

# Checking Accounts

USE A CHECKING ACCOUNT

# Preview

Today we will answer these questions:

- How do I use a checking account?
- How do I keep track of how much money I have in my checking account?

Use what you learn today to demonstrate how to use a checking account.

# Demand Deposits

Funds can be withdrawn on demand by a customer without advance notice to bank or credit union

- Bank teller (in person)
- ATM (automated teller machine)
- Online
- Phone
- Check
- Debit card

# What's on a Check?

JOHN M. SMITH  
4923 MAIN STREET  
ANYTOWN, CO 81234

DATE January 31, 2012

PAY TO THE ORDER OF XYZ Retail Store \$ 150.50

One hundred fifty and 50/100 DOLLARS

**m Main Street Credit Union**  
8642 Main Street  
Anytown, CO 81234

MEMO For prom dress

⑦ 002003004 ⑧ 1092320004 ⑨ 1017

⑨ 1017

①

②

③

④

⑤

⑥

Security Features Included  
Details on Back

# Check Writing 101

Student Name  
4923 MAIN STREET  
ANYTOWN, CO 81234

DATE today's date 1015

PAY TO THE ORDER OF Your School Name \$ 42.50

Student Name  
4923 MAIN STREET  
ANYTOWN, CO 81234

DATE today's date 1016

PAY TO THE ORDER OF Mayfair Apartments \$ 750.00

Seven Hundred fifty and no/100

Union

Student's signature

1095857723 1015

**Main Street Credit Union**  
8642 Main Street  
Anytown, CO 81234

MEMO rent

002003004 13, 109585

Student Name  
4923 MAIN STREET  
ANYTOWN, CO 81234

DATE today's date 1017

PAY TO THE ORDER OF American Red Cross \$ 5.00

Five and no/100

**Main Street Credit Union**  
8642 Main Street  
Anytown, CO 81234

MEMO donation

Student's signature

002003004 13, 1095857723 1017

# Checking Account Register

Check No.	Date	Description of Transaction	Payment (Debit)	Fee	Deposit (Credit)	Balance
						<b>577.80</b>
<b>3308</b>	<b>6/10/04</b>	<b>Northern Electrics</b>	<b>83.46</b>			<b>- 83.46</b>
		<b>May electric bill</b>				<b>494.34</b>
	<b>6/12/04</b>	<b>Deposit</b>			<b>100.00</b>	<b>+ 100.00</b>
		<b>birthday money</b>				<b>594.34</b>
<b>3309</b>	<b>6/15/04</b>	<b>Maria's Shoe Shop</b>	<b>29.80</b>			<b>- 29.80</b>
		<b>shoes for Jennifer</b>				<b>564.54</b>
	<b>6/17/04</b>	<b>ATM withdrawal</b>	<b>20.00</b>	<b>1.00</b>		<b>- 21.00</b>
		<b>lunch with Judy</b>				<b>543.54</b>
<b>3310</b>	<b>6/17/04</b>	<b>Eclipse Hair Salon</b>	<b>29.00</b>			<b>- 29.00</b>
		<b>hair color</b>				<b>514.54</b>

# Make the Deposit

<b>DEPOSIT</b>		CHECKING <input type="checkbox"/>
		SAVINGS <input type="checkbox"/>
Today's Date		
<i>XX / XX / 201X</i>	CASH	
Customer Name		
<i>Your Name</i>	CHECK	<i>147.58</i>
Customer Address, City, State, Zip	TOTAL FROM OTHER SIDE	
Sign Here (If cash is received from this deposit)	SUBTOTAL	<i>147.58</i>
<i>X Your signature (when taking cash)</i>	LESS CASH	<i>-25.00</i>
ACCOUNT NUMBER		
<i>05135792468</i>	TOTAL \$	<i>122.58</i>

# Endorsements

## Blank Endorsement



## Restrictive Endorsement





# Does it Match?

The Bank Statement Balance

+ Outstanding Deposits

- Outstanding Payments and Withdrawals

*Does the result equal  
what you tracked in your register?*

# Hints to Find Math Errors

Subtract to calculate the difference.

- Does the difference match a transaction amount?
  - » Look for a missing an entry for that same amount
  - » Search for a duplicate entry for that amount
- Is the difference twice a transaction amount?
  - » Check for a deposit mistakenly labeled as withdrawal or vice versa
- Is there a difference of 1, 10, 100, or 1,000?
  - » Recheck work for an addition or subtraction error
- Is the difference divisible by 9?
  - » Look for a transposed number (i.e. \$125 mistakenly entered as \$152)

# Now You Try It

- Complete the “You’re on Your Own” checking account exercises in the packet.
- Be careful, the check register is chronological and the entries are made as they occur. You will begin on July 15<sup>th</sup> with the deposit of the paycheck.
- When you have completed two months of transactions, you will use that information to set a reasonable budget.