Name			

Financial Literacy

Ch 4 Notes Packet: Checking Accounts

Section 4.1 - 2: Deposits

Learning Target: We are learning about how to put money into and take money out of a checking account.

Success Criteria:

- I can complete a deposit ticket to add money to my checking account
- I can write a check
- I can endorse a check

: Amount of money you put into a bank account.
: a form used to record the amounts of currency, coins and checks you deposit.
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+

Ex 1: Lori Decker is making a daily deposit into her boss' bank account. She has checks in the amounts of \$524.89, \$326.96 and \$287.39. Her cash consists of 8 twenty dollar bills, 10 ten dollar bills, 9 five dollar bills, and 18 one dollar bills. She has coins in the following denominations: 6 quarters, 18 dimes, 7 nickels and 4 pennies. Fill in the deposit slip.

CTIONS ONLY	LORI DECKER 2063 PLEASANT RD. ANYWHERE, U.S.A. 12345	CASH INCLUDING COINS	
TICKET	DATE	List Checks Singly	
DEPOSIT TICH	SIGN HERE ONLY IF CASH RECEIVED FR		
TO BE USED	BANK Street Address	□ LESS CASH ►	
ř	City, State 12345	•	
	:123400056: 1234	56 7 8 9 0"	

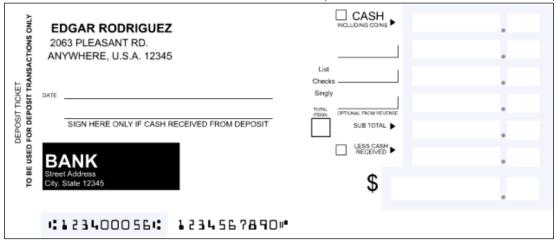
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a c	checking a	account.									
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e are	several d	lifferent typ	es:								
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OR SE C	HECK HERE				E	ENDORSE CHECK	HERE				٦
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DO NOT	WRITE, STA	MP, OR SIGN BE	LOW THIS	LINE	-	DO NOT WRITE	E, STAMP, (OR SIGN	BELOW T	HIS LINE	_

A _____ directs a bank to deduct money from your checking account to

L	
b)	: used when you want to give someone else money. Write "pay to the order of " and that person's name below it. Sign your name underneath. Now that person is the only one who can cash the check
	ENDORSE CHECK HERE X
	DO NOT VVRITE, STAMP, OR SIGN BELOVV THIS LINE
c)	: used when you want the check to be safe. For example, when you send it to your financial institution in the mail, write" for deposit only " and sign underneath. Now the check can only be deposited.
	ENDORSE CHECK HERE
	X
	DO NOT VVRITE, STAMP, OR SIGN BELOVV THIS LINE

You Try:

1. Edgar Rodriguez has a check for \$343 and a check for \$88.91. He would like to deposit the checks and receive 7 ten dollar bills, 4 one dollar bills, 5 quarters and 15 dimes. Fill in the deposit slip below.



2. You need some cold medicine for your cold. Write a check for \$7.86 to Wingate's Pharmacy for medicine. Fill in the check below.

PAY TO THE ORDER OF.	colors	-	2400 91-548/1221 \$
FOR	672430	1068#*	2400#

Section 4.3: Check Registers

Learning Target: We are learning about how to record checking account transactions in a check register to efficiently manage money.

Success Criteria:

 I can use a check register (including the correct columns and transaction codes) to find the running balance after each transaction

A	is a record of your deposits, transfers and the checks you
	have written. The balance is the amount in your account
A	is a code for transactions that you record in place of the
	check number when you are not writing a check.

Transaction Codes:

DEP	
ATM	
DC	-
OP	-
AP	
0	

Ex1: Complete the register for the following transactions - balance your checkbook.

Oct 3	Open your checking account with the deposit of \$667.20. The check is your biweekly paycheck. ***
Oct 8	Write check 101 for \$335.24 to National Electric Company (bill due Oct 13)
Oct 9	Write check 102 for \$24.00 to Reader's Service Inc. for a magazine subscription.
Oct 15	Use your debit card for \$40.00 to Ticket Forum for a concert.
Oct 15	Write check 103 for \$41.80 to Bell Telephone Company (bill due Oct 21).
Oct 19	Write check 104 for \$120.24 to Hilltop Garage for car repairs.
Oct 20	Make an online payment for \$33.93 to Seasons Unlimited for clothing.
Oct 28	Automatic transfer for \$314.12 to KMT Insurance for monthly car insurance premium.

		Checkboo	k Reg	jiste	er				
Number	Date	Transaction	Withdrawal		+	Deposit		\$	
				_					
				_					
				-					

Section 4.4 – 5: Bank Statements and Reconciling a Bank Statement

Learning Target: We are learning about how to reconcile my checking account.

Success Criteria:

- I can complete the balancing process by following the reconciling steps found on a printed bank account statement
- I can verify a printed bank account statement for accuracy

 : comparing your bank statement to your check register to make the two agree.
 : deposits or checks that appear on your register but didn't reach
the bank in time to list them on your statement.

Steps for Reconciling the Statement

- 1. Using your account statement and record register, place a check mark in the appropriate box for each check returned or shown as paid on your statement.
- 2. Look through your check register for any ATM, debit card transaction or checks not paid to the bank. These will be easy to find since you will have no check marks by these.
- 3. Begin reconciling on the reconciling sheet. Begin by listing any outstanding checks and ATM or debit transactions.

- 4. List the balance shown on the statement.
- 5. List deposits made since and add this to the balance.
- 6. Subtract outstanding checks.
- 7. Check all ATM and debit card transactions to make sure they have all been recorded in your check register.
- 8. Subtract any service charges from your checkbook.
- 9. The final amount should match the balance in your checkbook.

Below is an example of a _____

NUMBER OR CODE	DATE	TRANSACTION DESCRIPTION	PAYME	NT NT	1	FEE	DEPOSIT		BALA	NCE
3881	9/9	Betty Randall St. Paul Electric	\$ 35	00	V	\$			2904	04
3882	9/15	St. Plane Electric	60	00					2844	04
3883	9/17	Sinclairs	33	19				П	2812	85
3884	9/18	Pete's Barage	43	60					2749	25
	9/19	Deposit	1 200000		10		500	00	2799	25
3885	9/26	Sears	200	00					2599	25
3886	9/25	Village	254	66				Т	2344	59
3887	10/3	cup	63	60					2280	99
3888	10/3	main Bank	1719	98		П			561	01
	10/5	Deposit		2000			945	50	1506	51
3889	10/4	mountie's	54	36					1452	15
3890	10/11	Ryan Potletch	36	00					1416	15

Below is an example of a

YOUR FINANCIAL INSTITUTION STREET ADDRESS CITY STATE 12345

24 HOUR TELEPHONE TRANSFER LINE — - 123-5678 CUSTOMER SERVICE NUMBER — -567-1234 EXT 290

JAMES C, MORRISON MARY A. MORRISON 1765 SHERIDAN DRIVE YOUR CITY STATE 12345 PAGE 1

DEPOSIT ACCOUNTS DETAIL CHECKING REGULAR CHECKING ACCOUNT: 12345678 SEC, SEC, 000-00-0000

THIS STATEMENT SHOWS ALL TRANSACTIONS FROM SEP 14, 19-THRU OCT 12, 19-

DEPOSITS		CHECKS AND WITHDRAWALS					DAILY BALANCES		
DATE	AMOUNT	NO.	DATE	AMOUNT	NO.	DATE	AMOUNT	DATE	AMOUNT
9/19	50.00	3882	9/15	60.00				9/15 9/18	2811.04 2747.44
OTHER ADDITIONS DEPOSIT		3884 3885	9/18 9/26	63.60 200.00				9/19 9/25	2797.44 2542.78
DELUXE CHE 10/05	CK PRI 945,50	3886 3887	9/26 10/03	254.66 63.60				9/26 10/03	2342.78 559.20
10/03	5-10200	3888	10/03	1719.98				10/05	1504.70
		3890	10/11	36.00				10/11	1468.70

**** INDICATES ONE OR MORE MISSING CHECKS

ENDING	DEPOSITS	S & CREDITS	CHECK	S & DEBITS	ENDING
BALANCE 9/14/—	NO.	AMOUNT	NO.	AMOUNT	BALANCE 10/12/—
2906.04	2	995,50	7	1503.70	1503.70

6

HOW TO BALANCE YOUR ACCOUNT

- Check off in your account register each transaction shown on the front
 of this statement. In the appropriate space to the right, list the deposits
 and checks or withdrawals which are listed in your register but not on
 the statement.
- 2. Total these two columns.
- 3. ENTER your ending balance from the front of this statement.
- ADD to your balance the total of the deposits made to your account but not listed on the statement.
- SUBTRACT the total of the withdrawals made from your account but not listed on the statement.
- 6, THIS IS YOUR BALANCE,

1	NOT LISTED ON THIS STATEMENT					
	DEPOSITS	CHECK NUMBER	CHECKS AND WITHDRAWALS			
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	i					
	!					
	i					
	i		İ			
			:			
	:		: 1			
	i		:			
	1		i			
2						

DEBOSITS CHECKS AND WITHDRAWALS

3	ENDING BALANCE FROM THE FRONT OF THIS STATEMENT	
4	PLUS THE TOTAL FROM THE DEPOSITS COLUMN ABOVE	
	SUB-TOTAL	
5	MINUS THE TOTAL OF THE WITHDRAWALS COLUMN ABOVE	
	BALANCE (Should agree	i

with the register balance)

If you think there is an error in your statement, please telephone or write us promptly at the phone number or address shown on the front of this statement.

Section 4.6: Online Banking

Learning Target: We are learning about transaction that can be performed using an online banking tool

Success Criteria:

- I can demonstrate how to schedule and manage bill payments from an online banking account
- I can explain how to verify an online statement for accuracy
- I can describe what may cause the differences between the online balance and my register

You can perform the following transactions without going into a bank/ credit union.

- Direct deposit
- Automatic payments of bills
- Online payment of bills
- Deposit cash/ checks via ATM
- Withdraw cash via ATM
- Transfer of funds from checking to savings or savings to checking (online or via ATM)
- Get information about account balances, previous deposits, previous deposits, previous withdrawals and loan balances

Sample Online Banking Charges

Service	Fee			
Basic Monthly Charge	\$ 6.95			
Bill Payment – N/C 1 st 5	.50			
Printed Statement	4.00			
Replace Lost Card	5.00			
Overdraft	35.00			
International Wire Transfer	20.00			
ATM Transaction Charges				
Local Network	N/C			
Regional Network Surcharge	1.00			
National Network Surcharge	2.00			
Out-of-Network Surcharge	3.00			
Cash Advance – 2% of amt. \$10 max				

^{*}fee may be charged for going over a certain number of transactions, depending on banking institution—KNOW YOUR BANK'S RULES!!

Total Fees =	+	+
	+	+

Ex1: Bob uses online banking. He must pay his monthly service charge, 7 bills, and requested a printed statement. He also has ATM transactions, including 1 out-of-network, one overdraft during the month and a cash advance of \$400. What are the total fees for the month?