FOREIGN EXCHANGE PROCEDURE IN HOTELS

The hotel industry in any country is a prime source for the generation of foreign currency exchange. Foreign Currency Exchanges are done in hotels through a strict system of checks and records. In a hotel, the front office cashier is the authorized person on behalf of the management to receive foreign exchange. As most of the overseas visitors prefer to pay their hotel bills in foreign currency, the cashier must know the rates of exchange. The hotel can exchange the foreign currency but cannot sell it. If the guest has settled his account in foreign currency, the balance should be given in the local currency. The foreign currency exchange rates offered by the hotel might be slightly higher than the bank rates. This is done to cover up the administrative costs, market fluctuations in the exchange rates and a small profit. Hotels accept foreign currencies but not coins.

**FOREIGN CURRENCY ENCASHMENT**

1. Request the guest to produce his/her passport and determine the credentials.
2. Ask to the guest for his room number.
3. Incase of non-residence, request his/her to contact the lobby manager for his authorization for the transaction
4. Find out the type of currency to be exchanged and determine whether it is exchangeable as per governor banking regulation.
5. Fill in all the details in the foreign exchange encashment certificate.
6. Request to the guest to sign the travelers cheque and voucher in person.
7. Compare the signature.
8. Receive the amount of foreign currency in cash or travelers cheque.
9. Calculate the total amount to paid in local currency by multiplying the foreign currency amount by the rate of exchange.
10. Give the original copy of the certificate and the total amount in local currency to the guest.
11. Attach the second copy of the encashment certificate to the notes to the traveler’s cheque.
12. Leave the third copy in the book.
13. Fill in the details in reception cashier’s report.

**Fill in the details in the foreign currency control sheet**

