

Checking Accounts 101



WHAT DOES YOUR MONEY SAY ABOUT YOU?

Keeping track of your money reflects:

- Your level of financial responsibility
- Work Ethic
- Reputation
- Accountability
- Level of financial awareness
- Financial Control



My debit card still works so I am ok!

Debit cards are great financial tools:

Because they:

- Limit personal information that is exposed on a check.
- Easy to use
- Is deducted off the account quickly
- Secure when using a PIN (Personal Identification Number)

Be careful of:

- Foreign Fee charges at ATMs
- Some business charge a convenience charge for using a card
- Watch for Skimmers on the machine
- Keep your card in an RFID (Radio Frequency Identifier) chip blocker
- Never let a debit card out of your site when paying. Someone can easily take a picture or write your data down in a snap.
- “Hold” fees at some hotels and gas stations

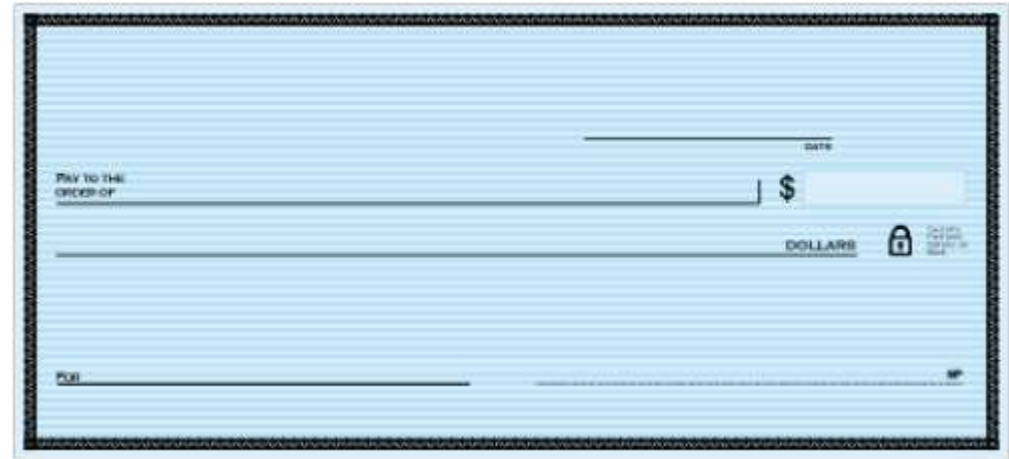


Choosing a Check

CUTE BUT HARD TO READ



EASILY READ



Writing a check:

The diagram shows a check with the following fields and callouts:

- 7**: YOUR NAME, YOUR ADDRESS, YOUR PHONE NUMBER
- 8**: 5719
- 1**: DATE: _____
- 2**: PAY TO THE ORDER OF: _____
- 3**: \$ _____
- 4**: _____ DOLLARS
- 9**: CREDIT UNION, YOUR CITY, STATE, ZIP CODE
- 5**: MEMO: _____
- 6**: _____
- 10**: ⑆ 000045678000 0000 ⑆ ⑈ 0000

Filling Out a Check

1. The date.

2. The Pay to the Order of line.

This is where you write the name of the person or company to whom you will give the check.

3. The dollar amount of the check in numbers. Such as \$19.75.

4. The dollar amount of the check in words. Such as Nineteen and 75/100. After writing out the amount of the check, draw a line to the end. This prevents anyone from adding an additional amount after what you have written.

5. The memo section. This area is optional. You can use this area to remind yourself why you wrote the check or to record the account number of the bill you are paying.

6. The signature line. Did you know that the line you sign on is actually micro-sized text that forms a line? This is one of many security features on a check.

What is on the Check That You Will Need to Know

7. Your name.

Your address and phone number are sometimes included.

8. The check number. The number is used to identify each check written.

9. Your financial institution's number and branch.

10. Routing and Account numbers. These numbers are helpful when setting up direct deposit or an automatic withdrawal/deposit.

***Routing Number *Check Number *Account Number**

How to Endorse a Check:

There is also important information printed on the back of your checks:

The back of the check has an endorsement area. Endorsing a check means to sign the back of the check to make it “cashable.”

For example, if you write a check to your friend, your friend would endorse the check to get the cash or the deposit the amount into his or her account.

Diagram illustrating the back of a check with the endorsement area. The area is labeled "ENDORSE HERE" and contains three horizontal lines for writing. Below the lines, a warning reads: "DO NOT WRITE, STAMP OR SIGN BELOW THIS LINE RESERVED FOR FINANCIAL INSTITUTION USE*"

Traditional Deposit:

- Check Endorsement

“For Deposit Only”

Name _____

Account # _____

Remote/ Mobile Deposit

"FOR MOBILE DEPOSIT

ONLY, Ozark Federal Credit Union

Account # _____”

10 Best Practices For Writing a Check.



1. Always check your balance to make sure you have enough money before writing a check.
2. Record the transaction and update the balance after writing a check.
3. Write checks legibly with a pen.
4. Print the correct date on the check. Do not post-date a check.
5. Make sure the number and written words you write for the check amount match.
6. Write the check amount to the left of the amount line.
7. If you make a mistake on a check, write "VOID" across the check's face, tear up the check, and write a new one.
8. Don't sign blank checks.
9. Use restrictive endorsements, such as "For Deposit Only," when appropriate.
10. Destroy voided or unused checks and deposit slips.

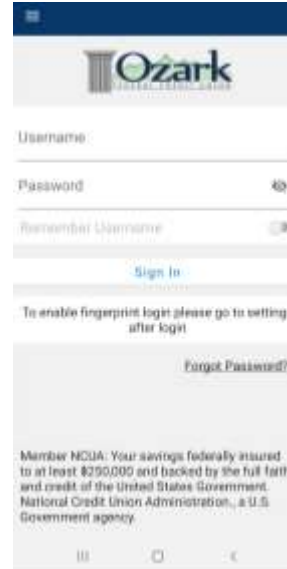
How to keep track of your spending.

- Write your spending down immediately.
- Double-check your math
- Clearly write it down
- Keep a good running balance

NUMBER OR CODE	DATE	TRANSACTION DESCRIPTION	PAYMENT AMOUNT	✓	FEE	DEPOSIT AMOUNT	\$
							2500.00 Starting Balance
112	2/4	House Payment	\$ 500.00				-500.00
							2,000.00
113	2/4	WalMart Groceries	125.00				-125.00
							1875.00
	2/4	Deposit from Birthday Gift				200.00	+ 200.00
							2,075.00

*If you use every white line for the transaction
 And the gray line to add or subtract
 It is easier to keep a correct balance
 and check your work.*

Online Banking / Mobile Banking



Sign up for:

- Online banking
- Mobile Banking
- Audio Teller
- Text Alerts
- Brella Card Manager App by Shazam

The cost of a bounced check!

INSTITUTION COST

- Fee of \$25 to \$30
- Too many bounced checks will force an institution to close your account
- Reported to Checksystems
- You stay on Checksystems for five years

MERCHANT

- Returned check fee because the institution charges the merchant for a returned check deposited as well. \$20 to \$40
- Unable to write checks at that institution again
- Reputation with the institution is damaged

Overdraft Protection

COURTESY PAY

- Fee
- Direct Deposit
- Maximum amount your account can go negative
- *More restrictions apply

PERSONAL LINE OF CREDIT LOAN

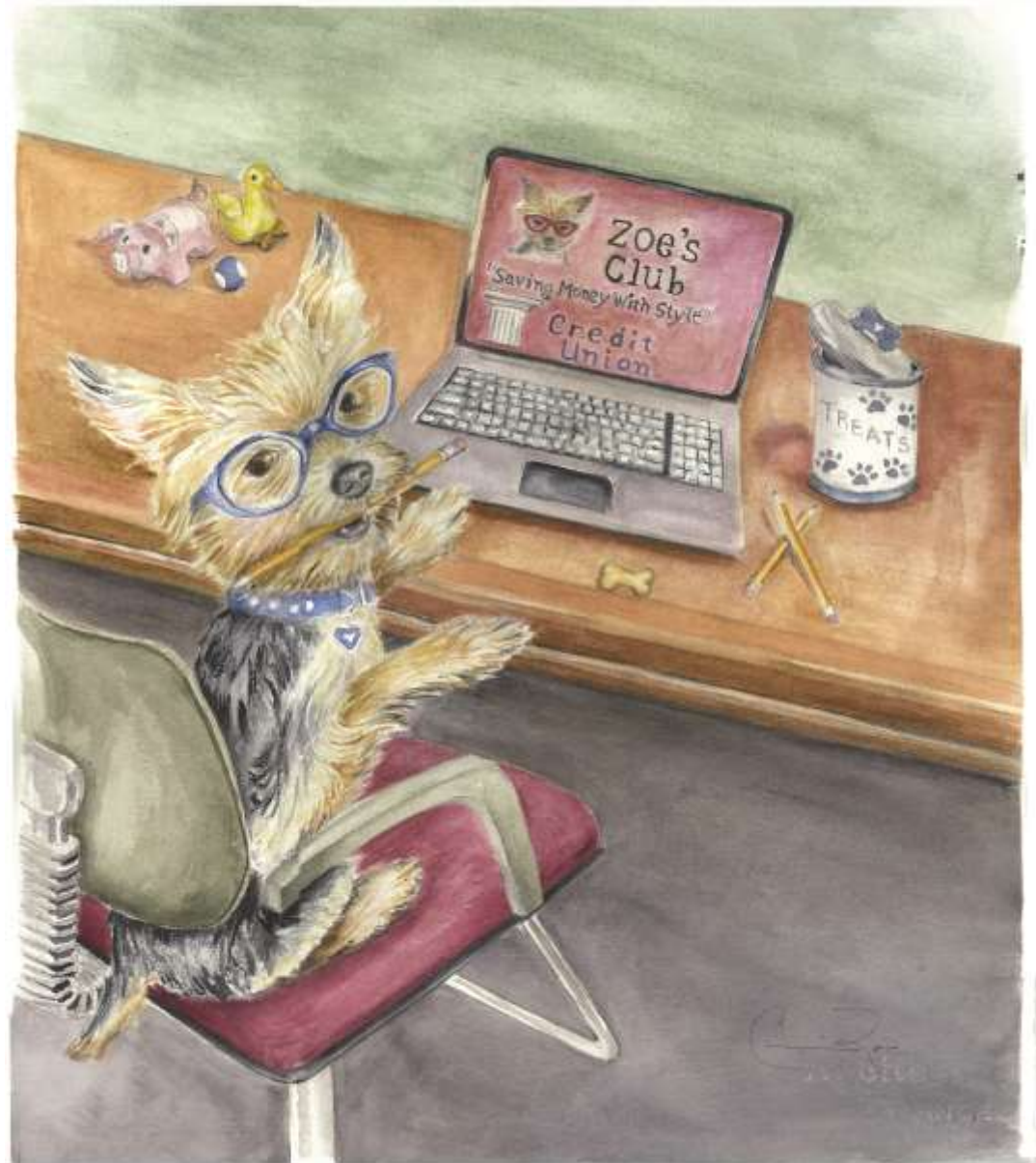
- Fee
- Transfers funds to checking account
- Monthly repayment
- Credit restrictions apply
- Employment history
- *More restrictions apply

Average Income

Salary:

\$39,881 Income

\$2,658 / Month



Home

\$85,000 / \$523 M

- 2 Bedroom
- 1 Bath
- 1,064 Sq Ft

- Payment: \$398 / M
- Insurance: \$75 / M
- Taxes \$50 / M



Auto

Used Vehicle

\$678 total

- Cost \$18,900
- Monthly Payment \$353
- Insurance \$125
- Gas \$200



Food

Home Cooked, healthy

Meals \$300

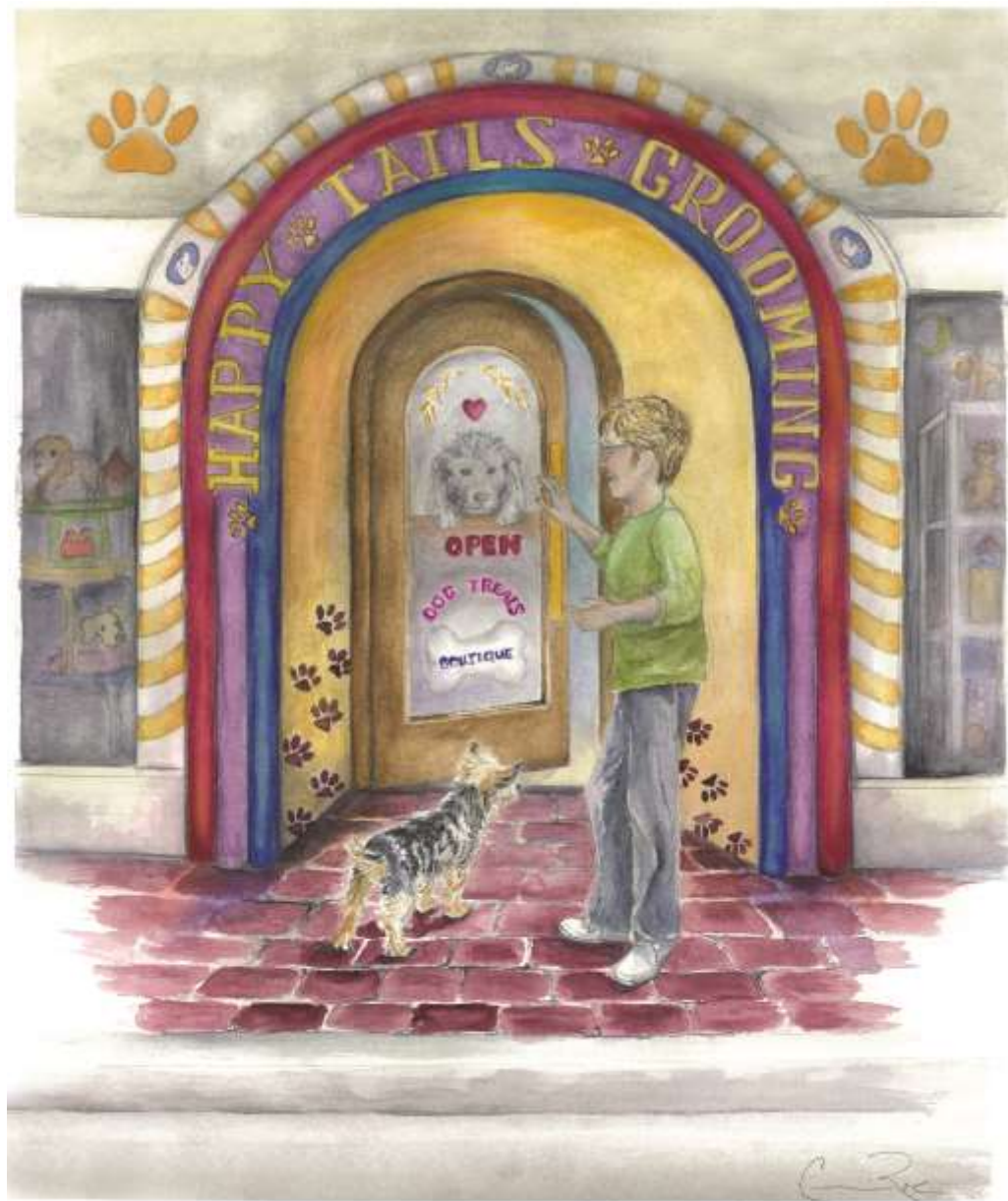
Eating out \$50



Self-Care

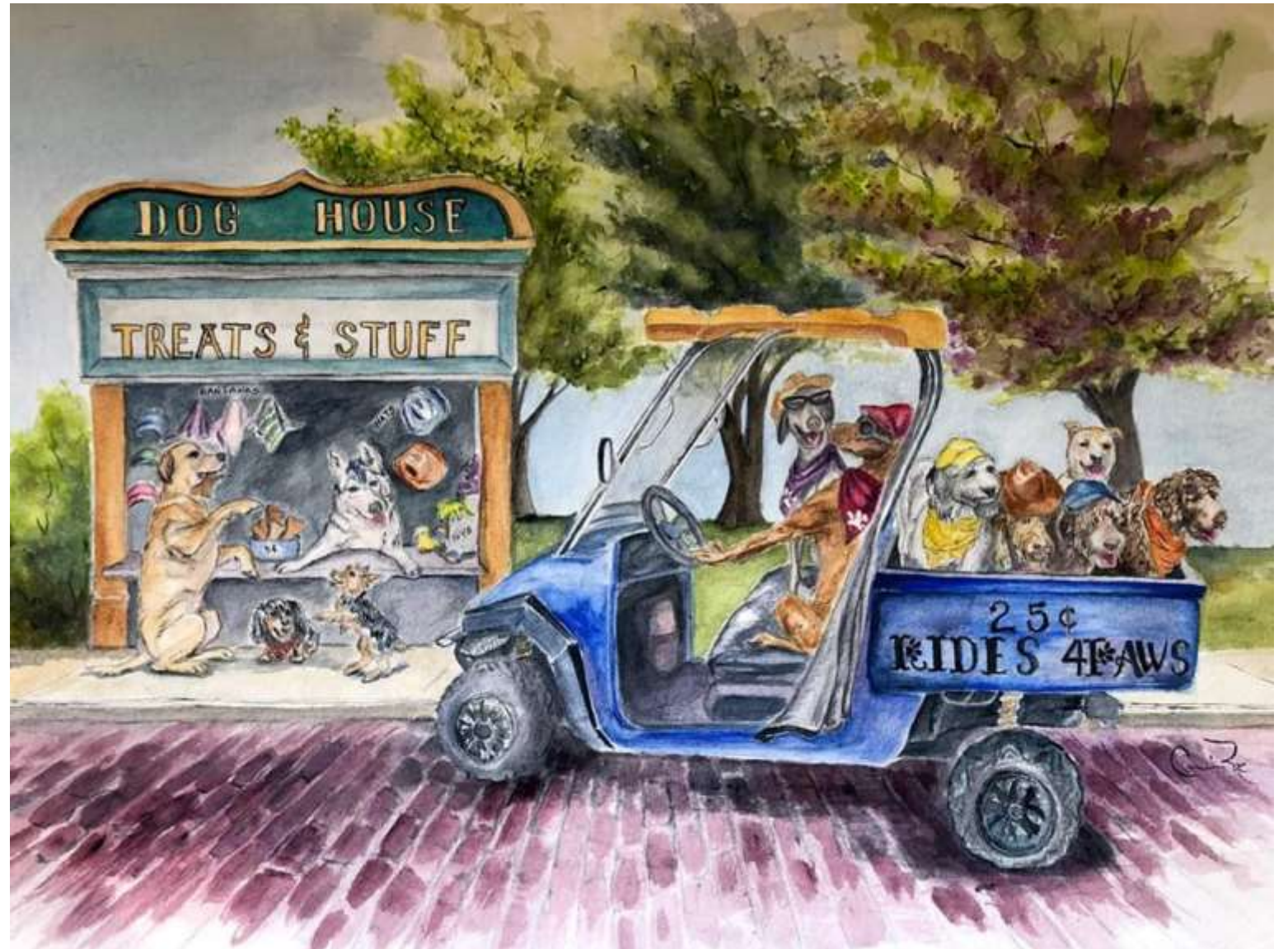
\$180 / Month

- Gym
- Clothes
- Grooming



Entertainment

\$70 /Date



How did you do?

Please write a statement on what you learned in this class.

You have two minutes:



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