

Check It Out



FDIC Financial Education Curriculum

Welcome



1. Agenda
2. Ground Rules
3. Introductions



FDIC Financial Education Curriculum

Objectives: Part 1

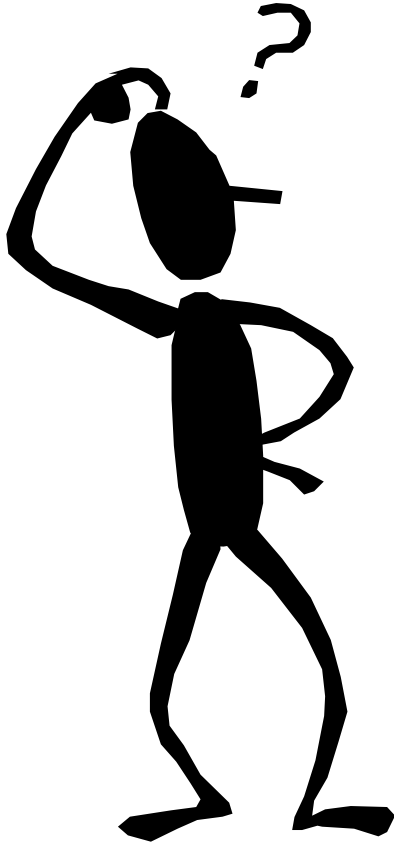


- **State the benefits of using a checking account**
- **Determine which checking account is best for you**
- **Identify the steps to open a checking account**
- **Add money to a checking account**
- **Withdraw money from a checking account**
- **Use an Automated Teller Machine (ATM)**



FDIC Financial Education Curriculum

What Do You Know?



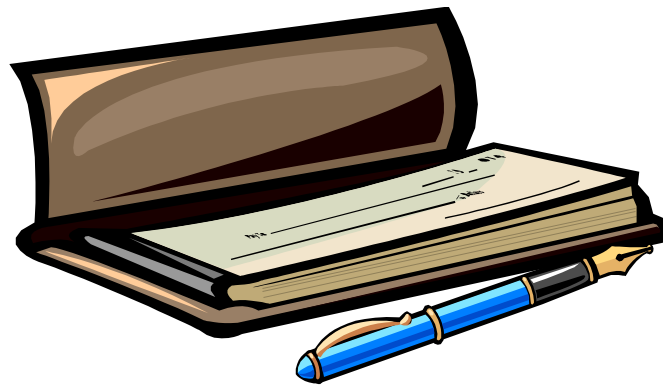
What do you know or want to learn about checking accounts?



FDIC Financial Education Curriculum

Your Experience

- **Have you ever had a checking account?**
- **What comes to mind when you think about checking accounts?**



FDIC Financial Education Curriculum

Benefits of Checking Accounts

- **What are the benefits of having a checking account?**
 - Convenience
 - Cost
 - Better money management
 - Safety



FDIC Financial Education Curriculum

Convenience

- **Quick and easy access to funds**
- **Immediate access to direct deposit funds**
- **Reduced risk of losing cash with use of checks and debit cards**



FDIC Financial Education Curriculum

Cost



Check-cashing and Money Order Fees:

Check-cashing: $4 \times \$20 = \$80 \times 12 \text{ mo.} = \mathbf{\$960/\text{year}}$

Money order: $12 \times \$5 = \mathbf{\$60/\text{year}} + \$960 = \mathbf{\$1,020/\text{year}}$

Checking Account Costs:

Money order: $12 \times \$5 = \mathbf{\$60/\text{year}} + \$18 = \mathbf{\$78/\text{year}}$

**Total savings by using a checking account =
\$942**



FDIC Financial Education Curriculum

Activity 1: Costs of Checking Versus Not Checking

Complete Activity 1 in the Participant Guide.

1. Read each scenario.
2. Answer the questions provided.
3. Compare the costs.



FDIC Financial Education Curriculum

Better Money Management



- **Maintaining a checking account:**
 - Allows you to monitor your spending and make wise spending choices
 - Gives you a better ability to stick to a spending plan and save money
 - Helps you build a positive relationship with your bank for future transactions
 - Provides a record that you pay your bills on time



FDIC Financial Education Curriculum

Safety

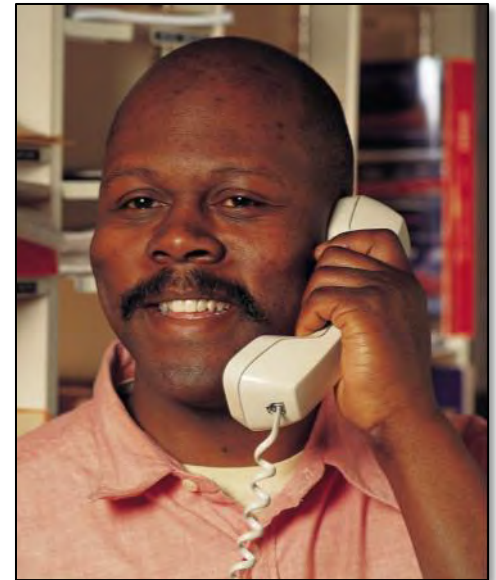
- **Limit your financial loss by reporting lost or stolen checks or debit cards to your bank as soon as possible**
- **Select an FDIC-insured financial institution**
 - Calculate your insurance coverage with the Electronic Deposit Insurance Estimator (EDIE): www.myfdicinsurance.gov



FDIC Financial Education Curriculum

Finding the Right Checking Account

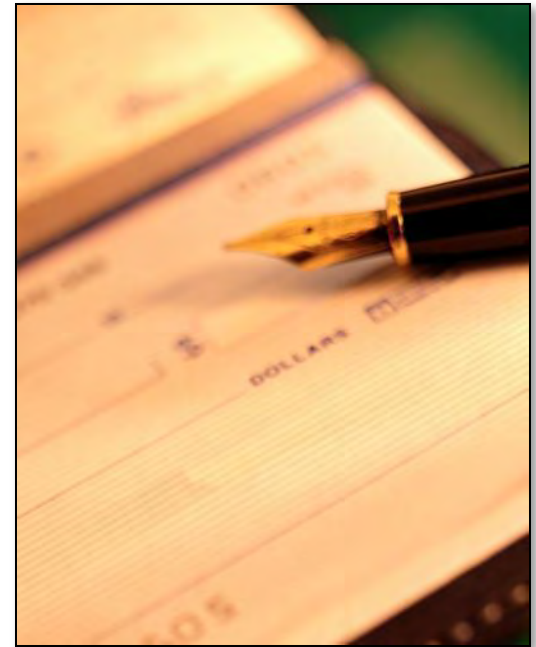
- **Get recommendations**
- **Determine your checking account needs**
- **Compare accounts and fees charged**



FDIC Financial Education Curriculum

Types of Checking Accounts

- **Free/Low-cost checking**
- **Electronic-only/
ATM checking**
- **Regular checking**
- **Interest-bearing checking**



FDIC Financial Education Curriculum

Fee Schedule

- **A fee schedule may include:**

- Monthly service fees
- Minimum balance fees
- ATM user fees
- Overdraft or non-sufficient funds (NSF) fees
- Stop payment fees



Activity 2: Checking Account Fees

Complete Activity 2 in the Participant Guide.

1. Read each description.
2. Fill in the matching fee type.



FDIC Financial Education Curriculum

Activity 3: Choosing the Right Checking Account

Complete Activity 3 in the Participant Guide.

1. Read the scenario and the sample fee schedule.
2. Answer the questions provided.



FDIC Financial Education Curriculum

Requirements for Opening a Checking Account

- **To open an account, you will be asked for:**



- Photo identification (ID)
- Your Social Security Number (SSN) or Individual Taxpayer Identification Number (ITIN)
- Your opening deposit



FDIC Financial Education Curriculum

ID Verification and Checking History

- **Identity verification protects you!**
- **The bank may check your banking and credit histories.**
- **If you are unable to open an account, ask about “second chance” checking programs.**



FDIC Financial Education Curriculum

Check Register

- Use a check register to keep track of the money you put into and take out of your account.

Check Number	Date	Description of Transaction	Payment/Debit (-)	Deposit/Credit (+)	Balance



FDIC Financial Education Curriculum

Check Register

- **Record:**
 - Date: 3/20/20XX
 - Description of Transaction: Opening deposit
 - Deposit/Credit (+): \$200.00
 - Balance: \$200.00

Check Number	Date	Description of Transaction	Payment/Debit (-)	Deposit/Credit (+)	Balance
	3/20	Opening Deposit		200.00	200.00



Cash Deposit

- **When making a cash deposit with a deposit slip:**
 - Make sure the deposit slip has your correct account and address information
 - Write in the transaction date
 - Write in the total cash amount
 - Give the teller your deposit slip and cash



Activity 4: Filling Out a Deposit Slip

Complete Activity 4 in the Participant Guide.

1. Fill out the sample deposit slip.
2. Record the transaction in your check register.



FDIC Financial Education Curriculum

Activity 4: Filling Out a Deposit Slip

Your Name	Deposit Ticket	Cash	30	00
Address	00002215607	Checks		
City, State, Zip				
Date <u>March 22, 20XX</u>				
Deposits May Not be Available for Immediate Withdrawal				
_____ Sign Here for Cash Received (If Required)				
Your Financial Institution		Total	30	00
241071212 00002215607 2201		Less		
		Cash		
		Received		
		Total	30	00
		Deposit		

Check Number	Date	Description of Transaction	Payment/Debit	Deposit/Credit	Balance
			(-)	(+)	
	3/20	Opening Deposit		200 00	\$200 00
	3/22	Deposit		30 00	\$230 00



FDIC Financial Education Curriculum

Check Deposit with a Deposit Slip

- **Sign (endorse) the back of the check to deposit or cash a check**
- **Write “For Deposit Only” if depositing the check**
- **Fill out deposit slip**



FDIC Financial Education Curriculum

Activity 5: Check Deposit with Cash Back

Complete Activity 5 in the Participant Guide.

1. Fill out the sample deposit slip.
2. Record the transaction in your check register.



FDIC Financial Education Curriculum

Activity 5: Check Deposit with Cash Back

Check Number	Date	Description of Transaction	Payment/Debit (-)	Deposit/Credit (+)	Balance
	3/20	Opening Deposit		200 00	\$200 00
	3/22	Deposit		30 00	\$230 00
	3/23	Deposit		50 00	\$280 00
	3/23	Withdrawal	25 00		\$255 00

Your Name		Deposit Ticket	
Address		00002215608	
City, State, Zip			
Date	<u>March 23, 20XX</u>		
Deposits May Not be Available for Immediate Withdrawal			
<u><i>Your Signature</i></u>			
Sign Here for Cash Received (If Required)			
Your Financial Institution			
241071212	00002215608	2201	

Cash		
Checks	50	00
Total	50	00
Less Cash Received	25	00
Total Deposit	25	00



FDIC Financial Education Curriculum

Direct Deposit

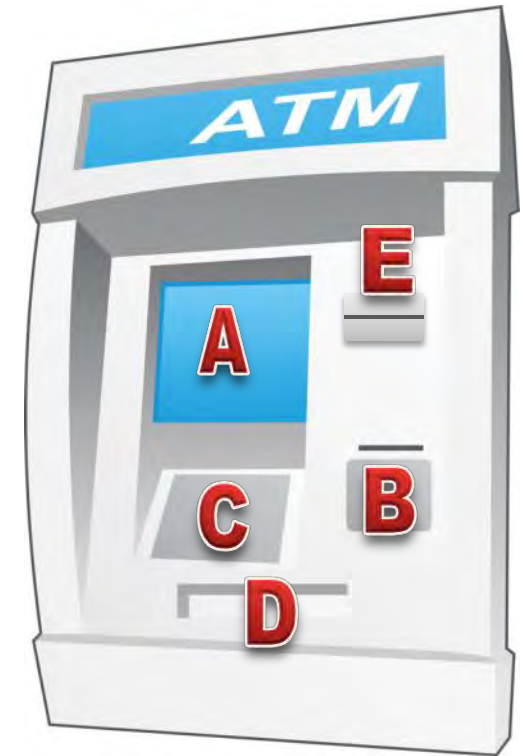
- **Direct deposit:**
 - Is a safe way to receive money
 - Is a convenient and cost effective way to deposit and cash checks
 - Is an easy and convenient way to access your money
 - Is predictable and dependable



FDIC Financial Education Curriculum

Automated Teller Machine

- ATMs allow you to make deposits and withdrawals 24/7.
- ATM parts include:
 - A. ATM screen
 - B. ATM card slot
 - C. ATM keypad
 - D. Money dispenser
 - E. Deposit slot



FDIC Financial Education Curriculum

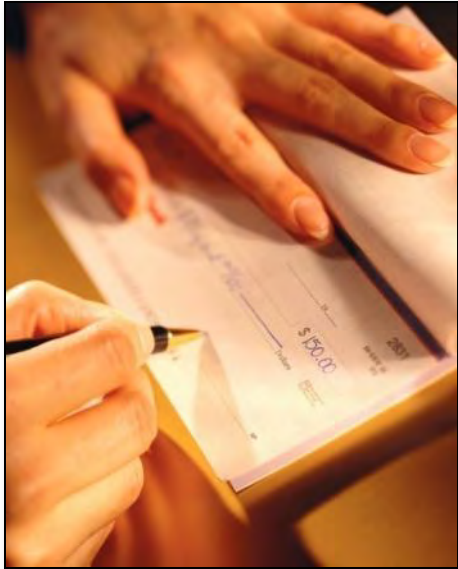
ATM Deposits

- Fill out the deposit slip or envelope, if required
- Insert your ATM card as directed
- Follow the prompts to deposit your money
- Do not forget your card!



FDIC Financial Education Curriculum

Writing a Check



1. Make sure you have enough money in your account
2. Complete all the blank spaces on the check
3. Record the transaction in your check register



FDIC Financial Education Curriculum

Step 1: Make Sure You Have Enough Money

- Record every deposit and withdrawal in your check register
- Verify the account balance is accurate



FDIC Financial Education Curriculum

Step 2: Complete the Check

- **Date**
- **Pay to the order of**
- **Amount**
- **Signature**
- **Memo**

YOUR NAME 69/175-2031 0105

Address Date

City, State, ZIP

Pay to the \$

Order of _____ Dollars

Your Financial Institution

For _____

⑆01242896⑆ 654859699⑆ 3266



Preprinted Information

- Your name and address
- Check number and codes
- Bank's name
- Routing number
- Account number

The diagram shows a check form with several fields highlighted in blue boxes to indicate preprinted information:

- YOUR NAME** (highlighted in a blue box)
- Address** (highlighted in a blue box)
- City, State, ZIP** (highlighted in a blue box)
- 69/175-2031 0105** (highlighted in a blue box, representing the check number and MICR line)
- Pay to the** (highlighted in a blue box)
- Order of** (highlighted in a blue box)
- Your Financial Institution** (highlighted in a blue box)
- For** (highlighted in a blue box)
- i:01242896i: 654859699ii 3266** (highlighted in a blue box, representing the MICR line)

Other fields on the form include:

- Date** (indicated by a line and the word "Date")
- \$** (dollar sign)
- Dollars** (indicated by a line and the word "Dollars")



Activity 6: Writing a Check

Complete Activity 6 in the Participant Guide.

1. Fill out the sample check.
2. Record the transaction in your check register.



FDIC Financial Education Curriculum

Activity 6: Writing a Check

YOUR NAME	69/175-2031	0105
Address		<u>03/20/20XX</u>
City, State, ZIP		Date
Pay to the Order of <u>Coffee Mart</u>	\$	<u>19.75</u>
<u>Nineteen Dollars and 75/100</u>		Dollars
Your Financial Institution		
For <u>New coffee maker</u>	<u>Sign your name here</u>	
I:01242896I: 654859699II* 3266		



Step 3: Record the Transaction

Check Number	Date	Description of Transaction	Payment/Debit		Deposit/Credit		Balance	
			(-)		(+)			
	3/20	Opening Deposit			200	00	\$200	00
	3/22	Deposit			30	00	\$230	00
	3/23	Deposit			50	00	\$280	00
	3/23	Withdrawal	25	00			\$255	00
105	3/26	Coffee Mart	19	75			\$235	25



FDIC Financial Education

Writing a Check for Cash

- Write “Cash” or your name on the “Pay to the Order Of” line

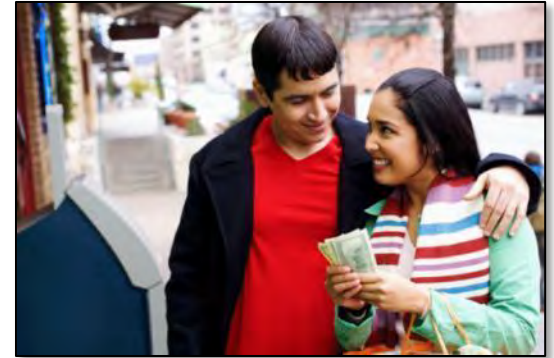
YOUR NAME	69/175-2031	0105
Address		
City, State, ZIP	<u>03/20/20XX</u>	Date
Pay to the Order of <u>Cash</u>	\$	40.00
<u>Forty Dollars and 00/100</u>		Dollars
Your Financial Institution		
For _____	<u>Sign your name here.</u>	
I:01242896I: 654859699II• 3266		



FDIC Financial Education Curriculum

Withdrawing Money from an ATM

1. Insert your ATM card
2. Follow the prompts on the screen
3. Take your money and ATM card (if applicable)



If using another bank's ATM, be aware of the fees your bank and the other bank charges.



FDIC Financial Education Curriculum

Summary

- **What final questions do you have?**
- **What have you learned?**
- **How would you evaluate the training?**



FDIC Financial Education Curriculum

Part 1 Conclusion

- **You learned about:**
 - The benefits of having a checking account instead of using a check-cashing service
 - The types of checking accounts available
 - How to open a checking account
 - How to write checks
 - How to use ATM and debit cards
 - How to make deposits and withdrawals
 - How to keep accurate records



FDIC Financial Education Curriculum

Objectives: Part 2



- **List four types of electronic banking services**
- **Explain how debit cards are linked to checking accounts**
- **Record fees and transactions in your check register**



FDIC Financial Education Curriculum

Objectives: Part 2

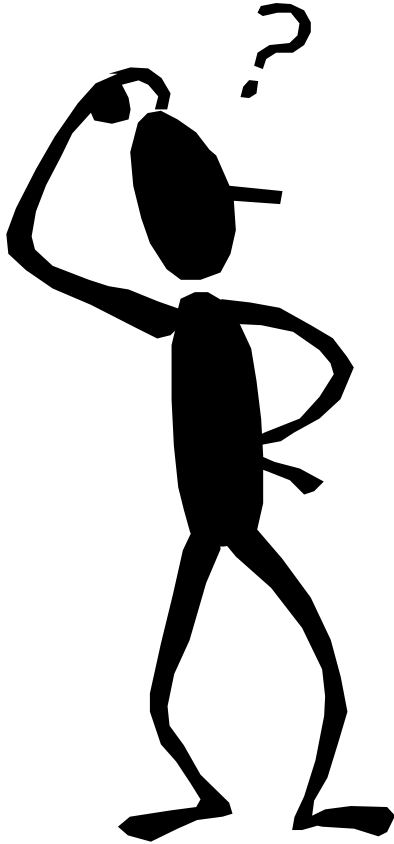


- **Explain overdraft fees and how they affect your checking account**
- **Reconcile a check register with a bank statement**
- **Describe how to manage a checking account wisely**



FDIC Financial Education Curriculum

What Do You Know?



What do you know or want to learn about checking accounts?



FDIC Financial Education Curriculum

Electronic Banking

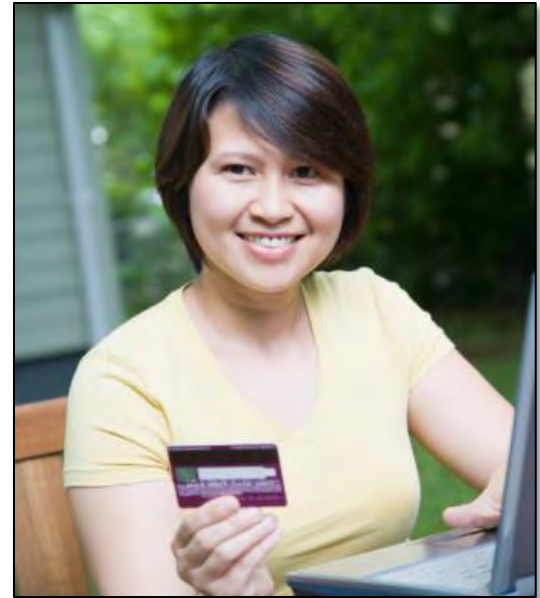
- **Electronic banking includes:**
 - ATM and transactions
 - Automatic bill pay
 - Online bill pay
 - Cell phone banking



FDIC Financial Education Curriculum

Debit Cards

- **With a debit card, you can:**
 - Withdraw cash from an ATM
 - Make purchases at retail locations
- **You must have a Personal Identification Number (PIN) to complete electronic debit card transactions.**



FDIC Financial Education Curriculum

Automatic and Online Bill Payment

- ***Automatic bill payment*** transfers money electronically from your account to pay your bills automatically.
- ***Online bill payment*** allows you to designate when bills are paid from your account each month.



Cell Phone (Mobile) Banking

- **Options may include:**
 - Text messaging with your financial institution
 - Accessing your online bank account from your cell phone
 - Instantly paying for purchases using your cell phone



FDIC Financial Education Curriculum

Steps to Keeping Accurate Account Records

1. Record all transactions in your check register or budgeting software
2. Record maintenance fees, interest, and other bank charges
3. Review monthly checking account statements
4. Reconcile your check register with monthly checking account statements



FDIC Financial Education Curriculum

ATM Receipts

- **Printed receipts may include:**
 - Transaction amount
 - Any extra fees charged
 - Transaction date and time
 - Transaction type
 - Account or card code and available balance
 - ATM location, ID, or code
 - Bank or merchant name

TOTAL	\$200.00
TERMINAL FEE	\$1.00
DATE	TIME
01/24/12	16:52
TRANSACTION	
WITHDRAWAL CHECKING	
92465135846	
CARD NUMBER	
*****5355	
AVAILABLE	\$1039.54
99 E. RIVER RD	
CITY	ST
YOUR FINANCIAL INSTITUTION	



FDIC Financial Education Curriculum

Record All Transactions in Your Check Register

Check Number	Date	Description of Transaction	Payment/Debit (-)	Deposit/Credit (+)	Balance



FDIC Financial Education Curriculum

Activity 1: Record Transactions in Your Check Register

Complete Activity 1 in the Participant Guide.

1. Record the transactions in your check register.



FDIC Financial Education Curriculum

Record All Transactions

Check Number	Date	Description of Transaction	Payment/Debit (-)	Deposit/Credit (+)	Balance
	2/20	Opening Balance			\$200:00
105	2/26	Coffee Mart	19:75		\$180:25
	3/12	Withdrawal	100:00		\$80:25
	3/19	Deposit		30:00	\$110:25
	3/19	Deposit		50:00	\$160:25



Record Interest and Fees

Check Number	Date	Description of Transaction	Payment/Debit (-)	Deposit/Credit (+)	Balance
	2/20	Opening Balance			\$200:00
105	2/26	Coffee Mart	19:75		\$180:25
	3/12	Withdrawal	100:00		\$80:25
	3/19	Deposit		30:00	\$110:25
	3/19	Deposit		50:00	\$160:25
	3/20	Monthly fee	5:00		\$155:25



Checking Account Statement

1. Bank name/address
2. Statement period
3. Your name/address
4. Account number
5. Transactions
6. Cashed checks
7. Account summary with fees/charges

Y	Your Bank 1212 Y Street Somewhere, US 00001		Your Name 4321 Second Street Somewhere, US 00001 Account Number 543685321454				
	Summary of Account Activity For period ending 3/20/20XX Date of last statement 2/20/20XX						
Date	Transaction Description	Withdrawal/ Deposit Amount	Balance				
2/20	Previous Balance		200.00				
2/26	Check #105	-19.75	180.25				
3/12	ATM Withdrawal	-100.00	80.25				
3/20	Monthly Fee	-5.00	75.25				
			Ending Balance 75.25				
Cleared Checks		Amount					
	Check #						
	105	19.75					
		Summary					
<i>Previous Balance</i>	<i>Total Deposits</i>	<i>Total Withdr.</i>	<i>No. of Checks</i>	<i>No. ATM Transactions</i>	<i>No. of Deposits</i>	<i>Service Charge</i>	<i>New Balance</i>
\$200.00	\$0	\$119.75	1	1	0	\$5.00	\$75.25



Reconciling Your Checking Account

- ***Balancing:*** Keeping your checkbook register up-to-date and maintaining totals
- ***Reconciling:*** Finding and correcting any differences between the statement balance and your check register balance



FDIC Financial Education Curriculum

Activity 2: Reconcile Your Check Register

Complete Activity 2 in the Participant Guide.

1. Use the monthly account statement to reconcile your check register.
2. Follow the directions listed in your Participant Guide.



FDIC Financial Education Curriculum

Activity 3: Checking Account Reconciliation Form

Complete Activity 3 in the Participant Guide.

1. Use the checking account reconciliation form to reconcile your check register with your monthly account statement.
2. Follow the directions listed in your Participant Guide.



FDIC Financial Education Curriculum

Activity 3: Checking Account Reconciliation Form

Step 2 List and total all outstanding deposits		Step 3 List and total all outstanding withdrawals or debits	
Date	Amount	Date	Amount
3/19/20XX	\$30.00		
3/19/20XX	\$50.00		
Total	\$80.00	Total	



Activity 3: Checking Account Reconciliation Form

Step 4	
Account balance	\$75.25
Add deposits outstanding (Step 2)	\$80.00
Total	\$155.25
Subtract withdrawals outstanding (Step 3)	0
Balance	\$155.25
*This balance should agree with the balance in your check register.	



Correcting Errors

- **Call, write, or visit your bank as soon as you find an error on your bank statement**
- **Follow up with a letter detailing the error, if applicable**
- **Notify the bank of error no later than 60 days after the date of the statement**



Overdraft Fees

- **Overdraft fees:**
 - Charged when you spend more money than you have in your account
- **Non-Sufficient Funds (NSF) fees:**
 - Occur when a bank returns a check or other item unpaid because you do not have sufficient funds in your account to cover it



FDIC Financial Education Curriculum

Opt-In Rule for Some ATM/Debit Card Transactions

- **New opt-in rule: the bank will ask you how to handle ATM and point of sale debit card transactions that would overdraw your account**
 - By default, you are “opted-out.”
 - If you opt-in to an overdraft program, the bank will charge a fee to cover transactions.
 - You can change your mind.



FDIC Financial Education Curriculum

Sample Opt-In Notice

If you also want us to authorize and pay overdrafts on ATM and everyday debit card transactions, call [telephone number], visit [Web site], or complete the form below and [present it at a branch][mail it to:

 I do not want [Institution Name] to authorize and pay overdrafts on my ATM and everyday debit card transactions.

I want [Institution Name] to authorize and pay overdrafts on my ATM and everyday debit card transactions.

Printed Name: _____

Date: _____

[Account Number]: _____]



FDIC Financial Education Curriculum

Other Types of Overdrafts

- **The Overdraft Opt-in Rule does not apply to other types of overdraft transactions, such as:**
 - Checks
 - Automatic (scheduled) bill payments (e.g., online bill-pay and recurring charges billed to a debit card)



“Bad Checks”

- **Writing bad checks can have very serious consequences for you:**
 - Fees of \$30 or more
 - Your bank can close your account and report negative information to credit bureaus
 - The check might be turned over to a collections agency
 - Knowingly writing a bad check is a crime in every state



FDIC Financial Education Curriculum

Overdraft Scenario

- Lisa spent \$150. She only had \$125 in her account. She was charged a \$30 overdraft fee.
- How much did Lisa overdraw her account?
 $\$25 + \$30 \text{ fee} = \$55$
- She gets paid in 3 days and is charged \$5/day she is overdrawn. How much will she be overdrawn? $3 \times \$5 = \$15 + \$55 = \70
- When Lisa receives her paycheck for \$865, what will her new balance be? $\$865 - \$70 = \$795$



FDIC Financial Education Curriculum

Avoiding Overdraft Fees

- **Keep your check register updated**
- **Pay attention to electronic transactions**
- **Remember to record automatic payments and checks**
- **Keep track of your account balance**
- **Review your statements monthly**



FDIC Financial Education Curriculum

Summary

- **What final questions do you have?**
- **What have you learned?**
- **How would you evaluate the training?**



FDIC Financial Education Curriculum

Conclusion

- **You learned about:**
 - Electronic banking
 - Reconciling an account
 - Overdraft and **line of credit** programs
 - Debit cards and your checking account
 - How to manage your checking account wisely



FDIC Financial Education Curriculum