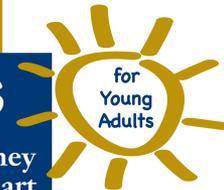


FDIC

Money
Smart



FDIC Money Smart for Young Adults

Bank On It & Check It Out



Building: Knowledge, Security, Confidence

What Do Banks Do?

- They're businesses that offer a safe place to keep money
- Use deposits to make loans
- Also called *financial institutions*
- Offer many financial services



Why keep your money in a bank?

- **Safety**
- **Convenience**
- **Lower cost**
- **Security**
- **Build your financial future**



Types of Financial Institutions

- **Bank**
- **Credit Union**
- **Thrift (or savings and loan)**



Opening and Maintaining a Bank Account

1. Open the account
2. Make deposits and withdrawals
3. Record interest and fees
4. Keep track of your balance



How Do I Open a Bank Account?

Your bank should meet your needs, so ask yourself:

- **What services does it offer?**
- **Is it near my home?**
- **Where are its ATMs?**
- **What are the fees for different accounts?**
- **Is it insured by the FDIC?**



Banking Terms

- **Deposit**
 - put money into your account
- **Withdrawal**
 - take money out of the bank
- **Balance**
 - how much money you have in the bank
- **Fees**
 - money charged for services
- **Overdraft**
 - withdrawing more money than you have in your account



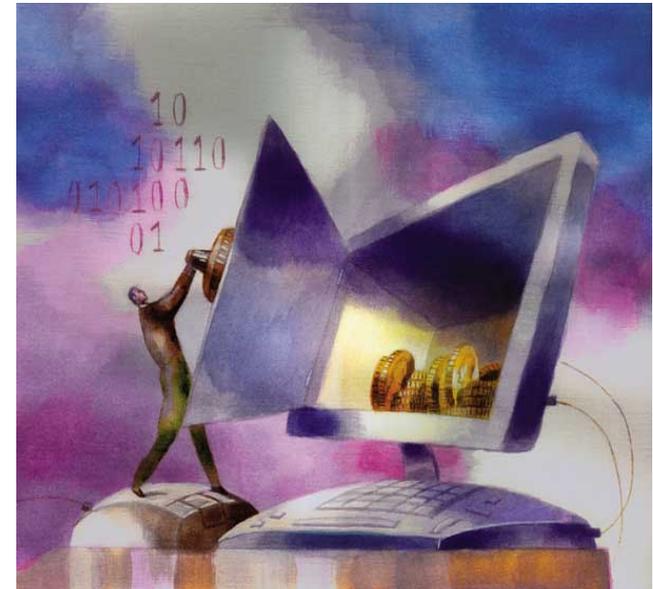
Deposit Accounts

- **Checking accounts**
 - Write checks to pay bills or buy goods or services
 - Linked to an ATM/Debit card
- **Savings accounts**
 - Earn more money on your deposits
 - Usually use money only on things you saved for
 - Can be linked to an ATM/Debit card



Other Banking Services

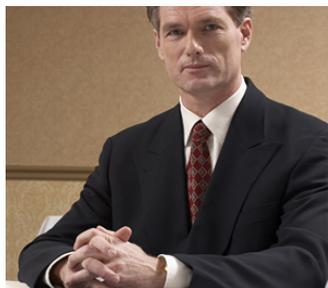
- **Direct deposit**
- **Money orders**
- **Electronic (phone and online) banking**
- **ATMs**
- **Money transfers**
- **Debit cards and stored value cards**
- **Loans**



Important Bank Employees



Branch Manager



Loan Officer



Bank Teller



Customer Service Representative



Checking Accounts

A checking account lets you write checks and use a debit card to:

- **Pay bills**
- **Make purchases**



Benefits of Checking Accounts

- **Convenience**
- **Cost**
- **Better money management**
- **Safety**



Convenience

Checking accounts:

- **Quick and easy access to your money**
- **Let you “direct-deposit” payroll and other checks**
- **Eliminate the need to carry a lot of cash**



Cost

Less expensive than:

- **Services that cash checks**
- **Buying money orders**



Better Money Management

Having a checking account lets you:

- **Keep a record of “transactions”**
- **Build a positive relationship with your bank**



Safety

Having a checking account:

- **Is safer than carrying large amounts of cash**
- **Protects your checks and check card if they are lost or stolen**
- **Means your money is insured up to the maximum amount allowed by law**



Types of Checking Accounts

- **Free/low-cost checking**
- **Electronic/ATM checking**
- **Regular checking**
- **Interest checking**



Fee Schedule

Some common bank fees include:

- **Monthly service fee**
- **Minimum balance fee**
- **Automated Teller Machine (ATM) user fee**
- **Overdraft fee**
- **Stop payment fee**



Using A Checking Account

- **Check register**
- **Write checks**
- **ATM/Debit card**



The Checkbook

Contains:

- **Checks**
- **Deposit slips**



Steps to Writing a Check

- **Enough money?**
- **Write the check**
- **Record the transaction in your check register**



Sample Checks

YOUR NAME
YOUR ADDRESS
YOUR PHONE NUMBER

Date: _____

105
00-6879
770

PAY TO THE ORDER OF _____ \$

_____ Dollars

FINANCIAL INSTITUTION

Memo _____

:00000000 :0000 0000 0 000 0 0:

YOUR NAME
YOUR ADDRESS
YOUR PHONE NUMBER

Date: 2/26/20XX

105
00-6879
770

PAY TO THE ORDER OF Best Tees \$

Nineteen and 75/100 _____ Dollars

FINANCIAL INSTITUTION

Memo shirt _____ Your signature

:00000000 :0000 0000 0 000 0 0:



Sample Check

The image shows a sample check form with the following fields and callouts:

- 1**: Points to the **Date:** field.
- 2**: Points to the **PAY TO THE ORDER OF** field.
- 3**: Points to the **105** amount in the top right corner.
- 4**: Points to the **FINANCIAL INSTITUTION** field.
- 5**: Points to the **Memo** field.
- 6**: Points to the **0000000000 : 0000 0000 0 000 0 0.** MICR line.
- 7**: Points to the **YOUR NAME** field.
- 8**: Points to the **00-6879 770** routing number.
- 9**: Points to the **105** amount in the bottom right corner.
- 10**: Points to the **0000000000 : 0000 0000 0 000 0 0.** MICR line.
- 11**: Points to the **0000000000 : 0000 0000 0 000 0 0.** MICR line.

The check form includes the following text and fields:

YOUR NAME
YOUR ADDRESS
YOUR PHONE NUMBER

Date: _____

105

00-6879
770

PAY TO THE ORDER OF _____ **\$** _____

_____ **Dollars**

FINANCIAL INSTITUTION

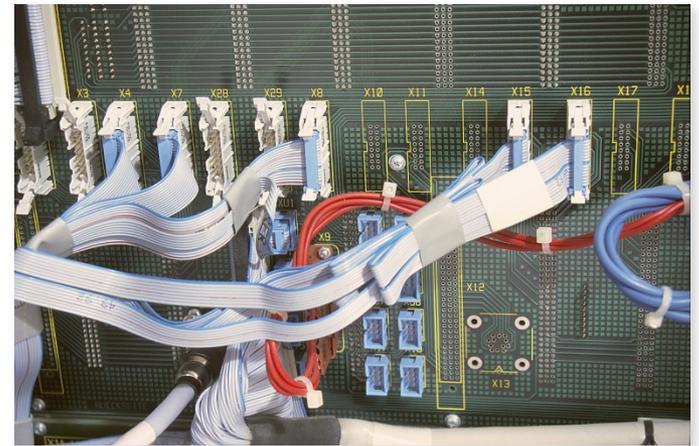
Memo _____

0000000000 : 0000 0000 0 000 0 0.



Electronic Banking

- **ATM transactions**
- **Debit card transactions**
- **Electronic bill pay**



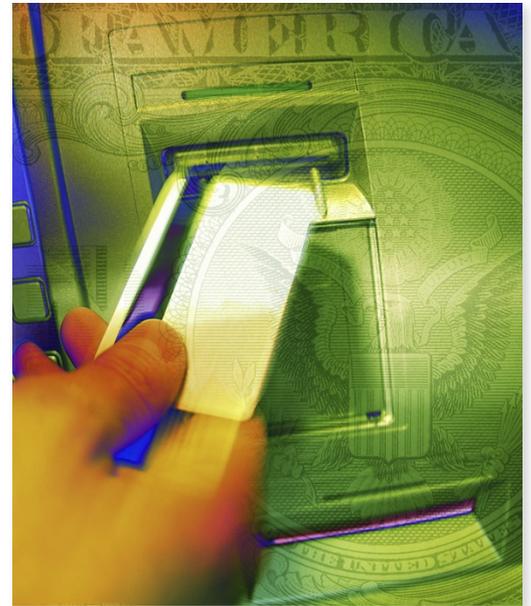
Debit Card

A debit card lets you:

- Deposit and withdraw money
- Make purchases at retail locations

Be careful!

- The money is immediately taken out of your account



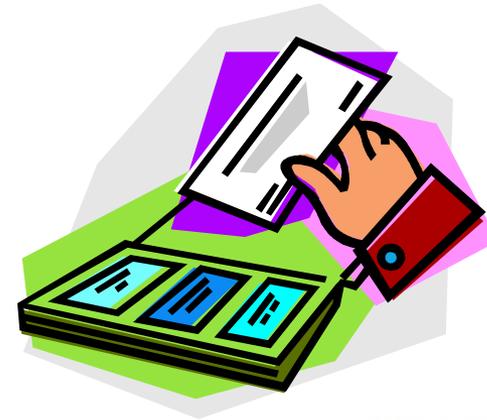
Electronic Bill Pay

- **Automatically pays your bills from your account**
 - No postage
 - No late payments
- **Also pay bills online**



Add Money to Your Checking Account

- Cash or check deposit using the teller service
- ATM deposit
- Deposit by mail
- Direct deposit



Depositing Money

- Use a deposit slip
- A deposit slip tells the bank how much money you are adding

322-21
1610

Your First Bank *Anytown, USA*

DATE _____

SIGN HERE IN TELLER'S PRESENCE
FOR CASH RECEIVED _____

CASH	CURRENCY		
	COINS		
LIST CHECKS SINGLY			
TOTAL FROM OTHER SIDE			
TOTAL			
LESS CASH RECEIVED			
NET DEPOSIT			

:9124 6027 486586519 30937 3620000 108



Sign the Back of the Check

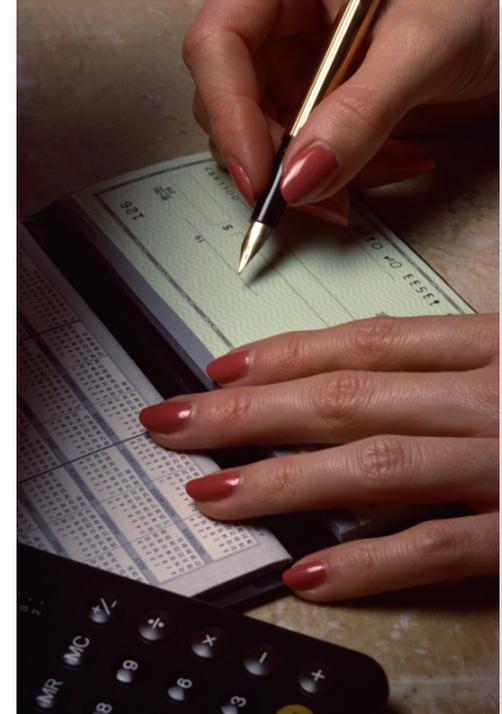
ENDORSE HERE

DO NOT WRITE, STAMP OR SIGN BELOW THIS LINE
RESERVED FOR FINANCIAL INSTITUTION USE *



An Accurate Record of Checking Account Activity

- **Record all transactions including:**
 - Maintenance fees
 - Interest
 - Other bank charges
- **Reconcile your check register with your monthly checking account statement**



Checking Account Statement

A monthly report from your bank listing:

- **Checks you wrote**
- **Withdrawals and deposits**
- **Debit card purchases**
- **Bank fees**



The Bank Statement

SAMPLE CHECKING ACCOUNT STATEMENT

1	2	3	4
Your Bank Street Address City, State Zip		Account Number 0000000000	Your Name Street Address City, State Zip

Summary of Account Activity
 For period ending 3/20/20__
 Date of last statement 2/20/20__

Date	Transaction Description	Withdrawal/ Deposit Amount	Balance
2/20	Opening Balance Deposit	200.00	200.00
2/26	Check #105	-19.75	180.25
3/12	ATM Withdrawal	- 40.00	140.25
3/18	Monthly Fee	-5.00	135.25

5

6

Cleared Checks

Check #	Amount
105	19.75

7

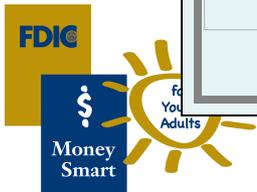
Summary

Previous Balance	Total Deposits	Total Withdr.	No. of Checks	No. ATM Transactions	No. of Deposits	Service Charge	New Balance
\$200.00	\$0	\$ 64.75	1	1	0	\$5.00	\$135.25



Checking Account Reconciliation Form

CHECKS OUTSTANDING - NOT CHARGED TO ACCOUNT		Bank balance shown on this statement	\$
Check Number	Check Amount		
		Subtract withdrawals outstanding	\$
		Total	\$
		Add deposits outstanding	\$
			\$
			\$
		Balance	\$
		*This balance should agree with balance in your check register.	
Total	\$		



Reconciling Your Checking Account

Does...

1	2	3	4	5	6	7
Check Number	Date	Description of Transaction	Payment/Debit (-)	Fee	Deposit/Credit (+)	Balance
	2/20	Opening Deposit			200 00	200.00
105	2/26	BestTees	19.75			180.25
ATM	3/12	Cash	100 00			80.25
EFT	3/22	Lunch	9 25			71.00
ATM		Deposit			30 00	101.00
		Deposit with cash back			50 00	151.00
		Cash back	25.00			126.00
		Bank Fee	5 00			121.00



SAMPLE CHECKING ACCOUNT STATEMENT

1 2 3 4

Your Bank
Street Address
City, State Zip

Your Name
Street Address
City, State Zip
Account Number 000000000

Summary of Account Activity
For period ending 3/20/20__
Date of last statement 2/20/20__

Date	Transaction Description	Withdrawal/Deposit Amount	Balance
2/20	Opening Balance Deposit	200.00	200.00
2/26	Check #105	-19.75	180.25
3/12	ATM Withdrawal	- 40.00	140.25
3/18	Monthly Fee	-5.00	135.25

5

6

Cleared Checks

Check #
105

Amount
19.75

7

Summary

Previous Balance	Total Deposits	Total Withdr.	No. of Checks	No. ATM Transactions	No. of Deposits	Service Charge	New Balance
\$200.00	\$0	\$ 64.75	1	1	0	\$5.00	\$135.25



“Bad” or NSF Check

- A check you write when there isn't enough money in your checking account to cover it
- Also called a “bounced check”



Consequences of Writing Bad Checks

- **Bad check fees**
- **Negative activity reported**
- **Bank closes your account**
- **Civil and/or criminal prosecution**
- **Merchants may not accept your checks**
- **Your credit may be impacted**



Key Things to Remember

- Ask for help when you need it
- Ask questions until you completely understand
- Never sign anything until you understand it
- Ask for written information to take home for review



Banking

2



- Fiscal Control department establishes new bank accounts with JP Morgan Chase Bank
 - Fiscal Control processes new account forms and signature cards
 - Requires 2 signers (Admin Procedures 2245 and 2247)
 - Typically Principal and Financial Clerk
 - Chief Financial Officer, Controller, and Fiscal Control Manager are alternate signers, if needed



Banking

2



- Fiscal Control department establishes new bank accounts with JP Morgan Chase Bank
 - Bank Account Management
 - Changes to bank signature cards, online access, and procurement cards managed by Fiscal Control department



Banking

3



- Savings and Investments Accounts
 - Certificates of Deposit
 - Established by Principal and School Financial Clerk per guidance of Student Council as noted in meeting minutes
 - Accounts have specific maturity terms (i.e. 3 months, 6 months, 1 year)
 - Notice is sent 30 days prior to maturity
 - No action taken results in CD rolling over with the same terms

