

Getting and Keeping A Checking Account

You've decided to get a checking account. That's a good idea. Your money will be safe and you'll have a record of what you've paid for. You'll know how much you have left to use or save. If you buy money orders each month, you may also find having a checking account costs less money.

Learning About Checking Accounts

There are different kinds of checking accounts offered at banks or credit unions. Banks and credit unions offer a variety of checking accounts and will give you a brochure describing each one.

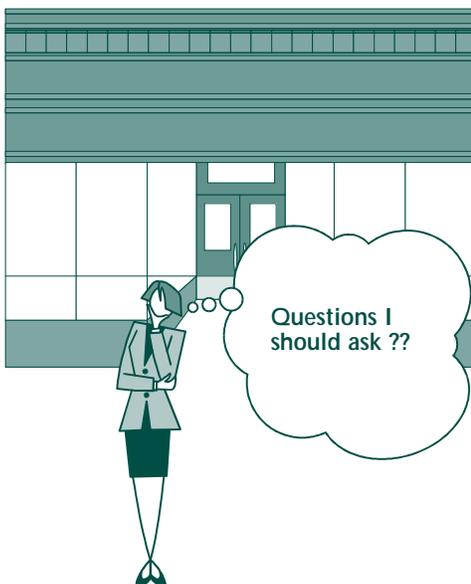
Before signing up for a checking account, it's important to ask questions at three banks or credit unions. At each place, you should ask if there's a checking account where you can have just a little bit of money in your account at all times.

If the answer's yes, ask:

How much money do I need to keep in my checking account to keep it open?

What is the minimum balance? What is the monthly service charge if my account goes below the minimum balance? Minimum balance and monthly service charge go together. Some accounts require you keep a certain amount of money in your account at all times, called a minimum balance, to avoid paying the monthly service charge.

How many free checks can I write each month? How much will I pay for extra checks? Some checking accounts charge you for checks, others won't.



What's the charge for "bounced" checks? You want to make sure there's money in your account when writing a check. If you write a check without having enough money in your account, you'll be charged for a "bounced" check. The "bounced" check charges will vary.

Is there a charge if I use the ATM? What is it? Banks or credit unions can charge you if you use the banking machine called an Automatic Teller Machine or ATM.

After asking these questions, you may find the account that's best for you may not be listed in the brochures.

Signing Up For The Checking Account

Sign up for the checking account best for you. Remember, if the checking account costs you money, it still may be less than the cost of buying money orders each month. If you're older than 50, your checking account may be free.

SIGNATURE CARD	
ACCOUNT NO.	INDIVIDUAL CHECKING
Jane Jones	
SIGNATURE	

The first thing you'll need to do is sign a signature card. The bank will keep this card. It will use it to check the signature on your checks to make sure it was signed by you. Sign the signature card just as you'll sign your checks.

When you open your account, you'll be given temporary checks. You can use these while your checks are being printed. If you use all the temporary checks, you may ask for more. Remember the number of checks you're able to write for free. Even if you're charged for your checks, it's usually less than the cost of money orders.

You'll also be given a book, called a check register, to keep track of checks and deposits.

Putting Money Into Your Checking Account

Money is deposited into your checking account by filling out a deposit slip. Date the deposit slip on the day you're depositing money. Bring or mail the deposit slip to the bank or credit union that holds your checking account.

Once you deposit checks into your checking account, you may not be able to use the money for a short period of time. There is a "waiting period" before the check you deposit actually is in your account.

DEPOSIT TICKET																													
Jane Jones 123 Main Street Town, U.S.A. 00000																													
DATE _____ 19____																													
<i>Deposits may not be available for immediate withdrawal</i>																													
Bank/Credit Union																													
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Checks and other items are received for deposit subject to the provisions of the uniform commercial code or any applicable collection agreement.



Depositing Cash

Write the amount of cash you're depositing in the cash section of the deposit slip. Example Currency (paper money) \$25.00 Coin \$.25. Add the currency and coin amounts to get the total. Write this amount on the Total and Total Deposit lines. Enter the amount as a deposit in your check register.

CASH	CURRENCY	25	00
	COIN		25
CHECKS - LIST SINGLY			
Total From Other Side			
TOTAL		25	25
Less Cash Received			
TOTAL DEPOSIT		25	25

Depositing Checks

- **If you deposit all of the check:**

First, you'll need to sign the back of the check. This is called an endorsement. You'll see a space on the back of the check where you need to sign. Sign your name as it's written on the front of the check. Example Georgie Smith. If the name on the front isn't correct or if it's a nickname, sign your correct name under your first signature. Example George Smith.

ENDORSE HERE

Georgie Smith

George Smith

DO NOT WRITE, STAMP OR SIGN BELOW THIS LINE

ENDORSE HERE

For Deposit Only

Georgie Smith

George Smith

DO NOT WRITE, STAMP OR SIGN BELOW THIS LINE

If you deposit the total amount of the check and are mailing the deposit slip, write "For Deposit Only" above your signature on the back of the check. If your check is lost or stolen, only the bank can cash it and deposit it in your account.

After endorsing the check, look at the front of the check. Find the number on the check that look like a fraction. On the deposit slip, write

the number on the line below the words "Checks - List Singly." Then write the dollars and cents amount of the check. Example: 53-952/113 \$35.18. If you deposit more than one check, list each on a separate line. Add up all the amounts and write the total dollars and cents in the spaces marked Total and Total Deposit. Write this amount in your check register.

CASH	CURRENCY COIN		
CHECKS - LIST SINGLY			
53-952/113		35	18
Total From Other Side			
TOTAL		35	18
Less Cash Received			
TOTAL DEPOSIT		35	18

- **If you deposit part of the check:**

On the deposit slip, write the numbers that look like a fraction on the line below the words "Checks - List Singly". Example: 53-952/113 \$35.18. Then write the dollars and cents amount of the check. If you deposit more than one check, list each on a separate line. Add up all the amounts and write the total dollars and cents in the space marked Total. Example \$35.18. In the Less Cash Received line, write the amount of cash you want back. Example \$15.00. Subtract the cash received figure from the Total to get the Total Deposit. Example \$20.18. Write the amount you deposited in your check register.

CASH	CURRENCY COIN		
CHECKS - LIST SINGLY			
53-952/113		35	18
Total From Other Side			
TOTAL		35	18
Less Cash Received		15	00
TOTAL DEPOSIT		35	18

- **If you're depositing cash and a check:**

Write the amount of the dollars you're depositing in the currency line. Write the amount of the coins you're depositing in the coin line. Then write the numbers and amounts of the check as mentioned above. Add the cash and the check together to get the Total and Total Deposit. Write this amount in your check register.

CASH	CURRENCY COIN		
		25	00
CHECKS - LIST SINGLY			
53-952/113		35	18
Total From Other Side			
TOTAL		60	43
Less Cash Received			
TOTAL DEPOSIT		60	43

Depositing using the ATM:

You can use the ATM to make deposits. If you do, be sure to keep the receipt the machine prints after you make a deposit. Write the amount in your check register right away.

ATM

Bank/Credit Union

12-73011-7070

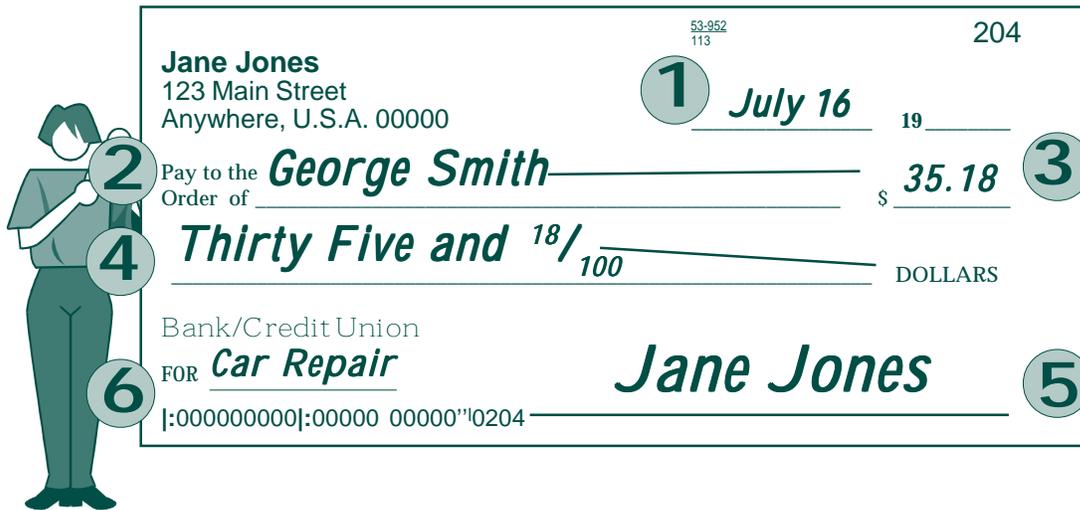
Getting Money Out Of Your Checking Account

You need to write a check, withdraw money from an ATM or use a debit card to get money out of your checking account.

Writing A Check

When writing a check, always use a pen. Write clearly and close to the left edge of each line you fill in. If you leave a space and your check is lost or stolen, something different could be written in that space.

Example: George is written close to the Pay To The Order Of.



Line 1 - Date the check on the same day you write it. It's not a good idea to date checks ahead. You can even date checks when the bank or credit union isn't open as on a Holiday or Sunday. If it's cashed before the date that's written on it, there may not be enough money in your account to cover the check. If this happens, the bank will "bounce" your check. This means it won't cash it and you'll be charged a fee.

Line 2 - Write the name of the person or place that's getting the check next to Pay To The Order Of.
Example: George Smith

Line 3 - In dollars and cents, write the amount of the check. Example: \$35.18

Line 4 - Spell out the amount of the check in words. Example: Thirty five and 18/100. This line is very important. If the amount on line 3 and line 4 are different or if your writing is difficult to read, what's written on line 4 is what your account will be charged. Note: Use the word "and" only between the dollar and cents amount.

Line 5 - Sign your name in the same way as you signed the signature card. Before you sign, look over the check and make sure there are no mistakes. If you find a mistake, write a new check. Some places won't accept a check with changes on it.

Line 6 - After the word "For", you can list what the check is for but it's not required.

While tearing out the check, you may rip it. If all of the numbers can be seen, it's okay. If not, write a new check and tear up the old check in small pieces before you throw it away.

Using The ATM

Instead of using checks, you can use the ATM to withdraw money from your checking account. If you do, be sure to keep the receipt the machine prints after you make the withdrawal. Write the amount in your check register right away.

Using a Debit Card

Some businesses like grocery stores and gas stations, accept debit cards. You can use a debit card to pay the bill because it automatically takes out money from your checking account and transfers it to the business.

Writing in The Check Register

The check register is where you keep track of checks, deposits, ATM and debit card transactions. Record your deposits when you write the deposit slips. Always record your checks, ATM or debit card withdrawals as soon as you write them. It's easy to forget the amounts if you record them later.

Recording Deposits, Checks or Withdrawals

Line 1 - Write the number of the check in this space.
Example 204.

Line 2 - Enter the date.
Example 7/16.

Line 3 - For checks or withdrawals: On the first line, write who the check was written to. On the second line write what it was for. Example: George Smith on the first line, car repair on the second line.

- For deposits: On the first line, write the words Deposit. On the second line write where the deposit came from. Example: Deposit on the first line, paycheck on the second line.

Line 4 - If writing a check, making a withdrawal from the ATM or debit card, enter the amount here.
Example: \$35.18

Line 5 - Enter fees, if you have any. Fees come from using an ATM card, "bouncing" a check or having a checking account service charge.

Line 6 - Check (✓) the cancelled checks when your bank statement arrives.

Line 7 - If making a deposit, the amount goes here. Example \$155.10.

Line 8 - Write the amount on the first line. For the second line, if you're making a deposit, add the deposit to the total. If you're writing a check or making a withdrawal, subtract from the total. See example above.

1 CHECK NUMBER	2 DATE	3 DESCRIPTION OF TRANSACTION	4 PAYMENT -	5 FEE	6 ✓ T DEPOSIT +	7 DEPOSIT +	8 BALANCE
							56 10
204	7/16	George Smith	35 18				35 18
		car repair					20 92
	7/30	Deposit				155 10	155 10
		paycheck					176 02



Keeping good records of checks and deposits helps you know how much money is in your account. You don't want to "bounce" a check. It'll cost you money.

Balancing Your Checking Account

Each month the bank or credit union sends you a monthly record of your deposits, checks, ATM and debit card transactions. This monthly record is called a bank statement. Look for the date on the statement. All the deposits, checks, ATM and debit card transactions listed on the bank statement happened before that date.

If you've made a deposit, written a check, used an ATM or used a debit card after the date of the bank statement, the amount of money listed in your check register won't be the same as the amount listed on the bank statement.

It may be tempting to not check your balance with the bank's or credit union's. Because of the high cost of "bounced" checks, it's important you take the time to balance your checking account. In fact, it's best to do it on the same day you receive the bank statement. Take the time to balance your checking account each month. It's very important and well worth the time.

Matching Your Checking Account Balance with the Bank Statement Balance

To balance your checking account, you'll need the bank statement, your ATM and debit card receipts, your cancelled checks (if the bank or credit union sends them) and your check register.

On the back of the bank statement is a place for you to figure whether your check register balance agrees with the bank. Since bank statements differ with each bank or credit union, a Balancing Form has been provided on page 7 for you to use.

53-952 113	206
53-952 113	204
53-952 113	203

Using your check register.

- Many banks send your cancelled checks along with the bank statement. These are the actual checks you wrote that the bank cashed. Some banks only list the checks cashed and don't return them to you. If your bank sends your cancelled checks, put them in order by check number. Example: 203, 204, 206; etc. Remember there may be checks missing because they weren't cashed by the date on the bank statement.
- Look in your check register for the column with a checkmark (✓). Put a checkmark next to each check the bank has returned or listed on the bank statement, as well as the ATM or debit card withdrawals listed on the bank statement. Also in the register, put a checkmark next to each deposit listed in the bank statement. Once the bank lists a deposit or a withdrawal on the bank statement, you can throw away the receipt. Keep the cancelled checks for tax and record of payment purposes.
- If there are other charges, they'll be listed on the bank statement. Write the charges in your check register in the fee column. Subtract the charges from the total amount of money listed in your check register.
- If you have a checking account that gives you interest, write the interest earned in your check register in the deposit column. Add the interest to your balance.

Using The Balancing Form

Refer to the Balancing Form on page 7.

Section 1. List all your outstanding checks in the Checks Outstanding section by check number and amount. These are the checks you have written but the bank hasn't cashed yet. In other words, these are the checks that don't have a checkmark next to them in your check register and haven't been returned to you. Also list all the ATM and debit card withdrawals that you've made but aren't listed on the bank statement. Add the check amount column to get the total. In the example, you'll see that checks 205 and 207 are listed in the Checks Outstanding section and the Total is \$55.10. Sometimes, it may take two or three months for a check to come back to you.

Section 2. Write the bank balance shown on the front of the bank statement. Example \$60.25.

Section 3. Copy the total from the Checks Outstanding section and enter it here. Example \$55.10.

Subtract this figure from the bank balance amount above. This is your Subtotal. Example \$5.15.

Section 4. These lines are for Deposits Outstanding. These are the deposits that don't have a checkmark next to them in your check register. The dates of these deposits are after the bank statement date. Write the amounts of each outstanding deposit. Example \$62.00

Section 5. Add the Deposits Outstanding to the Subtotal from Section 3 to get the Total. That's the actual money you have in the bank to spend or save. Example \$67.15

If everything works out, Line 5 should equal what you have as the last amount in your check register. Your checking account now balances with the bank or credit union.

An Extra Balancing Form is included so you can use it to balance your checking account each month.

Balancing Form

(Example)

CHECKS OUTSTANDING		
CHECK NUMBER	CHECK AMOUNT	
205	45	10
207	10	00
TOTAL	\$	55 10

1

Bank Balance Shown on This Statement \$ 60.25 2

Subtract
 Total of Checks Outstanding — \$ 55.10 3
Subtotal \$ 5.15

Add
 Deposits Outstanding + \$ 62.00 4
 + \$ _____
 + \$ _____
Total \$ 67.15 5

Balancing Form

CHECKS OUTSTANDING		
CHECK NUMBER	CHECK AMOUNT	
TOTAL	\$	

1

Bank Balance Shown on This Statement \$ _____ 2

Subtract
 Total of Checks Outstanding — \$ _____ 3
Subtotal \$ _____

Add
 Deposits Outstanding + \$ _____ 4
 + \$ _____
 + \$ _____
Total \$ _____ 5

What Happens If The Numbers Don't Agree

Make sure that all the money amounts for deposits, checks, ATM and debit card withdrawals are correct. It's easy to make a mistake when you copy amounts from one place to another.

Then check your addition and subtraction. Look for places where you may have forgotten to record checks, withdrawals, deposits, or fees.

If your totals still don't agree, go back in your check register to the last time the account balanced. This is the last time you completed the Balancing Form and the checking account and the bank or credit union's totals agreed. Begin adding deposits, subtracting checks, subtracting ATM and debit card withdrawals that are listed after the last correct total. Do this until you're at the end of your check register.

If you get a different total this time, follow the steps under "Using The Balancing Form" again, using your corrected figures.

If the totals in your check register and the bank or credit union totals still don't agree ask someone else to look at your figures. You can ask the bank or credit union to do this for you. Sometimes there's a charge for this service.

Other Things You Should Know About Checking Account

Cashing Checks

If you want to cash a check and not deposit it in your checking account, sign your name on the back of the check just before you cash it. If you lose a check you had signed, anyone can cash it.

Transferring Checks

If you want to transfer a check to someone else. On the back of the check, write the words "Pay to the order of" and then write the person's name. Example Sally Miller. After you write that, sign right under it. Example Jane Jones. Again, sign your name as it is on the front of the check. If that's not your correct name, under this signature sign your correct name.

ENDORSE HERE
<i>Pay to the order of</i>
<i>Sally Miller</i>
<i>Jane Jones</i>
DO NOT WRITE, STAMP OR SIGN BELOW THIS LINE

Keeping Your Money Safe

When you deposit money using the ATM, or withdraw money using the ATM or your debit card, you need to push 4 numbers on the keypad. These numbers are called your Personal Identification Number or PIN. Don't tell anyone your PIN number. If someone knows your PIN, that person can take out all your money out of your checking account.

On the bottom of each check are many numbers. These numbers are bank or credit union identification symbols. Don't tell these numbers to anyone. If someone knows your checking account number, that person can take all your money out of your checking account.

Credits

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Revised 9/97