an account in a foreign country! It's a standard letter provided by your bank and unless you have a terrible past history of banking, most banks should provide this for their customers.

- **Partnerships:** Ask your bank if they have any partnerships with foreign banks where it would be straightforward to open an account.

Useful documents to take with you, which may be needed for opening a bank account, are:

- Birth certificate
- Copies of your passport
- Passport photos

Before you leave:

Notify your bank that you will be going abroad. This will prevent your bank from blocking your debit card because of unusual charges being made abroad.

- Get paperless banks statements or have your statements forwarded to your address abroad (this helps prevent fraud)
- If you are intending to open a foreign bank account, discuss this with your UK bank and ask about transfer charges and how you would instruct the transfers.

ATM/Cheque Cards for International Work Abroad

Your ATM/Cheque card represents the best way to withdraw money while abroad. The benefits to using an ATM/Cheque card are:

- ATM/Cheque cards are convenient and safe
- You will almost always get a better exchange rate with a ATM/Cheque card compared to cash or travellers checks
- If your card is lost or stolen, it will be replaced, usually without cost to you
- Managing your money will almost always be easier with an ATM/Cheque card

ATM/Cheque card tips

- Most ATM/Cheque cards require a four-digit PIN (Personal Identification Number)
- ATM cash withdrawals abroad come in local currency
- Most ATM's abroad include English instructions
- ATM/Cheque card's with VISA or MasterCard logos work at merchants anywhere in the world where VISA or MasterCard are accepted
- Thousands of ATM's worldwide are compatible with Cirrus(MasterCard) & Plus(VISA) ATM/Cheque cards

Visit the sites below to locate ATM's in your host country:

<http://www.mastercard.com/us/personal/en/cardholderservices/atmlocations/index.html>

[http://www.visa.com/atmlocator/index.jsp#\(page:home\)](http://www.visa.com/atmlocator/index.jsp#(page:home))

Paying for goods abroad

Be aware that while abroad you may be offered the choice of paying for goods or services in either "sterling" or the "home currency". In this case, you should choose the home currency, as there may be an extra charge added for paying in sterling.

Credit Cards during Study/Work Abroad

Credit cards offer wide acceptance in developed nations, and are becoming increasingly common in developing nations as well. Credit cards can be an invaluable financial tool abroad--when used wisely. Beyond giving you more spending power and favourable exchange rates, credit cards can be a valuable asset during a financial emergency.

Cash

If you need instant access to cash, credit cards do the trick. However, cash withdrawals usually carry a higher interest rate than regular transactions. Consult your credit card company about interest rates for cash withdrawals.

ID required

Credit card purchases abroad frequently require a proper ID. Many merchants, in fact, will require you to show your passport to use your credit card.

If you choose to open an account with a foreign bank in your host country, wait until you arrive.

In other words, open the account in person, not online (many banks will not allow you to complete the process of opening a foreign account without appearing in person anyway), and do shop around and find the bank that meets your needs.

It is important that you understand the rules and regulations regarding foreign accounts, but the process of opening an account can be quite simple.

There are certain things you will have to provide in order to open a foreign account.

Identification. Most foreign banks will require at least two forms of identification. A valid driver's license is typically accepted, as are passports. Most banks will require at least one form of ID to include a photo.

National Insurance Number. In most cases, you will be asked to provide your national Insurance number. This will be used both to verify your identity and to review your credit rating.

Birth Certificate. Many foreign banks will require a certified copy of your birth certificate. If you do not have a certified copy, you can obtain one from the vital statistics office in the county where you were born. There may be a small fee to obtain the copy.

Once you've collected the information you need (check with the intended foreign bank to make sure you can meet their requirements for identification), you can begin the process of opening the account.

Step 1 – Fill Out the Application

Be sure to fill out the application form completely. You will be asked to agree to the terms and conditions of the foreign bank. Do not assume that their terms and conditions are similar to your domestic bank's terms. Be sure you carefully read the terms and conditions and agree to them before signing or submitting the application.

Step 2 –Credit check

Most foreign banks will not allow you to open an account without checking your credit. If you have poor credit, it may make it more difficult to open a foreign account, but it is not impossible. You can improve your credit by clearing up any discrepancies on your report, paying off past judgments, and keeping all of your credit card payments current.

Step 3 – Funding the Account

To deposit money in the account, most foreign banks will accept wire transfers and in-person deposits. Some foreign banks will also allow you to transfer money electronically from your domestic account. The bank will provide you with information about how to use and access the account.

ASK for details of all the charges relating to your new account and particularly of bank transfers.

Step 4 – Using the Account

If you open a cheque account in another country, the bank may be able to issue you a debit or credit card to access the account. Savings and cheque accounts can typically be accessed online as well as in person.

Financial Problems Overseas

Refer to the Student Advice Centre's web pages at:

<http://www.leedsuniversityunion.org.uk/helpandadvice/money>