

Participant Guide

FDIC



FDIC Financial Education Curriculum



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Checking In

Welcome

Welcome to *Check It Out*! You are taking a step to building a better financial future for yourself and your family by learning how to manage a checking account responsibly. You will also discover that having a checking account is convenient and can save you money.

Objectives

After completing this part of the module, you will be able to:

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

Participant Materials

This *Check It Out* Participant Guide contains:

- Information and activities to help you learn the material
- Tools and instructions to complete the activities
- Checklists and tip sheets
- A glossary of the terms used in this module

Pre-Test

Test your knowledge about checking accounts before you go through the course.

- 1. Which of these is a benefit of having a checking account? Select all that apply.**
 - a. You can pay for things over time instead of all at once
 - b. Better money management
 - c. Lower taxes
 - d. You can save money paying bills by check or online

- 2. There are different types of checking accounts. Three common types are: (Select all that apply).**
 - a. Free checking
 - b. Interest-bearing checking
 - c. Per-transaction fee checking
 - d. Electronic-only/ATM checking

- 3. A “second chance” checking program is an account that:**
 - a. Provides extra funds if you run out of money
 - b. The bank will offer you if you are unhappy with your existing checking account
 - c. Comes with an interest-free credit card
 - d. You can open if you cannot open a regular checking account because of past negative financial events

- 4. Preprinted checks have some of your personal information already printed on them. However, you should never include your (select two):**
 - a. Name
 - b. Social Security Number
 - c. Address
 - d. Driver’s license number

- 5. Select all that apply. To withdraw money from your checking account, you can:**
 - a. Use an ATM card at a machine
 - b. Write a check out to “cash” and go to a teller
 - c. Use a credit card
 - d. Get a gift card at a store and cash it in at your bank

- 6. Direct deposit is a way to keep your money safe because:**
 - a. You have the check sent directly to a check-cashing location
 - b. You cannot withdraw it once you deposit the check
 - c. It waives the fee at a check-cashing store
 - d. Your check goes directly to your bank account and there is no risk of misplacing it

- 7. You should balance your checking account at least:**
- Every day
 - Every week
 - Every month
 - Twice a year
- 8. Which two of these will best help you determine if a particular checking account is right for you?**
- Ask the bank what the fees are, so you know if you can get a better deal elsewhere.
 - Find out if they have checks with your favorite team's logo on them.
 - Ask about different services to see if the bank offers the ones you need.
 - The bank allows you to negotiate monthly service charges.
- 9. Put the following steps to opening a checking account in order from first to last:**
- | | |
|---|----------|
| a. Provide some photo identification (ID) to the bank | 1. _____ |
| b. Learn as much as you can about different account options | 2. _____ |
| c. Determine your needs | 3. _____ |
| d. Make a deposit | 4. _____ |
| e. Select an account | 5. _____ |
- 10. Select all that apply. In order to add money to a checking account, you might:**
- Fill out a deposit slip and give your deposit to a teller
 - Cash your paycheck and send your cash deposit through the mail
 - Write a check out for "cash"
 - Deposit cash at the ATM

Benefits of a Checking Account

Convenience

Checking accounts are convenient because they provide you with quick and easy access to your money. Paychecks, income tax refunds, and public assistance benefits can be directly deposited into your account. *Direct deposit* means that rather than receiving money as a paper check, the money is electronically deposited into your bank account. With a checking account, you also have the benefit of using checks and debit cards to make purchases or payments, rather than carrying and using cash. This can reduce your risk of losing cash.

Cost

A checking account is usually less expensive than other services (e.g., check-cashing services or buying money orders). Remember, it saves to shop for the best deal when comparing checking accounts; if you do not like the “price” at one bank check with another.

Better Money Management

Using a checking account can help you manage your money if you regularly record or monitor your transactions. *Transactions* are actions you perform with your account, including: depositing or withdrawing money, writing a check or using your debit card to pay bills and make purchases, and having funds directly deposited into your account.

Maintaining a checking account (or other types of bank accounts):

- 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 (e.g., getting future credit or loans)
- Provides a record that you pay your bills on time

Safety

It is safer to use checks and debit cards than to carry large amounts of cash. Additionally, you can limit your financial loss if you report lost or stolen checks or debit cards to your bank as soon as possible.

Keeping your money in a Federal Deposit Insurance Corporation (FDIC)-insured financial institution means your money is safe up to the insured limit by law if the financial institution closes for any reason and cannot return your money to you.

- Visit the FDIC’s **Electronic Deposit Insurance Estimator (EDIE)** at www.myfdicinsurance.gov. It lets you calculate the insurance coverage of your accounts at each FDIC-insured institution.

Activity 1: Comparing Costs

Read each scenario below. Then answer the questions to determine if Bob can save money by opening a checking account instead of using a check-cashing service.

Scenario 1: Bob

Bob cashes his weekly paycheck at Fees4Cash, a check-cashing counter. Fees4Cash charges Bob \$5.00 to cash every check.

1. How much does Bob pay Fees4Cash each month to cash his paychecks?

2. How much does Bob pay each year (based on 52 weeks)?

Scenario 2: Martin

Martin opts to have his paycheck from his employer deposited onto a stored value card he purchased for \$5 at a local supermarket because his employer did not offer payroll cards.

Stored value cards, or prepaid cards, generally allow consumers to spend only the money deposited on the card. *Payroll cards* are one of four main types of stored value card. They are used by an employer to pay wages instead of giving you a paper paycheck. Payroll cards are unique from other types of stored value cards because you do not need to purchase them or pay activation fees since your employer provides the card.

The card advertises that money could be “loaded” onto it via direct deposit or by going to certain stores. It has a major credit issuer logo on it, so he could use it anywhere, like a credit or debit card. Martin uses his stored value card to go to four utility companies (electric, water, phone, and cable TV) and pay the bills in person. He is charged \$2 for every transaction by his card issuer.

1. How much does Martin pay each month in fees when using the stored value card to pay his bills?

2. How much does Martin pay each year in fees when using the stored value card to pay his bills?

Scenario 3: Shellie

Shellie has a checking account. The bank charges a monthly fee of \$6 only if she does not use direct deposit or her debit card more than five times per month.

1. If Shellie uses direct deposit or her debit card frequently, and she uses no more than one box of checks every year, which cost her \$18, how much does she pay to maintain her checking account?

Comparing Scenarios

1. How much can Bob save per year if he opens a checking account and pays what Shellie does?

2. Even if Bob pays a \$6 monthly fee for a total of \$72 a year, plus the cost of the checks (\$18), how much could he save each year?

3. How much can Martin save each year if he opens a checking account and pays what Shellie does?

Determining Your Account Needs Worksheet

The following questions will help you determine what you need in a checking account.

Convenience	
How many checks do you think you will write per month?	
Will you use the ATM or teller services often? Does the bank have ATMs or locations close to where you live or work?	
What are the bank's hours of operation?	
Do you plan to do most of your banking online or with a debit card?	
What other bank services are important to you?	
What online services does the bank offer?	
Can you link your savings account to your checking account to cover overdrafts?	
Cost	
How much money will you keep in your account?	
Will you be charged for writing checks?	
Will you be charged for online banking/bill pay?	
Are you willing to pay a monthly fee? If so, how much?	
Will you be charged to use your bank's ATM?	
Will you be charged for using other banks' ATMs?	
Will you be charged for using teller services or contacting customer service?	
Are there ways to avoid paying fees?	

Types of Checking Accounts

Free/Low-Cost Checking

The charge for a low-cost checking account is often no more than \$5 per month. However, this fee may be waived if you use direct deposit or use your ATM or debit card a minimum number of times a month.

Electronic-only/ATM Checking

This account usually requires you to use direct deposit and your ATM or debit card. This account might be right for you if you handle most of your banking transactions online or via an ATM rather than going in to a bank branch. Remember to verify the fees! You may be charged a monthly service charge for not meeting a minimum number of online or electronic transactions, writing checks, or using in-person teller services.



Regular Checking

With a regular checking account, there is usually a minimum balance required to waive the monthly service fee. This type of account usually offers unlimited check-writing privileges.

Interest-Bearing Checking

With these accounts, you usually have to maintain a high minimum balance—generally at least \$1,000—in order to earn interest and avoid fees. There are different interest-bearing accounts:

- Negotiable Order of Withdrawal (NOW) account
- Money Market Deposit Account (MMDA)

Choosing a Bank and a Checking Account Checklist

*If the financial institution is a credit union, be sure you are eligible to join.	Bank Name/ Account Type _____	Bank Name/ Account Type _____	Bank Name/ Account Type _____
Bank Information			
Does the bank offer the services I need?			
Convenient branches and ATMs?			
Bank hours?			
Do employees speak my language?			
Is it insured by FDIC/National Credit Union Administration (NCUA)?			
Accounts			
• Requirements for opening account?			
Checking Accounts			
• Minimum opening balance?			
• Minimum monthly balance?			
• Fees?			
• Fee waivers available?			
• Number of withdrawals per month without a fee?			
• Earns interest?			
• Deposit hold times?			
Overdraft Programs			
• Low balance alerts offered?			
• Overdraft fees?			
• Link to a savings account to cover overdrafts?			
• Opt-out options?			
Savings accounts			
• Minimum opening balance?			
• Minimum monthly balance?			
• Annual percentage yield (APY)?			
• Fees?			
• Fee waivers available?			
• Withdrawal limits per month?			
• Services available?			
ATM Cards			
• Fees?			

• Fee waivers available?			
• Location/number of ATMs?			
Debit cards			
• Fees?			
• Fee waivers available?			
• Rebates or bonuses for use?			
• Location/number of ATMs?			
• Debit card transactions requirements or limits?			
Mobile/online banking			
• Is it available?			
• Transaction types and limits?			
• Fees?			
• Fee waivers available?			
• Online bill pay?			
Other Information?			
Total Monthly Costs			
Total Annual Costs			

Activity 2: Checking Account Fees

Match the fee description with its fee type. Read each description and choose a fee type from the box. Then write the fee type next to the description.

Phone Inquiry Fee	Returned Deposit Item
Teller Fee	Overdraft Fee
Monthly Service Fee	Check Printing Fee
ATM-Use Fee	Fee for helping you balance your checkbook
Stop-Payment Fee	Per-Check Fee

Fee Type	Description
	This is also called a maintenance fee. The bank might charge this monthly fee just for having the account.
	This is a fee for each check you write. Depending on the account, you might pay the fee for each check, or only when you write more than a certain number of checks (perhaps five) a month.
	A charge automatically deducted from your checking account for printing checks you purchase from the bank. You can buy checks from other companies as well, choosing from many different designs.
	A charge for using the ATM at your bank or at a bank other than your own. If you use another bank's ATM that bank may charge an additional fee.
	Also called <i>non-sufficient funds (NSF) fees</i> , these fees are charged when you do not have enough money in your account to cover your transactions (e.g., withdrawal, purchase, or payment).
	Banks might charge you this fee if a check you wrote is cashed or deposited and do not have enough money in the account to cover the check.
	This fee is charged if you ask the bank to stop the check from being paid. Note that the bank might not be able to catch the check before it is paid.
	Some banks charge this fee if you call to check your balance or determine whether a check or deposit has cleared.
	Some banks will help you balance your checkbook. Others might charge you for this service.
	Some banks may charge a fee if you use a teller to make deposits or withdrawals more than a set number of times each month. Banks that charge this fee do so to encourage you to use an ATM for your basic banking transactions.

Activity 3: Choosing the Right Checking Account

Read the scenario. Determine whether or not David should open a checking account. Then read and answer the questions about fees a bank might charge.

Scenario

David is trying to decide whether a checking account is right for him. He has been using a check-cashing store, which charges \$5 to cash a check. He gets paid every Friday, so this costs him \$20 to \$25 a month. David has four bills that he pays with money orders each month. They each cost \$1 each, so this brings his total monthly costs to \$24 to \$29.

His employer recently told him about direct deposit, but David must have a bank account in order to use this service. David's sister told him about her bank. It charges \$6 a month for a checking account. However, this fee is waived if you use direct deposit. A box of 250 checks will last David a year and cost him \$18. He can write checks and use the bank's ATM for free.

What advice would you give David?

YourChoice Bank Fee Schedule for a Checking Account	
Monthly service fee This fee is waived if you keep a minimum daily balance of \$500	\$10
ATM transaction fee at: <ul style="list-style-type: none"> Your bank Other banks 	FREE \$2
Overdraft or NSF fee	\$35 per item
Stop payment requests fee	\$35 per item

- Last month, Andre used an ATM at YourChoice Bank five times, and he used another bank's ATM twice. How much will YourChoice Bank charge Andre for using his ATM card last month?_____
- Last week, Patricia wrote a \$200 check to her friend but lost the check. She wanted to make sure no one cashed the check so she made a stop payment request. How much must Patricia pay to request a stop payment?_____
- For the past 11 months, Samuel kept at least \$600 in his checking account every day. Last month, an emergency came up and his balance was \$100. In the 12-month period, how much will Samuel pay in monthly service fees?_____
- Robert wrote a check for \$500 to pay his rent. He forgot that he had only \$450 in his checking account. What is the name of the \$35 fee Robert had to pay to YourChoice Bank?_____

Frequently Asked Questions

These are questions you may have during your search for a checking account. You can refer to this list for information or ask a bank professional for information specific to that bank.

1. What are the fees?

The Truth in Savings Act requires institutions to disclose fees before you open a deposit account. If there is a monthly fee, ask about ways to reduce or eliminate it (e.g., having your paycheck or Social Security check directly deposited to your account or by maintaining a minimum balance). Also ask about other fees (e.g., for using ATMs or overdrawing your account). As you shop around, consider only the fees you expect to incur and do not worry about the rest.

2. Is there a minimum balance requirement? What is the penalty for going below the minimum?

You may be able to meet the requirement or reduce the penalty if you have other accounts at the same bank or if you use direct deposit.

3. Will the account earn interest? If so, how much and what factors can raise or reduce the interest rate?

Some checking accounts pay interest, others do not. A high interest rate or APY on a checking account is definitely an attention grabber. But that great rate shouldn't divert your attention from fees that can significantly reduce, if not wipe out, your earnings. Examples include monthly fees for going below a minimum balance, monthly or quarterly "inactivity" fees if you have had no deposits or withdrawals for a certain time period, and annual service charges on Individual Retirement Accounts (IRAs).

To get the best deal possible, first think about how you plan to use the account and how much you expect to keep on deposit, and then compare different accounts at a few different institutions. Do the math as best you can, figuring your interest earnings after a year, and then subtract the estimated fees for services or a low balance based on your expected use of the account. Sometimes an account that pays no interest can be a better deal than an interest-bearing account that is heavy with fees you are likely to have to pay.

Also, remember that just because an account is advertised as "free" or "no cost," it does not mean you will pay nothing. Under Federal Reserve Board rules, an account may be described as free even if certain fees are charged (e.g., for ATM withdrawals or overdrafts).

4. If I overdraw my account, what are my options for avoiding fees for insufficient funds?

Many banks offer overdraft lines of credit, which work like a loan. Keep in mind that these programs typically come with their own costs. Of course, the best way to avoid overdrawing your account is to keep your checkbook up-to-date by recording all transactions and regularly balancing your account.

5. How can I avoid unnecessary costs?

Keep your check register up to date. Deduct for all withdrawals—not only for checks but also for ATM transactions, bank fees, and debit card purchases. Do not rely on your ATM receipt for balance information, because it may not reflect outstanding checks or debit card transactions.

Promptly compare your check register with your bank statement to look for errors or unauthorized transactions. Open and review your monthly statement as soon as it arrives in the mail, or check your account information more frequently online or by telephone.

Take additional precautions to avoid fees for insufficient funds. For instance, make sure you have enough money in your account before you write a big check, use your debit card, or arrange for an automatic payment. Also, remember that under federal rules that allow banking institutions to put a temporary “hold” on certain deposits, you may have to wait from 1 to 5 business days (in most situations) before you can withdraw funds deposited into your account; possibly longer in other circumstances (e.g., deposits over \$5,000 or if your account has been repeatedly overdrawn).

6. Will the bank and the account be convenient for me?

If you make frequent visits to the bank or to ATMs, their locations (and the fees paid for ATM withdrawals) may be the most important consideration in deciding where to open a checking account.

7. How can I protect myself and my family from identity theft?

Be extra careful with your full name and address, date of birth, Social Security Number (SSN), bank account information, phone number, and your mother’s maiden name. This is personal information that banks and other businesses use to confirm your identity, which can be very valuable to an identity thief wanting to pose as you to commit fraud.

Do not give out personal information in response to an incoming call or email from a stranger, or an advertisement on the Internet. For example, beware of what law enforcement officials call “phishing,” a type of identity theft in which criminals use fake websites and emails to “fish” for valuable personal information.

Take advantage of your right under federal law to obtain one free copy of your credit report (a history of paying debts and other bills) each year from each of the three nationwide credit bureaus (Equifax, Experian, and TransUnion). Identity thieves may use your information to open a new credit card account in your name. Then, when they do not pay the bills, the delinquent account is reported on your credit report. Inaccurate information like that could affect your ability to get credit, insurance, or even a job. By periodically reviewing your report, you can make sure the information is accurate and correct any omissions or errors, especially before you apply for a home loan or seek some other benefit where your credit report could affect the outcome.

Opening a Checking Account

Requirements for Opening a Checking Account

When you decide to open a checking account you will be asked to prove your identity by providing: a photo ID (e.g., a state-issued driver's license or ID card), your SSN, or Individual Taxpayer Identification Number (ITIN) for your opening deposit.

The bank will then verify you are who you say you are and have you complete a signature card. A *signature card* is a form you complete and sign when opening an account. This is the document that identifies you as the owner of the account, and it identifies what your signature looks like. This helps protect you and your money against forgeries and unauthorized account use.

Identity Verification and Checking History

The bank performs identity verification because it wants to make sure that no one is trying to steal your identity to open an account. The bank may also check to see whether you have any outstanding issues with other banks, and how you have managed your accounts in the past. The bank may even pull your credit report to assess your risk as a potential customer.

If the bank determines that you are not eligible to open an account, ask about “second chance” checking programs. These programs may require you to meet certain requirements (e.g., completing a check-writing workshop). Ask your local financial institution and/or any reputable credit counseling agency if there are programs in your area.

Check Register

You can use a check register to keep track of the money you put into and take out of your checking account.

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

Using Money in Your Checking Account

Depositing Money

Cash Deposit with a Deposit Slip

Deposit slips are included in your checkbook, and have your account number printed on them. When making a cash deposit with a deposit slip:

- Make sure the deposit slip has your correct account and address information. If not, write it in the spaces provided.
- Write in the transaction date.
- Add up the total cash and checks and write the amounts in the correct spaces (e.g., cash in the “Cash” or “Currency” boxes and checks in the “Check” box).
- Give the teller your deposit slip and your cash. The teller will count the money before depositing it into your account.

Check Deposit with a Deposit Slip

The back of the check has what is called an *endorsement area*. *Endorsing* a check means to sign the back of it so you can deposit or cash the check.

If depositing the check, you should write “For Deposit Only” and sign your name in the endorsement area. “For Deposit Only” prevents others from cashing your check if it is lost or stolen. When you receive a check as payment and want to cash it, you would only sign your name in the endorsement section.

If you have more checks than will fit on the front of the deposit slip:

- Use the back of the deposit slip to list them.
- Add up the amounts of the checks on the back of the deposit slip.
- Transfer this total to the front.
- Enter this amount in the box labeled “Or Total From Reverse.”

When you deposit your check(s) you can also receive cash back. *Net deposit* is the amount that will go into your account after you subtract any cash that you are receiving.

Deposits by Mail

You may also be able to make deposits by mailing your checks and deposit slip to your bank. You should never send cash through the mail.

Direct Deposit

Direct deposit occurs when your employer or a government agency electronically deposits your paycheck or benefits into your checking account. Not all employers offer direct deposit; ask your employer what options are available to you.

If you are a recipient of federal benefits (e.g., Social Security or Supplemental Security Income) you might qualify for an Electronic Transfer Account (ETA). Call **1 (888) 382-3311** or visit www.eta-find.gov/ for more details. To sign up for direct deposit of your Social Security or other federal benefits, you can contact **Go Direct** at www.GoDirect.org, or call **1 (800) 333-1795**.

ATM Deposits

An ATM allows you to make deposits and withdrawals 24 hours a day, 7 days a week. You can also use an ATM to check your account balance and transfer money between savings and checking accounts. In order to use an ATM you must have a *Personal Identification Number (PIN)*.

PINs are a “secret code,” usually 4 digits, which you enter with the keypad on the ATM when you first insert your card into the machine. You should never tell anyone your PIN, or write it down where you keep your ATM/debit card. Otherwise, someone may use your PIN and take all the money from your account.

If someone uses your card without your permission, federal law protects you. However, to be fully protected and to minimize your losses, report lost or stolen ATM/debit cards and/or unauthorized charges to your bank immediately.

With some ATMs you can deposit checks and cash directly into the ATM. Other ATMs require you to put your deposit into a deposit envelope provided in a tray or box near the ATM.

Be sure to fill in the information listed on the envelope if your bank requests it. This information may include your name, phone number, account number, and deposit amount.

Include a deposit slip in the envelope, and insert the envelope into the ATM when it prompts you to do so.

To make an ATM deposit:

1. Insert your ATM card, using the illustration indicating which end of the card to insert first.
2. Follow the prompts to deposit the money:
 - a. Enter your PIN.
 - b. Select “Deposit” from the touch screen menu or the appropriate button to the side of the screen.
 - c. Use the keypad to enter the amount you are depositing.
 - d. Insert the cash or checks as directed. Some ATMs now have electronic readers. If you insert your cash or checks, it will automatically count and add the amount for you. For this type of machine, you do not need a deposit slip.
 - e. The machine may ask if you want to complete another transaction and if you want a receipt—if you do, press “Yes”; if not, press “No.”
3. After you finish, the ATM will return your ATM card. **Do not forget to take your ATM card!**

Do you expect to make a lot of ATM withdrawals? Consider a bank with conveniently located ATMs and free withdrawals from its own machines. Depending on the bank and the account, your bank may charge a fee for using another bank’s ATM—in addition to the fee the other institution may impose.

Activity 4: Filling Out a Deposit Slip

On March 22nd, you decide to deposit \$30 in cash to your checking account at the teller window. Fill in the deposit slip to make your cash deposit.

Your Name	Deposit Ticket	Cash		
Address	00002215607	Checks		
City, State, Zip				
Date _____				
Deposits May Not be Available for Immediate Withdrawal		Total		
Sign Here for Cash Received (If Required)		Less		
		Cash		
		Received		
Your Financial Institution		Total		
		Deposit		
241071212	00002215607	2201		

Now record the following information in your check register:

- **Date:** March 22, 20XX
- **Description of Transaction:** Deposit
- **Deposit/Credit (+):** \$30.00
- **Balance:** \$110.25

Activity 5: Check Deposit with Cash Back

On March 23rd, you decide to deposit a \$50 check and get \$25 in cash back. Fill in the deposit slip below to make your cash deposit.

Your Name	Deposit Ticket	Cash		
Address	00002215607	Checks		
City, State, Zip				
Date _____				
Deposits May Not be Available for Immediate Withdrawal		Total		
Sign Here for Cash Received (If Required)		Less		
		Cash		
		Received		
Your Financial Institution		Total		
		Deposit		
241071212	00002215607	2201		

Now record the following information in your check register:

- **Date:** March 23, 20XX
 - **Deposit/Credit (+):** \$50
 - **New Balance:** \$160.25
- AND
- **Date:** March 23, 20XX
 - **Payment/Debit (-):** \$25.00
 - **New Balance:** \$135.25

If you prefer, you can record it as a single entry:

- **Date:** March 23, 20XX
- **Deposit/Credit (+):** \$50.00
- **Payment/Debit (-):** \$25.00
- **New Balance:** \$135.25

Ways to Take Money Out of Your Account

You can write a check, use electronic banking, or use the teller service and a withdrawal slip.

Steps to Writing a Check

A *check* is a written contract between you and your bank. When you write a check, you are asking the bank to take money from your account and give it to someone else. There are three steps you need to take to write 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.

Preprinted Information

When you receive your first box of checks you can expect to find information already printed on the checks including:

- Your name and address
- The check number and codes
- Your bank's name
- Routing number
- Your account number

Do NOT have your Social Security or driver's license number preprinted on your checks because of the risk of identity theft.

Writing a Check for Cash

If you want to use a check to take cash out of your account:

- Write "Cash" or your name in the "Pay to the Order of" area on your check.
- Do not write a check for "Cash" until you are in the bank.
- Like writing any other check, remember to record the withdrawal in your check register.

How to Withdraw Money from the ATM

To withdraw money using an ATM:

1. Insert your ATM card, using the illustration indicating which end of the card to insert first. On some machines, you will insert and remove your card in one motion; other machines will take your card until the end of the transaction.
2. Follow the prompts to withdraw the money:
 - a. Enter your PIN.
 - b. Select "Withdrawal" (or "Withdraw") from the touch screen menu, or the appropriate button to the side of the screen.
 - c. Use the keypad to enter the desired withdrawal amount. Most ATMs deliver funds in multiples of \$10 or \$20.
 - d. Retrieve your money from the cash slot.

- e. The machine may ask if you want to complete another transaction or if you would like a printed receipt—if you do, press “Yes”; if not, press “No.” If you print a receipt, save it so you can accurately enter the transaction in your check register.
3. If you make any mistakes when entering the information, you may be able to press “Clear” to re-enter the information or “Cancel” to cancel the transaction and start over.
4. **Do not forget** to take your ATM card if the ATM returns it at the end of a transaction!

A Note About ATM Fees

If you have a limit to the number of ATM transactions you can make per month, be sure to withdraw all you need so you do not get charged for extra transactions.

Also be aware of the fees your bank charges for using another bank’s ATM—in addition to the fee the other institution may impose. For example, if you withdraw \$20 from another bank, your bank may charge you up to \$3.00 for using another bank’s ATM and the other bank may charge you a \$3.00 fee. That means you will be withdrawing \$20 and paying \$6 in fees, which is equivalent to a fee of 30 percent!

In addition, be careful not to overdraw your account, as you may incur NSF/overdraft fees. Remember to record all ATM transactions and fees in your check register to avoid overdrawing your account.

Use the Teller Service and a Withdrawal Slip

Your bank may only require you to sign a receipt the teller prints when completing a withdrawal. If your bank provides or requires you to use a withdrawal slip, you may need to fill in:

- The date
- Your name, if not preprinted
- Account number and account type (e.g., checking or savings), if not preprinted
- The amount you wish to withdraw
- Your signature

Completing a deposit slip in order to receive cash back is another option for withdrawing money from your account.

Activity 6: Writing a Check

Imagine that on March 26, 20XX you decide you want to buy a coffeemaker from a store called Coffee Mart. The coffeemaker costs \$19.75, including tax.

Look at your Practice Check Register. Do you have enough money in your checking account to write a check for this coffeemaker? _____

If you do, fill out the check below to pay for your coffeemaker.

YOUR NAME		69/175-2031	0105
Address			
City, State, ZIP		Date	
Pay to the			
Order of		\$	
		Dollars	
Your Financial Institution			
For			
⑆01242896⑆ 654859699 • 3266			

Now record the following information in your check register:

- **Check #:** 105
- **Date:** 3/26/20XX (You can enter the current year, if you choose.)
- **Description of Transaction:** Coffee Mart
- **Payment/Debit (-):** \$19.75
- **Balance:** \$180.25

Post-Test

Now that you have gone through the course, see what you have learned.

- 1. Which of these is a benefit of having a checking account? Select all that apply.**
 - a. You can access and use your money at any time with a check, ATM card, or debit card
 - b. It costs less than other services (e.g., cash-checking service)
 - c. Your money is insured
 - d. Your transactions are recorded for better money management
 - e. All of the above

- 2. True or false? You do not need a checking account to have a debit or ATM card.**
 - a. True; debit and ATM cards always work like gift cards at a store—they already have funds prepaid
 - b. True; debit cards are like credit cards, and you can buy now and pay later
 - c. False; what you buy with a debit card or withdraw from the bank with an ATM is taken directly from your checking account
 - d. False; the funds are withdrawn from a checking account AND you must have a savings account

- 3. Which of the following are ways to add money to your checking account? Select all that apply.**
 - a. Direct-deposit
 - b. In-person or ATM deposit
 - c. By mail
 - d. At any merchant/store

- 4. What is the first thing you should do before withdrawing money from your checking account?**
 - a. Make sure you have enough money in your account
 - b. Complete or fill out the check correctly
 - c. Record the transaction in your check register
 - d. Know your debit card PIN

- 5. Which two of these will best help you determine if a particular checking account is right for you?**
 - a. Ask the bank what the fees are so you know if you can get a better deal elsewhere.
 - b. Find out if they have checks with your favorite team's logo on them.
 - c. Ask about different services to see if the bank offers the ones you need.
 - d. The bank allows you to negotiate monthly ATM fees.

- 6. Select all that apply. In comparing your check register with your bank statement, you notice a discrepancy: you listed a deposit of \$30, and your bank lists the deposit as \$35. You should:**
 - a. Just make it \$35 in your check register
 - b. Call the bank
 - c. Check your deposit receipt
 - d. Add \$5 somewhere in your check register

-
- 7. Why should you reconcile your checking account at least once a month?**
- a. It keeps you busy
 - b. You have to transfer money from your check register to your checking account
 - c. You will keep better track of your spending, and are less likely to overdraw your account
 - d. It is a bank policy
- 8. When using an ATM:**
- a. You can deposit or withdraw money into/from your checking or savings account
 - b. You can transfer money between your checking and savings account
 - c. You must have a PIN to deposit/withdraw money
 - d. All of the above
- 9. Which two of the following will help you determine if a particular checking account is right for you?**
- a. Ask the bank what the fees are so you know if you can pay them.
 - b. Find out if they have checks with your favorite team's logo on them.
 - c. Ask about different services to see if the bank offers the ones you need.
 - d. The bank allows you to negotiate monthly service charges.
- 10. When you open a checking account, one step you will most likely have to follow is to:**
- a. Provide some photo ID to the bank
 - b. Pay an application fee
 - c. Provide your work history for the last 10 years
 - d. Meet with the customer service manager for an interview

Glossary

Automated Teller Machine (ATM): A computer terminal in which you can deposit cash and checks into your account or withdraw cash from your account 24 hours a day, 7 days a week.

Check: A written contract between you and your bank. When you write a check, you are asking the bank to take money from your account and give it to someone else.

Checking Account: An account that allows you to write checks to pay bills and buy goods. The financial institution will send you a monthly statement that lists the deposits, withdrawals, and purchases you made.

Check Register: A booklet to write down all of your deposits and withdrawals from your account, including fees and monthly charges.

Debit Card: A card that allows you to deposit cash into and withdraw money from your checking account at many Automated Teller Machines (ATMs), and make purchases at retail locations that accept credit cards (e.g., department stores or gas stations).

Deposit: A transaction in which money is added to your account (e.g., you deposit money, the bank pays you interest, or a check is direct deposited into your account).

Deposit Slip: A slip used to let the teller know how much money you are depositing.

Direct Deposit: An electronic method for transferring and depositing money directly into your account.

Endorsement: The act of signing the back of a check so that you can deposit or cash it.

Electronic Banking: The use of computers to move money to and from your account, instead of using checks and other paper transactions. Electronic banking includes debit card transactions, electronic bill pay, and Automated Teller Machine (ATM) transactions.

Electronic Bill Pay: A service that automatically takes money from your account to pay your bills.

Fees: The amount charged by financial institutions for account activities and services.

Fee Schedule: A bank document that lists the fees you might be charged for certain account activities.

Interest: The extra money in your account that the bank pays you for keeping your money.

Reconciliation: The act of resolving the difference between the statement balance and your check register balance.

Signature Card: A form you complete and sign when you open an account indicating you are the account owner.

Substitute Check: An electronic image of your check that has the same standing as the actual check.

Transaction: A banking activity (e.g., depositing or withdrawing money, using your Automated Teller Machine (ATM) or debit card, or having checks direct-deposited into your account).

Withdrawal: The process of taking money from your bank account.

For Further Information

Federal Deposit Insurance Corporation (FDIC)

www.fdic.gov/consumer

Division of Supervision & Consumer Protection

2345 Grand Boulevard, Suite 1200

Kansas City, Missouri 64108

1-877-ASK-FDIC (275-3342)

Email: consumeralerts@fdic.gov

Visit the FDIC's website for additional information and resources on consumer issues. For example, every issue of the quarterly *FDIC Consumer News* provides practical hints and guidance on how to become a smarter, safer user of financial services. Also, the FDIC's Consumer Response Center is responsible for:

- Investigating all types of consumer complaints about FDIC-supervised institutions
- Responding to consumer inquiries about consumer laws and regulations and banking practices

U.S. Financial Literacy and Education Commission

www.mymoney.gov

1-888-My-Money (696-6639)

MyMoney.gov is the United States (U.S.) Government's website dedicated to teaching all Americans about financial education. Whether you are planning to buy a home, balance your checkbook, or invest in your 401k the resources on MyMoney.gov can help you. Throughout the site you will find important information from federal agencies.

Federal Trade Commission

www.ftc.gov/credit

1-877-FTC-HELP (382-4357)

The FTC website offers practical information on a variety of consumer topics, including privacy, credit, and identity theft. The FTC also provides guidance and information on how to select a credit counselor.

Go Direct

www.GoDirect.org

1-800-333-1795

To quickly and easily sign up for direct deposit of your Social Security or other federal benefit payments, contact Go Direct, a campaign sponsored by the U.S. Department of the Treasury and the Federal Reserve Banks.

Electronic Transfer Account

www.eta-find.gov/

1-888-382-3311

Generally anyone who receives (or represents someone who receives) one of the following Federal Government payments is eligible to receive his or her monthly payments electronically through an Electronic Transfer Account (ETA): Social Security, Supplemental Security Income (SSI), Veterans Benefits, Civil Service Wage Salary or Retirement Payments, Military Wage Salary or Retirement Payments, Railroad Retirement Board Payments, or Department of Labor (DOL)/Black Lung.

What Do You Know? – Check It Out, Part 1

Instructor: _____ Date: _____

This form will allow you and the instructors to see what you know about checking accounts both before and after the training. Read each statement below. Please circle the number that shows how much you agree with each statement.

	Before the Training				After the Training			
	Strongly Disagree	Disagree	Agree	Strongly Agree	Strongly Disagree	Disagree	Agree	Strongly Agree
I can:								
1. State the benefits of using a checking account	1	2	3	4	1	2	3	4
2. Determine which checking account is best for me	1	2	3	4	1	2	3	4
3. Identify the steps involved in opening a checking account	1	2	3	4	1	2	3	4
4. Add and withdraw money from a checking account	1	2	3	4	1	2	3	4
5. Add money to a checking account	1	2	3	4	1	2	3	4
6. Withdraw money from a checking account	1	2	3	4	1	2	3	4
7. Use an ATM	1	2	3	4	1	2	3	4

Evaluation Form

This evaluation will enable you to assess your observations of the *Check It Out* module. Please indicate the degree to which you agree with each statement by circling the appropriate number.

1. Overall, I felt the module was: <input type="checkbox"/> Excellent <input type="checkbox"/> Very Good <input type="checkbox"/> Good <input type="checkbox"/> Fair <input type="checkbox"/> Poor	Strongly Disagree				Strongly Agree
2. I achieved the training objectives.	1	2	3	4	5
3. The instructions were clear and easy to follow.	1	2	3	4	5
4. The overheads were clear.	1	2	3	4	5
5. The overheads enhanced my learning.	1	2	3	4	5
6. The time allocation was correct for this module.	1	2	3	4	5
7. The module included sufficient examples and exercises so that I will be able to apply these new skills.	1	2	3	4	5
8. The instructor was knowledgeable and well-prepared.	1	2	3	4	5
9. The worksheets are valuable.	1	2	3	4	5
10. I will use the worksheets again.	1	2	3	4	5
11. The participants had ample opportunity to exchange experiences and ideas.	1	2	3	4	5
12. My knowledge/skill level of the subject matter before taking the module.	None		Advanced		
	1	2	3	4	5
13. My knowledge/skill level of the subject matter upon completion of the module.	1	2	3	4	5
14. Name of Instructor: Instructor Rating: Please use the response scale and circle the appropriate number.	Response Scale: 5 Excellent 4 Very Good 3 Good 2 Fair 1 Poor				
Objectives were clear & attainable	1	2	3	4	5
Made the subject understandable	1	2	3	4	5
Encouraged questions	1	2	3	4	5
Had technical knowledge	1	2	3	4	5

What was the most useful part of the training?

What was the least useful part of the training and how could it be improved?
