

Your Checking Account

Lessons in Personal Banking

STUDENT BOOK

REVISED EDITION

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⌘ Introduction

One day you will reach the age at which most of your mail is bills. You could go to each business and pay cash, but there is an easier way. A checking account will let you pay by mail.

To have a checking account, you must first put money in an account at a bank. You will need to buy checks to use as cash. When you write a check, you are ordering the bank to pay a certain amount of money to that individual or business. Certain businesses will allow you to use an automated teller machine card. This is a special card provided by the bank. It lets you transfer money from your account to the business you are buying from.

Here are some good reasons to have a checking account:

- Cash can be stolen.
- If you lose a check, the bank can stop it from being cashed.
- You won't have to carry a large amount of cash with you.
- It is easier and quicker to pay bills.
- A check is a record of a bill that you have paid. If you need to prove you paid for something, you can get a copy of the check from the bank for a small fee.
- An automated teller machine card will also allow you to get cash, make deposits, transfer money between accounts, check your balances, and make most of your regular transactions.
- A debit card will allow you to do everything an automated teller card allows you to do and also allows you to access funds from your checking account wherever you see a major credit symbol that matches your debit card.

In this book, you will learn how to open a checking account and how to keep track of the money in your account. The first part of this book, *Understanding Your Checking Account*, will tell you how a checking account works. The second part, *Six-Month Banking Simulation*, will give you practice managing a checking account.

⌘ Applying for and Using an Automated Teller Machine Card and/or Debit Card

An automated teller machine (ATM) card can be used to do the following:

- Withdraw cash from your checking or savings account
- Deposit cash or checks into your checking or savings account
- Transfer money between your checking and savings accounts
- Check the balances in your savings and checking accounts
- Change your personal identification number (PIN) and use it immediately

You can use your card at any network location. The transaction is recorded at your own institution. Some automated teller machines may not be open 24 hours a day, and they may not accept deposits or may limit the deposit you can make.

The following are some features of a debit card:

- Can be used just like an ATM card
- Lets you use money from your checking account without writing a check
- May be accepted by businesses in place of checks
- Helps you manage your money better than a regular credit card
- Offers you cash advances around the world
- Is faster and easier than writing a check

Having either of these cards is safer than carrying a large amount of cash. ATM cards and debit cards are both very convenient because you can still use them when your bank is closed.

If either your card or your PIN becomes lost or stolen, notify your bank. Don't use your cards for another person and don't give them to anyone to use. Remember, do not leave your receipt at the ATM. Take it with you. It is best to keep these receipts so you can check them against your bank statement.

Here is an example of a completed automated teller machine card/debit card application:

(Please Print Carefully)

Chris V. Muhlenkamp
First Name Middle Initial Last Name

55 Park Avenue Elka Park, ME
Street Number City State

99999 207-555-5678 207-555-1234
Zip Code Phone No. (Home) Phone No. (Work)

123-45-6789 02/08/80
Social Security No. Date of Birth

MMC CARD NUMBER: PIN:

Account Type (Checking, Savings)	Account Number	Account Title (Optional)
Checking	0439628321-4	
Savings	0438149175-6	

I (We) have received the rules and regulations that control the use of the MMC card and agree to the terms that govern its use. It is further agreed that I (we) will follow the rules and regulations of the issuing institution that deals with the accounts indicated.

Applicant(s) signature Chris Muhlenkamp Date 09/10/07

This application is filled out for one person to receive a card. Only Chris Muhlenkamp is allowed to use this account.

Fill in the blank card application below. Use your own name and address. When you finish, have your teacher check it. The bank (teacher) will give you a card number and help you choose a PIN.

(Please Print Carefully)

First Name Middle Initial Last Name

Street Number City State

Zip Code Phone No. (Home) Phone No. (Work)

Social Security No. Date of Birth

MMC CARD NUMBER: **PIN:**

Account Type Account Number Account Title
 (Checking, Savings) (Optional)

I (We) have received the rules and regulations that control the use of the MMC card and agree to the terms that govern its use. It is further agreed that I (we) will follow the rules and regulations of the issuing institution that deals with the accounts indicated.

Applicant(s) signature _____ Date _____

⌘ Automated teller machine and debit card

The automated teller machine (ATM) will show you exactly what to do. Just follow the directions that appear on the screen. The basic steps for most machines are:

- 1 Insert your ATM or debit card.
- 2 Enter your PIN.
- 3 Select the transaction (deposit, cash, transfer). The choices will appear on the screen.
- 4 Use the keyboard to enter the amount of money involved in the transaction.
- 5 Always follow the instructions on the screen. If you make a mistake, press *no* or *cancel*.
- 6 You can make as many transactions as you want. When you are finished, the machine will return your card and print a receipt for each transaction. Some machines may not accept deposits or may limit the amount of your deposit. Keep the receipt to record the activity in your check record.

⌘ Checking Deposit Slips

To put money into your checking account, you must first fill out a deposit slip. Your checking account number must be on the deposit slip. The bank will give you deposit slips with your checks, or you can fill out a blank deposit slip at the bank. You must also list the amount of cash and checks that you are depositing. All checks should be listed separately. If you want to get some spending money back, write the amount on the “Less cash received” line. This amount is subtracted from the total. The answer is then placed on the “Net deposit” line.

Remember to add deposits to the last balance recorded in your checkbook. The bank will check the deposit slip. Then you can record the amount in the front of the check register where the deposit record is kept. If you use the automated teller machine, the transaction is automatically reported to the bank. Be sure to record these transactions.

Here is an example of a checking deposit slip.

DEPOSIT TICKET																							
<p>DATE <u>January 14,</u> 20<u>00</u></p> <p>ACKNOWLEDGE RECEIPT OF CASH RETURNED BY SIGNING ABOVE.</p> <p>FIRST NATIONAL BANK</p> <p>⑆074905872⑆ 251⑆372⑆8⑆</p> <p style="font-size: small;">CHECKS AND OTHER ITEMS ARE RECEIVED FOR DEPOSIT SUBJECT TO THE PROVISIONS OF THE UNIFORM COMMERCIAL CODE OR ANY APPLICABLE COLLECTION AGREEMENT.</p>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: center;">CASH</td> <td style="text-align: center;">20</td> <td style="text-align: center;">25</td> </tr> <tr> <td style="text-align: center;">LIST CHECKS SINGLY</td> <td style="text-align: center;">284</td> <td style="text-align: center;">00</td> </tr> <tr> <td></td> <td style="text-align: center;">56</td> <td style="text-align: center;">01</td> </tr> <tr> <td style="text-align: center;">TOTAL FROM OTHER SIDE</td> <td></td> <td></td> </tr> <tr> <td style="text-align: center;">TOTAL</td> <td style="text-align: center;">360</td> <td style="text-align: center;">26</td> </tr> <tr> <td style="text-align: center;">LESS CASH RECEIVED</td> <td></td> <td></td> </tr> <tr> <td style="text-align: center;">NET DEPOSIT</td> <td style="text-align: center;">360</td> <td style="text-align: center;">26</td> </tr> </table>	CASH	20	25	LIST CHECKS SINGLY	284	00		56	01	TOTAL FROM OTHER SIDE			TOTAL	360	26	LESS CASH RECEIVED			NET DEPOSIT	360	26	<div style="background-color: #cccccc; width: 50px; height: 50px; margin-bottom: 10px;"></div> <p style="text-align: center; font-size: small;">71-587/749</p> <p style="text-align: center; font-size: x-small;">USE OTHER SIDE FOR ADDITIONAL LISTING</p> <p style="text-align: center; font-size: x-small;">BE SURE EACH ITEM IS PROPERLY ENDORSED</p>
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