

# Naval Science 4



# NJROTC

# NS-4

# Financial Wisdom



# Naval Science 4



## Lesson 09.03 Banking Procedures





# Naval Science 4



## Lesson Goal

In this lesson you will discuss various banking procedures to include savings and checking accounts, deposits, the register, and withdrawal procedures.





# Learning Objectives

- Define the key terms associated with banking.
- Explain the differences between banks, credit unions, and saving institutions.
- Explain the steps for opening up savings and checking accounts.
- Explain how to fill out a personal check.



# Warm-up Question

## CPS Question 1



# Financial Institution

A **financial institution** is a business that takes deposits and makes loans. Other financial services may also be provided.







# Types of Financial Institutions

- **Bank** – a regulated, chartered financial institution.
- **Credit Union** – a cooperative savings association.
- **Other** Financial Institutions
  - Insurance Companies
  - Stock Brokers
  - Finance Companies





# Banking

Banks and credit unions typically provide financial services such as:

- Savings Accounts
- Checking Accounts
- Credit Cards
- Debit Cards







# Banking

Other financial services provided by banks and credit unions:

- Money Orders
- Home Loans
- Auto Loans
- Safe Deposit Boxes





# Savings Accounts

- An account that pays interest
- Withdrawals in person or using checks
- Electronic money transfers possible





# Learning Check

## CPS Question 2





# Opening a Checking Account

- Done in person at the bank or credit union
- Proper identification required
- Account forms must be completed and signed
- Initial deposit required





# Key Terms

**Direct Deposit** – A paycheck that is deposited directly into your bank account.

**Withdrawal** – Removing money from your bank account using a withdrawal slip.





# Key Terms

**Electronic Funds Transfer** – Transferring money electronically.

**Personal Identification Number (PIN)** – A private number that is used for security purposes to identify you and your account.





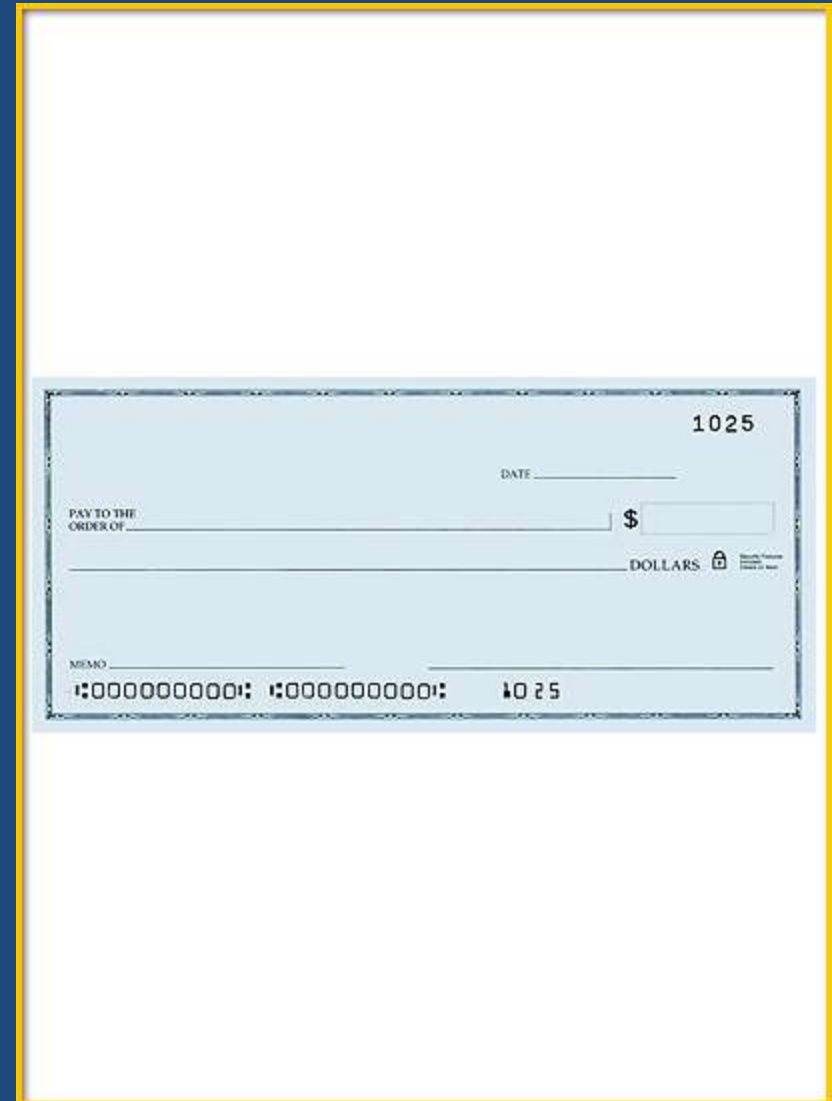


# Key Terms

**Payee** – The individual to whom a check is to be paid.

**Endorse** – To sign your name on the back of a check.

**Clear** – A check that has been processed and paid by the bank.





# Key Terms

**Reconcile** – To balance your account records with the bank's records down to the last penny.

**Overdraft** – Money withdrawn from a bank account that exceeds the available balance – known as “**bouncing a check.**”





# Key Terms

## Statement –

A written or electronic accounting of all banking activities, typically provided monthly.







# Checking Accounts

Checking accounts consist of:

- Blank numbered checks
- Blank deposit slips
- Check register
- Monthly statements





# Checking Accounts

Other checking account features:

- Fees for overdrafts
- Debit cards
- Online banking using an internet web site
- Account should be **reconciled** monthly





# Writing a Check

- Care should be taken when writing a check.
- Cross through small mistakes and put your initials next to the mistake.
- If the mistake is major, tear the check up completely. Write “void” in the register.

A sample check form is shown within a yellow border. The check is light blue with a decorative border. In the top right corner, the number "1025" is printed. On the left side, "JSA" is written in large, bold, black letters, with "Joe" written below it in a smaller, cursive font. To the right of this, "Jim Smith" is written in a simple, black font. Below "Jim Smith", the word "DATE" is printed followed by a horizontal line. In the center, "PAY TO THE ORDER OF" is printed, followed by a horizontal line. To the right of this line, a dollar sign "\$" is printed, followed by a rectangular box for the amount. Below this, the word "DOLLARS" is printed, followed by a small padlock icon and the text "Security Features Details on Back". At the bottom left, "MEMO" is printed followed by a horizontal line. At the bottom center, there are two sets of MICR (Magnetic Ink Character Recognition) numbers, each consisting of a series of vertical bars followed by the number "1025".





# Writing a Check

- A. The date the check is being written.
- B. Name of the person to whom the check is being written.
- C. The amount in dollars and cents.

A check form is shown with a light green background and a yellow border. The form contains the following text and fields:

- Top left: **Jane F. Doe**  
4569 Main Street  
Any Town, FL 12655-0241
- Top right: 001
- Middle left: PAY TO THE ORDER OF \_\_\_\_\_
- Middle right: DATE \_\_\_\_\_
- Bottom right: \$ [ ] DOLLARS
- Bottom left: MEMO \_\_\_\_\_
- Bottom center: Signature \_\_\_\_\_
- Bottom left: :002003004| 1092320004 001

Red letters A, B, and C are overlaid on the form to indicate the fields mentioned in the list above: A is over the date field, B is over the payee field, and C is over the amount field.



# Writing a Check

- D. Spelled out dollar amount.
- E. Note for purpose of check.
- F. Check writer's signature.

**Jane F. Doe** 001  
 4569 Main Street  
 Any Town, FL 12655-0241 DATE \_\_\_\_\_

PAY TO THE  
 ORDER OF \_\_\_\_\_ \$   
**D** DOLLARS

Main Street Credit Union  
 7896 Main Street  
 Any Town, FL 12655-0241

MEMO \_\_\_\_\_ **F** \_\_\_\_\_  
Signature

:002003004| 1092320004 001



# Writing a Check

- G. Bank routing number.
- H. 10-digit account number.

**Jane F. Doe** 001  
 4569 Main Street  
 Any Town, FL 12655-0241

DATE \_\_\_\_\_

PAY TO THE  
 ORDER OF \_\_\_\_\_ \$

DOLLARS

Main Street Credit Union  
 7896 Main Street  
 Any Town, FL 12655-0241

MEMO **G** \_\_\_\_\_ **H** \_\_\_\_\_ Signature \_\_\_\_\_

:002003004 | 1092320004 001



# Completed Check

A completed check is shown below.

**Jane F. Doe** 001  
4569 Main Street  
Any Town, FL 12655-0241

DATE 01/03/2010

PAY TO THE  
ORDER OF Music Depot \$ 18.<sup>38</sup>

Eighteen Dollars and 38/100 DOLLARS

Main Street Credit Union  
7896 Main Street  
Any Town, FL 12655-0241

MEMO CD Jane F. Doe  
Signature

:002003004| 1092320004 001





# Endorsed Check

- To deposit a check, you must endorse it and submit it to the bank.
- On the back of the check, sign your name, write your account number, and “For Deposit Only.”
- Waiting periods differ for funds availability.





# Deposit Slip

- To deposit your endorsed check, fill out a deposit slip.
- The deposit slip and your endorsed check make up your deposit.

DEPOSIT		CHECKING <input type="checkbox"/>
		SAVINGS <input type="checkbox"/>
_____ Today's Date	CASH ▶	□□□□.□□
_____ Customer Name	CHECK ▶	□□□□.□□
_____ Customer Address, City, State, Zip	TOTAL FROM OTHER SIDE ▶	□□□□.□□
_____ Sign Here (If cash is received from this deposit)	SUBTOTAL ▶	□□□□.□□
<b>X</b>	LESS CASH ▶	□□□□.□□
1092320004	ACCOUNT NUMBER	TOTAL \$ □□□□.□□



# Deposit Slip

- A. Date the deposit is being made.
- B. Printed name.
- C. Printed address.
- D. Signature.

DEPOSIT		CHECKING <input type="checkbox"/>
		SAVINGS <input type="checkbox"/>
<b>A</b> _____ Today's Date		
<b>B</b> _____ Customer Name	CASH ▶	□□□□.□□
<b>C</b> _____ Customer Address, City, State, Zip	CHECK ▶	□□□□.□□
_____ Sign Here (If cash is received from this deposit)	TOTAL FROM OTHER SIDE ▶	□□□□.□□
<b>D</b> <b>X</b> _____	SUBTOTAL ▶	□□□□.□□
	LESS CASH ▶	□□□□.□□
1092320004      ACCOUNT NUMBER	TOTAL \$	□□□□.□□



# Deposit Slip

- E. Whether checking or savings deposit.
- F. Amount of cash being deposited.
- G. Amount of checks being deposited (list more on reverse).
- H. Total amount of checks listed on reverse of deposit slip.

DEPOSIT		<b>E</b> CHECKING <input type="checkbox"/>
		SAVINGS <input type="checkbox"/>
Today's Date _____	CASH <b>F</b> ▶	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
Customer Name _____	CHECK <b>G</b> ▶	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
Customer Address, City, State, Zip _____	TOTAL FROM OTHER SIDE <b>H</b> ▶	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
Sign Here (If cash is received from this deposit) _____	SUBTOTAL ▶	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
<b>X</b> _____	LESS CASH ▶	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
1092320004 ACCOUNT NUMBER	TOTAL \$	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>





# Deposit Slip

- I. Total amount of deposit before cash received.
- J. Amount of cash to receive back.
- K. Total amount of money being deposited.

DEPOSIT		CHECKING <input type="checkbox"/>
		SAVINGS <input type="checkbox"/>
Today's Date	CASH ▶	□□□□.□□
Customer Name	CHECK ▶	□□□□.□□
Customer Address, City, State, Zip	TOTAL FROM OTHER SIDE ▶	□□□□.□□
Sign Here (If cash is received from this deposit)	SUBTOTAL <b>I</b> ▶	□□□□.□□
<b>X</b>	LESS CASH <b>J</b> ▶	□□□□.□□
1092320004	ACCOUNT NUMBER	TOTAL <b>K</b> \$ □□□□.□□



# Completed Deposit Slip

- A completed deposit slip is shown below.
- It shows the date, name, address, signature, and the cash and checks to be deposited.

<b>DEPOSIT</b>		CHECKING <input checked="" type="checkbox"/>
		SAVINGS <input type="checkbox"/>
01/01/10		
Today's Date		
Jane F. Doe	CASH ▶	0 0 0
Customer Name		
4569 Main St.	CHECK ▶	4 1 8 0 0
Customer Address, City, State, Zip		
Any Town, FL 12655	TOTAL FROM OTHER SIDE ▶	0 0 0
Sign Here (If cash is received from this deposit)		
X Jane F. Doe	SUBTOTAL ▶	4 1 8 0 0
	LESS CASH ▶	5 0 0 0
1092320004		
ACCOUNT NUMBER	TOTAL \$	3 6 8 0 0



# Learning Check

## CPS Question 3



# The Check Register

- Used to track all checks and deposits in order to keep an accurate up-to-date account balance
- Used to prevent an **overdraft** – “bouncing a check”

The image shows a close-up of a handwritten check register. The register is a grid with several columns. The first column contains handwritten descriptions of transactions. The second column contains handwritten amounts. The third column contains handwritten transaction types. The fourth column contains handwritten amounts, likely representing deposits or credits. The fifth column contains handwritten amounts, likely representing payments or withdrawals. A checkmark is visible in the third column of the second row.

		PAYMENT, FEE, WITHDRAWAL (-)	✓	DEPOSIT, CREDIT (+)
Car Insurance	150.00			
Gas	90.00			
Car Food	45.00			
Electricity	70.00			
Water	25.00			
	110.22			
	36.00			
	45.00			
	16.00			
	8.13			
	25.00			





# The Check Register

- Enter all check information in the check register soon after writing a check.
- It is easy to forget to enter the information.
- Poor record keeping results in **overdrafts** and **overdraft fees**.

NUMBER OR CODE	DATE	TRANSACTION DESCRIPTION	PAYMENT AMOUNT		✓	FEE	DEPOSIT AMOUNT		BALANCE	
									\$	
									348	00



# Check Register

- A. Check number or code used for debit or ATM withdrawal.
- B. Date of transaction.
- C. Person or business to whom the money is going.
- D. Amount of transaction.

NUMBER OR CODE	DATE	TRANSACTION DESCRIPTION	PAYMENT AMOUNT	✓	FEE	DEPOSIT AMOUNT	\$ BALANCE	
<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>				348	00



# Check Register

- E. Check mark to show that the check has cleared.
- F. Amount deposited into account.
- G. Current/Running balance.

NUMBER OR CODE	DATE	TRANSACTION DESCRIPTION	PAYMENT AMOUNT		✓	FEE	DEPOSIT AMOUNT		s BALANCE	
					E		F	348	00	G



# The Check Register

A completed check register is shown below.

## Keeping a Record of Your Transactions

Each time you write a check, withdraw money from an ATM, or use your debit card you need to keep a record of the transaction.

NUMBER OR CODE	DATE	TRANSACTION DESCRIPTION	PAYMENT AMOUNT		✓	FEE	DEPOSIT AMOUNT		\$ BALANCE	
							348	00	348	00
001	02/12	The Sandwich Shop	8	15	✓				339	85
002	02/13	Music Depot	18	38					321	47
<u>DBT</u>	02/13	Clothing Stop	44	53	✓				276	94
ATM	02/21	Cash	20	00	✓				256	94





# Debit Cards

- Looks like a credit card
- Functions the same as a check on your checking account
- Must have a checking account to have a debit card





# Debit Cards

- Used for personal banking at ATM machines
- Used for purchases at business locations
- Requires the use of a PIN





# Money Order

- Is a payment order for a predetermined amount of money
- Is used in place of cash or checks
- Is purchased from financial institutions, the United States Post Office, or local convenience stores

The image shows a United States Postal Service document with two main sections: a 'CUSTOMER'S RECEIPT' and a 'POSTAL MONEY ORDER'. Both sections are printed on a light green background with a repeating pattern of the USPS eagle logo.

**CUSTOMER'S RECEIPT**

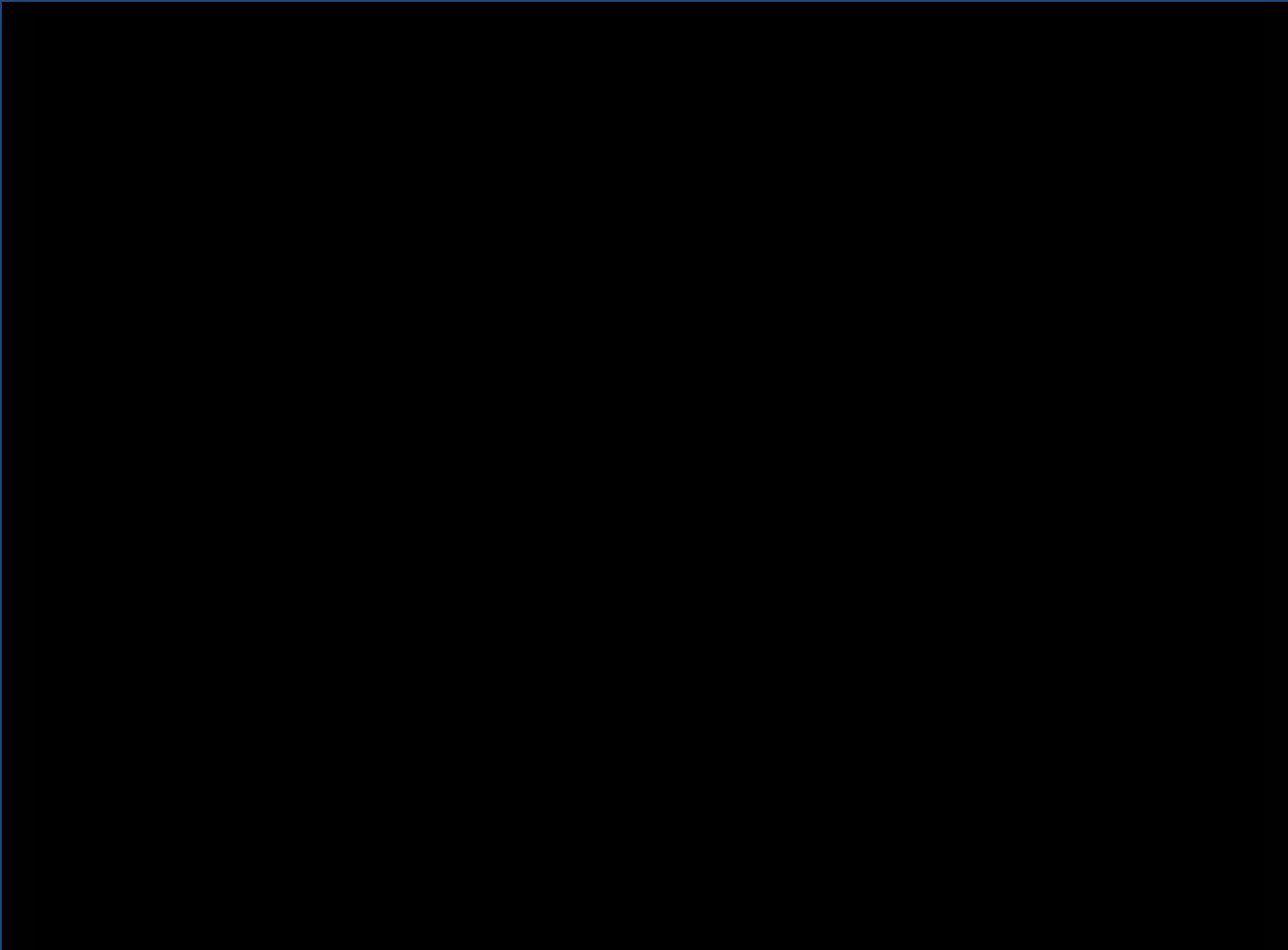
KEEP THIS RECEIPT FOR YOUR RECORDS	PAY TO:	SEE BACK OF THIS RECEIPT FOR AMOUNT DURING INCASSATION		
	ADDRESS:			
	C. O. D. OR USED FOR:			
SERIAL NUMBER: 02736960805	YEAR, MONTH, DAY: 2001-08-29	POST OFFICE: 175510	AMOUNT: \$ 1.00	CLERK: 0001

**POSTAL MONEY ORDER**

SERIAL NUMBER: 02736960805	YEAR, MONTH, DAY: 2001-08-29	POST OFFICE: 175510	U.S. DOLLARS AND CENTS: ONE DOLLARS & 00¢
AMOUNT: ONE DOLLARS & 00¢ *****			
PAY TO:	NEGOTIABLE ONLY IN THE U.S. AND POSSESSIONS		
ADDRESS:	FROM:	CLERK: 0001	
C. O. D. OR USED FOR:	ADDRESS:		
:00000800 2:		02736960805*	



# Spending Plan Video



Select Video to Start or Pause



# Learning Check

## CPS Question 4





# Lesson Summary

In this lesson you have:

- Identified key terms associated with banking.
- Learned the differences between banks, credit unions, and savings institutions.





# Lesson Summary

In this lesson you have:

- Learned how to open a checking or savings account.
- Learned how to fill out and deposit a personal check.

