Check Writing Tips

- Always use permanent ink (preferably blue or black).
- Draw a wavy line through any blank spaces on your check so that no one else can add more information (such as an increased amount).
- If you fix a mistake on a check, write your initials right above the correction.
- If you need to rewrite a check, make a big X and write Void over the old one. Tear up or shred your voided check.
- Writing a check for a later date (post-dating) is illegal.
- Never give someone a blank check (a check that you have signed but on which you have not filled in the dollar amount).
- Always use a legible signature. Since your financial institution compares your signed checks with your signature card, it is harder to forge a legible signature than a scrawled one.

Answers to crossword puzzle:

Across:
1) signature, 2) withdrawal, 4) credit, 5) ATM, 6) debit card, 8) endorse;

Down:
1) reconciliation, 3) reconcile, 6) deposit, 7) bounce

REMEmBER
Having a bank account means you don’t have to use expensive check cashing services.

Not all bank fees are the same. Shop around!
1) In order to open a checking account, you will need to fill out a ___________ card, which is a contract between you and your financial institution.

2) Taking money out of your account is a ___________.

3) You should ___________ your account by finding the differences between your check register balance and your monthly bank account statement.

4) On your check register you enter the amount you deposited into your checking account under the Deposit or __________ column.

5) When using another institution's __________ machine, it is important to look for charges.

6) Besides writing a check, you can use a ___________ ___________ to withdraw money from your checking account.

7) If you write a check for more money than you have in your account, your check will ____________.

8) Before depositing a check into your checking account you must ___________ the back of the check.

9) Most banks allow you free access to your checking account online or by telephone.

10) How did you do? You should know as much as possible about checking before you open an account.

Understanding checking account lingo and how these accounts work will help you decide if you are truly ready to have your own account.

(Answers on page 12.)
Reading Your Statement...

Each month your financial institution will send you a monthly account statement that lists all of your transactions from the past month. However, the account balance on the statement will probably be different than the one in your check register because you may have made additional transactions since your statement was mailed. It is a good idea to find the differences between your monthly account statement and your check register; this is called reconciling your account. Reconciling your account will help you keep a good record of your spending and help you find any errors that you or the financial institution may have made.

Choosing Your Financial Institution

Are you ready to open a checking account? If so, find the best financial institution for you. There are so many different places to pick from that it can be difficult to make a choice. One place to start is with your family and friends; find out where they bank and what they like and dislike about it. This information will provide you with a list of possible financial institutions and help you figure out what you want in a financial institution. However, no matter what anyone else tells you, you need to decide for yourself which institution best fits your life. This means you will need to decide which one will give you the best deals and will be convenient for you to visit.

Many financial institutions offer free student checking or a free checking account if you use direct deposit (have your paycheck automatically deposited into your checking account). Others might offer you a free account if your parents have an account with them.

One concern is whether or not you need a parent’s signature to open your account (which means that you will share access to your money with your parent). Most financial institutions require you to have a parent’s signature to open a checking account if you are under the age of 18. However, there are a few institutions that may allow you to open a checking account by yourself, if you or your parent has a banking history with them.
A debit card may come with your checking account. A debit card looks similar to an ATM card or a credit card, but it doesn’t work the same. In fact, not all debit cards are alike; each financial institution offers different features. Some charge a fee for making purchases with your debit card, but most don’t. Be sure you know how your debit card works.

You can use your debit card at an ATM machine or at places of business. When you use your debit card, you are making a withdrawal from your checking account. Your debit card may have a VISA or MasterCard logo on it, but it is not the same as a credit card. You use your debit card to access money in your checking account for purchases anywhere that a credit card is accepted. The money will be immediately withdrawn from your checking account.

You will either be asked to sign a receipt or enter your PIN number when you use your debit card. For example, if you use your debit card at a gas pump that accepts ATM cards, you will be asked to enter your pin number into the key pad.

Is having a debit card good or bad? Only you can decide whether it will be best for you. Check out the pros and cons.

### Debit Card Pros
- It is easier to use than filling out a check
- It is accepted more often than checks
- It does not provide your phone number, address, or driver’s license number to the merchant
- If it is lost or stolen, you can easily inactivate it by making a telephone call

### Debit Card Cons
- People often forget to fill out their check register when they use their debit cards because they do not need to take out their checkbooks
- Merchants might charge you a fee for using it
- The money is taken out of your account immediately, whereas a check often takes a couple days to be processed
- If you use your overdraft line of credit, you will have to pay high fees and possibly interest
- If stolen, the card can be used to take money from your account

Remember to always:
- check the receipt amount before signing it
- keep your PIN number private
- have the phone number handy to report a missing or stolen debit card

If you think you want a debit card, be sure to ask your financial institution for a list of its related fees.
Making a Deposit

To begin writing checks, you need to have money in your checking account, so it’s important to know how to deposit money. You can deposit either cash or checks. If you are depositing cash, you need to fill out a deposit slip. Depositing a check requires a little more work; you must endorse it, which means signing your name on the back of the check:

1) Write “For Deposit Only” in the endorsement area (so that no one else can cash it).
2) Then sign your name on the back (exactly as it is written on the front).

Note: Protect your privacy. Do not write your account number on the back of the checks for deposit.

The next step is to fill out a deposit slip. Practice filling out the following deposit slip using your name, today’s date, account number 9687459865, $10.00 cash, a check for $102.35, another check for $78.05, and a third check for $188.62. Draw a line through any blank spaces.

(For help completing a deposit slip, see page 11.)

(continued on p. 6)

Bounced Checks

Be Aware

If you write a check for an amount that is greater than the amount of money you have in your checking account, you will bounce a check. Your financial institution may charge you $25.00 for a bounced check, and the merchant may charge you another $25.00. As if this extra $50.00 were not bad enough, too many bounced checks will damage your credit record and may result in your bank closing your checking account.
Making a Withdrawal

The three most common ways to withdraw money from your checking account are:

**Visiting an ATM**
To withdraw cash from an ATM machine, you need your ATM card and your PIN number. Insert your card into the ATM machine and use the keypad to give the machine the requested information. Remember to remove your card, cash, and receipt from the ATM when you are finished.

**Using your debit card**
If your financial institution has given you a debit card, you may also use it to make withdrawals. When you use your debit card at a store, you may be asked to enter your PIN number or you may have to sign a receipt.

**Writing a check**
Of course, you can always write a check. Writing a check is like signing a contract; it is important to understand all of the information and make sure it is correct. When you write a check, you need to be sure to fill it in completely. Notice that there are six blank lines on the sample check. For your check to be valid, you must write the correct information on each line. Fill out the sample check using the following directions:

1) Enter today’s date.
2) Write who the check is to, in this case, fill in DVDs Plus.
3) Write the dollar amount of $19.85 in numbers. (Sometimes this is a box.)
4) Write out the dollar amount of nineteen dollars and 85/100.
5) Write in “Juan’s birthday present.” This is optional, but it will help you to remember why you wrote the check.
6) Sign your name.

(STOP PAYMENT)
If you lose a check or have one stolen, you can call your financial institution and ask to stop payment on that check. When you call, the teller will ask for the check number, the date on which it was written, the amount for which it was written, and to whom it was written. This service will cost from $5.00 to $25.00 and is good for only six months. The fee for stopping checks can really add up, so keep your checks safe.

The third step is actually depositing your money, which means giving your money to the financial institution to put into your account. There are different ways to deposit your money:

- take it to the financial institution and give it to a teller
- deposit it in the ATM
- drop it in the financial institution’s deposit box (most places have both indoor and outdoor deposit boxes)
- mail your deposit to the financial institution Remember, to avoid theft, cash should be taken directly to a bank teller.

**Updating Your Check Register**
Once you have made a deposit, you need to enter it in your check register. Look at the sample check register below. Since you are making a deposit, you will need to fill out only three columns: the date, the deposit amount, and the balance. You may want to write the source of the deposit under Description of Transactions, such as “Oct. 1st paycheck” or “birthday money.” Go ahead and fill in this information. Use today’s date and the total deposit amount from your sample deposit slip. To finish, add this deposit to the previous balance.

<table>
<thead>
<tr>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>E</th>
<th>F</th>
</tr>
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<td>323</td>
<td>40</td>
<td>0.00</td>
<td>$0.00</td>
</tr>
</tbody>
</table>

(See completed example on page 11.)
Making a Withdrawal

The three most common ways to withdraw money from your checking account are:

**Visiting an ATM**
To withdraw cash from an ATM machine, you need your ATM card and your PIN number. Insert your card into the ATM machine and use the keypad to give the machine the requested information. Remember to remove your card, cash, and receipt from the ATM when you are finished.

**Using your debit card**
If your financial institution has given you a debit card, you may also use it to make withdrawals. When you use your debit card at a store, you may be asked to enter your PIN number or you may have to sign a receipt.

**Writing a check**
Of course, you can always write a check. Writing a check is like signing a contract; it is important to understand all of the information and make sure it is correct. When you write a check, you need to be sure to fill it in completely. Notice that there are six blank lines on the sample check. For your check to be valid, you must write the correct information on each line. Fill out the sample check using the following directions:

1. Enter today’s date.
2. Write who the check is to, in this case, fill in "DVDs Plus." This is optional, but it will help you to remember why you wrote the check.
3. Write the dollar amount of $19.85 in numbers.
4. Write out the dollar amount of nineteen dollars and 85/100.
5. Sign your name.

**STOP PAYMENT**
If you lose a check or have one stolen, you can call your financial institution and ask to stop payment on that check. When you call, the teller will ask for the check number, the date on which it was written, the amount for which it was written, and to whom it was written. This service will cost from $5.00 to $25.00 and is good for only six months. The fee for stopping checks can really add up, so keep your checks safe.

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<table>
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<tr>
<th>DATE</th>
<th>DESCRIPTION OF TRANS.</th>
<th>AMOUNT OF DEPOSIT</th>
<th>BALANCE</th>
<th>SOURCE</th>
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<td></td>
</tr>
</tbody>
</table>

(See completed example on page 11.)

**Tip**
Always take cash directly to the teller.
Making a Deposit

To begin writing checks, you need to have money in your checking account, so it’s important to know how to deposit money. You can deposit either cash or checks. If you are depositing cash, you need to fill out a deposit slip. Depositing a check requires a little more work; you must endorse it, which means signing your name on the back of the check:

1) Write “For Deposit Only” in the endorsement area (so that no one else can cash it).
2) Then sign your name on the back (exactly as it is written on the front).

Note: Protect your privacy. Do not write your account number on the back of the checks for deposit.

The next step is to fill out a deposit slip. Practice filling out the following deposit slip using your name, today’s date, account number 9687459865, $10.00 cash, a check for $102.35, another check for $78.05, and a third check for $188.62. Draw a line through any blank spaces.

(For help completing a deposit slip, see page 11.)

(continued on p. 6)

Making a Withdrawal (cont.)

Updating Your Check Register

No matter how you make the withdrawal, you should immediately enter it into your check register. Forgetting to keep track of all of your withdrawals may result in bounced checks. Even if you are in a hurry, you will save yourself time and money later by recording your withdrawals in your check register immediately. Look at the sample register. (See page 6.) When you write a check:

A) Fill in the first column with your check number, otherwise leave this line blank.
B) Fill in the Date column.
C) In the Description of Transaction column, fill in the type of withdrawal you made, unless you wrote a check. If you wrote a check, write the name of the person to whom you wrote the check.
D) In the Payment/Debit(-) column, fill in the amount of your withdrawal. Also include any amount you were charged for using a foreign ATM machine or fee you were charged for using your debit card.
E) Leave the Deposit/Credit(+) column blank.
F) In the Balance column, subtract your Payment/Debit(-) amount and the Fee amount from the previous balance amount.

For the following situations, practice using the check register on page 6:

- Today you went to DVDs Plus and wrote check #523 for $19.85.
- Today you used your debit card to buy $10.00 worth of gas at Kelli’s Gas Mart and were charged $0.35 for using your debit card.
- Today you stopped by another institution’s ATM machine and took out $40.00. You were charged a $4.00 fee for this transaction.

Bounced Checks

Be Aware

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A debit card may come with your checking account. A debit card looks similar to an ATM card or a credit card, but it doesn’t work the same. In fact, not all debit cards are alike; each financial institution offers different features. Some charge a fee for making purchases with your debit card, but most don’t. Be sure you know how your debit card works.

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Remember to always:
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Make a Note: A checking account is a great responsibility. Your actions now will affect your ability to get credit later, so handle your checking account wisely!

Choosing Your Financial Institution

Are you ready to open a checking account? If so, find the best financial institution for you. There are so many different places to pick from that it can be difficult to make a choice. One place to start is with your family and friends; find out where they bank and what they like and dislike about it. This information will provide you with a list of possible financial institutions and help you figure out what you want in a financial institution. However, no matter what anyone else tells you, you need to decide for yourself which institution best fits your life. This means you will need to decide which one will give you the best deals and will be convenient for you to visit.

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To open a checking account, you will need to fill out a **Deposit Slip**, which is a contract between you and your financial institution.

You should **balance** your account by finding the differences between your check register balance and your monthly bank account statement.

Whenever you put money into your checking account, you must fill out a **Deposit Slip**.

If you write a check for more money than you have in your account, your check will **bounced**.

How did you do? You should know as much as possible about checking before you open an account.

Understanding checking account lingo and how these accounts work will help you decide if you are truly ready to have your own account.

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You probably already know a little about checking accounts. Find out just how clued in you are and how much there is still to learn by completing this crossword puzzle. Even if you cannot fill it in fully now, by the end of this teen guide you will have all the answers.

**Across**

2) Taking money out of your account is a **withdrawal**.

4) On your check register you enter the amount you deposited into your checking account under the Deposit or **deposit** column.

5) When using another institution's **atm** machine, it is important to look for charges.

6) Besides writing a check, you can use a **check** to withdraw money from your checking account.

8) Before depositing a check into your checking account you must **endorse** the back of the check.

**Down**

1) In order to open a checking account, you will need to fill out a **deposit slip**, which is a contract between you and your financial institution.

3) You should **balance** your account by finding the differences between your check register balance and your monthly bank account statement.

6) Whenever you put money into your checking account, you must fill out a **deposit slip**.

7) If you write a check for more money than you have in your account, your check will **bounced**.

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Most banks allow you free access to your checking account online or by telephone.

Did You Know?

Most banks allow you free access to your checking account online or by telephone.

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**Completed Examples**

**Deposit Slip** (from page 5)

**Check** (from page 8)

**Register** (from page 6)
Check Writing Tips

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Answers to crossword puzzle: Across: 1) withdrawal, 4) credit, 5) ATM, 6) debit card, 8) endorse; Down: 1) signature, 3) reconcile, 6) deposit, 7) bounce.

Money Talks...Should I Be Banking? is a series of three teen guides with accompanying leader’s guides designed to assist teenagers in 1) identifying their banking needs and savings habits; 2) understanding the mechanics of using banking services; and 3) developing the skills to select the best financial institutions and accounts for their lifestyles.

The topics and subject matter content are based on the results of a survey completed by teens. Comments regarding these teen and leader’s guides can be addressed to: Katherine Wassenberg, Consumer Economics Department, University of California, Agriculture and Natural Resources, 1111 Franklin Street, 6th Floor, Oakland, CA 94607, (510) 987-0096.

Checking Account

Opening Your Checking Account

Using My Debit Card

And More!