

TO: CHAIR AND MEMBERS
FINANCIAL MANAGEMENT COMMITTEE

DATE: 2021 June 09

FROM: DIRECTOR FINANCE

FILE: 7000-01

SUBJECT: UNITED STATES CURRENCY

PURPOSE: To discontinue the acceptance of United States currency at the City.

RECOMMENDATION:

1. **THAT** the Financial Management Committee recommend Council authorize staff to discontinue the acceptance of United States of America currency for all City payments.

REPORT**1.0 INTRODUCTION**

The City of Burnaby currently accepts payment for various receivables or one-time transactions with Canadian currency (CDN) or United States of America currency (USD). By accepting USD, several foreign exchange procedural steps must be followed which in turn requires manual processing, clearing, and increased costs. While the volume of USD in previous years was significant to warrant acceptance, this has changed over the last decade.

2.0 POLICY SECTION**Goal**

- A Thriving Organization
 - Financial viability – Maintain a financially sustainable City for the provision, renewal and enhancement of City services, facilities and assets
 - Communication – Practice open and transparent communication among staff, Council and the community

3.0 BACKGROUND

For several decades, the City of Burnaby has accepted USD cash and USD cheque as payment tenders at all City locations. Most volume for US cash occurs at the recreation centres while most volume for US cheques is now received through the core cashier at City Hall, mainly for property taxes.

The volume of USD has dropped significantly over time as shown in Table 1: *US Dollar Cash and Cheque Volume*. In reviewing historical data from 2014 there was a total of 281 recorded USD denominated transactions. There has been steady drop in volume over the next five years. While the year 2020 is not a normal indication of annual volumes, due to canceled events and closed facilities during the pandemic, data continues to demonstrate that the volume and dollar value of USD payments across the City is very low. Payment volumes have shifted over time in favour of credit and debit card payments. In addition, the City has opened more lines of business to allow acceptance of credit card payments, thus reducing reliance on USD cash and cheques.

Table 1: US Dollar Cash and Cheque Volume

Payments		2014		2019		2020	
		Count	Amount (\$)	Count	Amount (\$)	Count	Amount (\$)
Core Cash	Cash	1	44.00	4	29.62	2	13.96
	Cheques	10	4,208.53	5	13,987.74	5	13,262.86
Parks	Cash	270	3,596.14	58	1,178.47	-	-
	Cheques	-	-	-	-	-	-
Library	Cash	-	-	12	36.17	2	6.21
	Cheques	-	-	-	-	-	-
Total	Cash	271	3,640.14	74	1,208.09	4	20.17
	Cheques	10	4,208.53	5	13,987.74	5	13,262.86
	Combined	281	7,848.67	79	15,195.83	9	13,283.03

Volumes of USD received at the City has decreased to minimal levels over the past seven years. The controls, operational impact, and reconciliation process for 79 USD transactions in 2019 represents a significant amount of resources and manual foreign exchange transactions for approximately \$1,200 USD in cash and approximately \$14,000 in cheques. Accepting USD requires operational costs such as weekly communications to update various Point of Sale and SAP system tables, manual daily clearing tasks for clerks, cash management, policy documentation review and training, and fraud prevention measures. The volume of the transactions are not commensurate with the resources and costs associated with additional protocols to manage these infrequent transactions out of over 200,000 in-person payment transactions per annum.

The removal of USD as an accepted currency will fall in line with other municipalities in the Lower Mainland who have already taken this step. Two municipalities officially stopped accepting USD ten years ago, while three others do not officially offer USD as a payment tender type.

To: Financial Management Committee
From: Director Finance
Re: United States Currency
2021 June 16 Page 3

4.0 RECOMMENDATION

With evidence of continued low volumes of USD in use across City operations, the opportunity to streamline processes, and by drawing on the experience of other municipalities, it is recommended that the City discontinue the acceptance of USD currency for all City payments. The Finance Department will work with Corporate Communications and all Departments to provide updated messaging and any procedural assistance.

A handwritten signature in black ink, appearing to be 'Noreen Kassam', with a stylized, sweeping flourish at the end.

Noreen Kassam, CPA, CGA
DIRECTOR FINANCE

NK:DS/md:dg

Copied to: Acting City Manager