



**Lesson Six**

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Using Banking Services



# banking terms you should know

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- **Account**
- **ATM**
- **Bank**
- **Checking account**
- **Credit union**
- **Interest**
- **Joint account**
- **Minimum deposit**
- **Savings account**
- **Teller**



# choosing a checking account

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## **Location**

bank branch offices; hours of operation; availability of ATMs

## **Fees**

monthly fees; per check fees; printing of checks; balance inquiry fees; ATM fees

## **Other charges**

overdraft charge; stop-payment fees

## **Interest**

rate earned; minimum deposit to earn interest

## **Restrictions**

minimum balance; holding period for deposited checks

## **Special features**

direct deposit; automatic payments; overdraft protection; online banking; discounts or free checking for students



# electronic banking services

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## **Direct deposit**

earnings automatically deposited into bank accounts.

## **Automatic payments**

an automatic payment system where bills are paid through direct withdrawal from a bank account.

## **Automatic teller machine (ATM)**

allows customers to get cash and conduct banking transactions.

## **Point-of-sale transactions**

ATM/debit cards accepted at stores or restaurants as payment.



# ATM terms you should know

## ATM Terms You Should Know

PIN

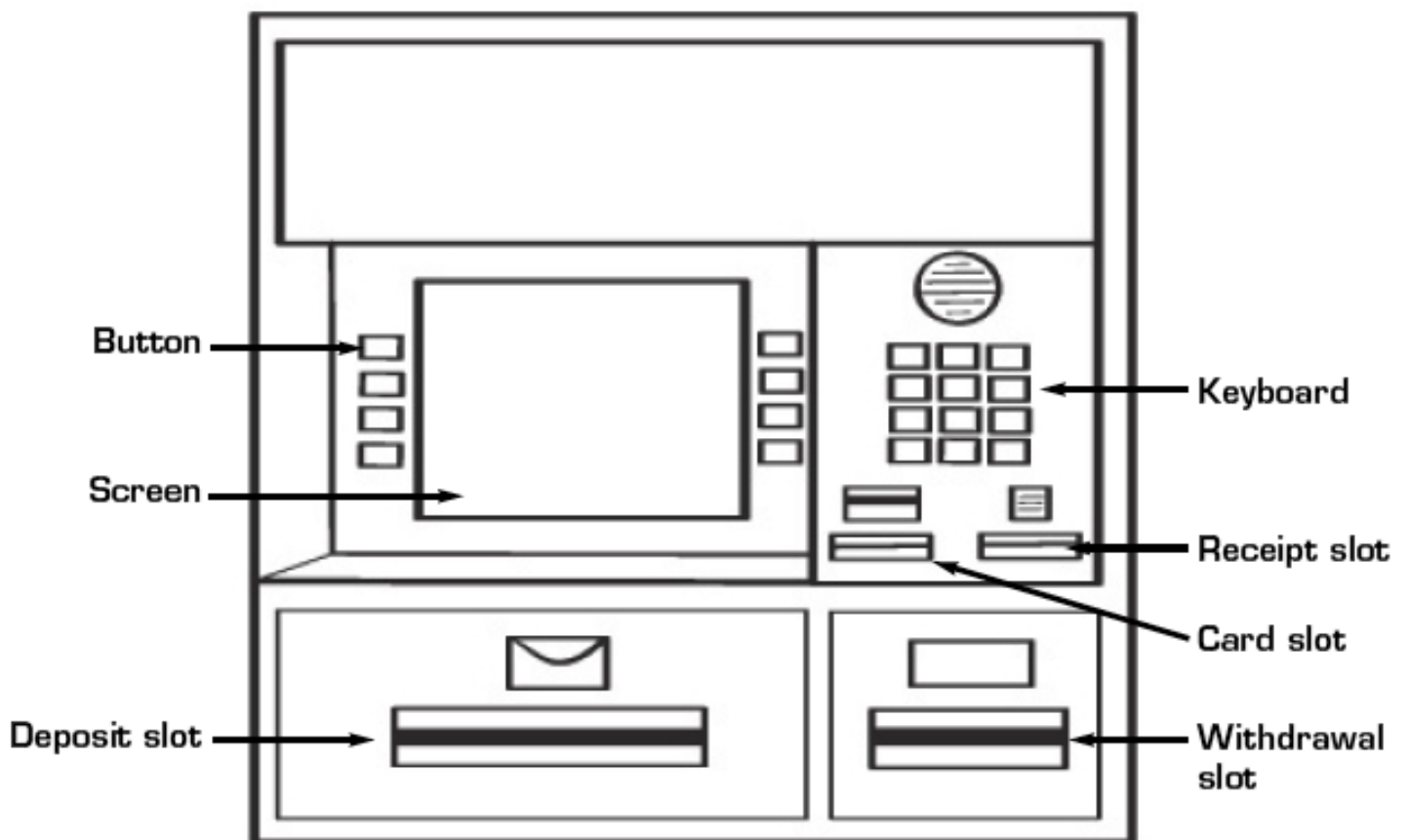
Balance

Deposit

Inquiry

Transaction

Withdrawal





# opening a bank account

ACCOUNT NUMBER \_\_\_\_\_

DATE \_\_\_\_\_

## SIGNATURE AUTHORIZATION CARD

NAME \_\_\_\_\_

ADDRESS \_\_\_\_\_

PHONE \_\_\_\_\_

SOCIAL SECURITY NO.

### TYPE OF ACCOUNT

- Individual
- Joint
- Business
- Partnership

YOU ARE HEREBY AUTHORIZED TO RECOGNIZE ANY\* OF THE SIGNATURES SUBSCRIBED HERE IN THE PAYMENT OF FUNDS OR THE TRANSACTION OF ANY BUSINESS FOR THIS ACCOUNT. IT IS AGREED THAT ALL TRANSACTIONS BETWEEN THE BANK AND THE DEPOSITOR SHALL BE GOVERNED BY THE CONTACT PRINTED ON THE REVERSE SIDE OF THIS CARD.

\_\_\_\_\_  
AUTHORIZED SIGNATURE

\_\_\_\_\_  
AUTHORIZED SIGNATURE

*\* If you wish to use two signatures, sign both signatures on the form.*



# parts of a check



What is the date of the check? \_\_\_\_\_

Who is the check made payable to? \_\_\_\_\_

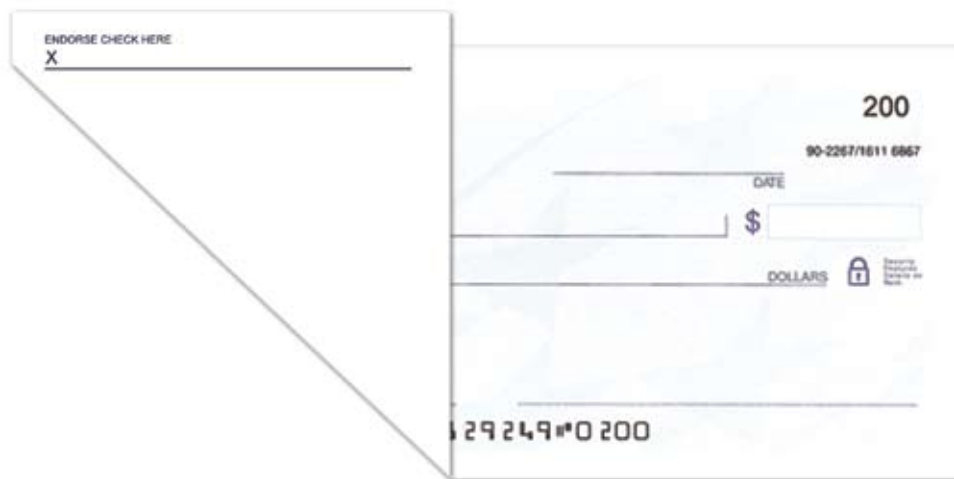
What is the check number? \_\_\_\_\_

What is the check transit number? \_\_\_\_\_

(Hint: look for the top part of the two-part number in the upper right corner of the check.)

Where do you endorse a check? \_\_\_\_\_

Where is the account number? \_\_\_\_\_





# making a deposit

**DEPOSIT SLIP**

**John Doe**  
255 Elm Street  
Anytown, USA

**1** DATE \_\_\_\_\_

SIGN HERE IF CASH RECEIVED FROM DEPOSIT

<b>4</b>	<b>CASH</b>	<b>CURRENCY</b>		<b>2</b>
		<b>COINS</b>		<b>3</b>
	<b>LIST CHECKS SINGLY</b>			<b>5</b>
	<b>TOTAL FROM OTHER SIDE</b>			<b>6</b>
	<b>TOTAL</b>			<b>7</b>
	<b>LESS CASH RECEIVED</b>			<b>8</b>
	<b>NET DEPOSIT</b>			<b>9</b>

⑆ 52 22 276 ⑆ 454455329249 ⑈ 0 200

- 1. Date** — Write today's date.
- 2. Bills** — If you are depositing paper bills, write the amount.\*
- 3. Coins** — If you are depositing coins, write the amount.\*
- 4. Checks** — If you are depositing a check, write the bank transit number.
- 5. Amount** — Write the amount of the check here.\*
- 6. Other Checks** — List the total amount of the checks listed on the reverse side of the deposit slip.\*
- 7. Total** — Write the total amount you are depositing here.\*
- 8. Cash** — If you want the bank teller to give you money back from the deposit, write the amount of cash you want here.\*
- 9. Net Deposit** — Subtract the cash amount you want back. Then write the net (final) amount of your deposit.\*

*\*Remember to...*

**place the dollar amount to the *left* of the vertical line.**

**place the cents amount to the *right* of the vertical line.**





## writing the amount of a check in words

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\$ 857.19

Start writing at the far left side of the line

Eight hundred fifty seven

Dollars

Follow the dollar amount by the word “and”

Eight hundred fifty seven and

Dollars

Write the amount of cents over the number 100

Eight hundred fifty seven and 19/100

Dollars

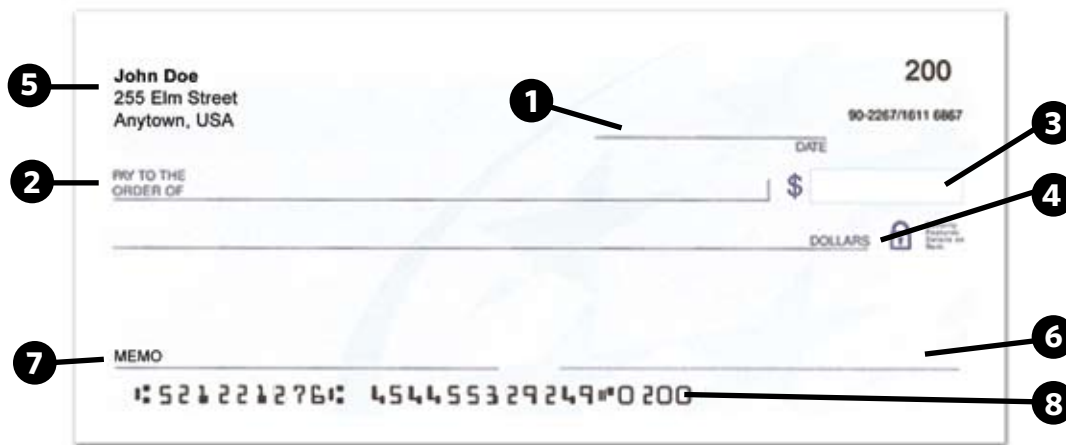
Draw a line from the end of the 100 to the end of the line.

Eight hundred fifty seven and 19/100 -----

Dollars



# writing a check



**1. Date** — Write today's date.

**2. Payee** — Write the name of the person or company that you are paying.

**3. Amount of check in numerals** — Write the amount of the check in numbers. Be careful not to leave any space between your numbers.

**4. Amount of check in words** — Write the amount of the check in words.

**5. Name** — Your personal information is printed here. Never list your Social Security number on your printed check.

**6. Signature** — Sign your check the same way you signed your name on the signature card.

**7. Memo** — Write why you wrote the check. If you are paying a bill, put down any information requested by the company.

**8. Identification numbers** — These numbers identify your bank, account number, and the check number. They are printed in special magnetic ink that machines can read.



## **"check" out these terms!**

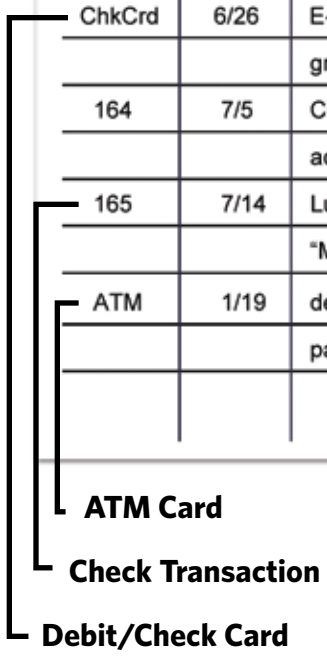
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- **Overdraft**
  
- **Bounced check**
  
- **Canceled check**
  
- **Check card/ Debit card**
  
- **Clear**
  
- **Stop payment**
  
- **Service charge**
  
- **Voided check**



# maintaining a checking account

CHECK NO.	DATE	DESCRIPTION	TRANSACTION AMOUNT		DEPOSIT AMOUNT		BALANCE	
							366	97
161	6/4	Sound Out	216	30			216	30
		bew CD player					150	67
ATM	6/18	withdrawal	35	00			35	00
		spending money					115	67
ChkCrd	6/18	Check Card	55	00			55	00
		Foodland Groceries					60	67
ATM	6/23	deposit			1200	00	2100	00
		transfer from savings					1260	67
162	6/24	Racy's	82	87			82	87
		new clothes					1177	80
ATM	6/25	withdrawal	20	00			20	00
		movie and pizza					1157	80
163	6/26	Woodland Apt's	1000	00			1000	00
		rent					157	80
ChkCrd	6/26	E-Z Shoppe	54	11			54	11
		groceries					103	69
164	7/5	CD Place	26	31			26	31
		acct. #7M3406					77	38
165	7/14	Lucasfilm, Ltd.	10	00			10	00
		"Monkey Island" T-shirt					67	38
ATM	1/19	deposit			253	17	253	17
		pay check					320	55





# reading a bank statement

							<b>THIS STATEMENT COVERS</b> 5/20/09 through 6/18/09
<b>CHECKING ACCOUNT</b> 0471-678	<b>Previous Statement Balance On 5/19/09</b>					612.04	
	<b>Total of 3 Deposits For</b>					1,980.68 +	
	<b>Total of 10 Withdrawals For</b>					1,705.25 -	
	<b>New Balance</b>					883.97 +	
<b>CHECKS &amp; OTHER DEBITS</b> 0471-678	<b>CHECK</b>	<b>DATE PAID</b>	<b>AMOUNT</b>	<b>CHECK</b>	<b>DATE PAID</b>	<b>AMOUNT</b>	
	181	5/24	15.00	184	5/17	1232.27	
	182	6/04	17.00	*186	5/30	54.47	
	183	5/26	217.54	187	6/03	53.97	
		Withdrawal #00281 at ATM #423A			5/24	40.00	
		Withdrawal #02628 at ATM #423A			5/30	20.00	
		Withdrawal #08744 at ATM #430E			6/15	20.00	
<b>DEPOSITS &amp; OTHER CREDITS</b>				<b>DATE POSTED</b>	<b>AMOUNT</b>		
		Transfer from 4039-557 at ATM #423C		5/27	1200.00		
		Customer Deposit at ATM #423A on 5/12		6/14	521.78		
		Direct Deposit from #05323 on 5/17		6/18	258.90		
<b>ATM LOCATIONS USED</b>		423A: 2500 Centre Plaza, Anytown, USA					
		423C: 3500 Centre Plaza, Anytown, USA					
		430E: 945 Hamilton Avenue, Big City, USA					



# keeping a running balance

CHECK NO.	DATE	DESCRIPTION	TRANSACTION AMOUNT		DEPOSIT	BALANCE AMOUNT



# reconciling a checking account

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**Step 1:** Get the current balance from your bank statement.

**Step 2:** Add deposits recorded in your check register that are not on this statement.

**Step 3:** Subtract outstanding checks. These are checks you have written that have not yet cleared the banking system.

**Step 4:** Compare the result with the current balance in your check register.

**Remember to...**

- subtract service fees or other charges
- + add direct deposits
- + add interest earned