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ACA

PRE-EMPLOYMENT
TRAINING

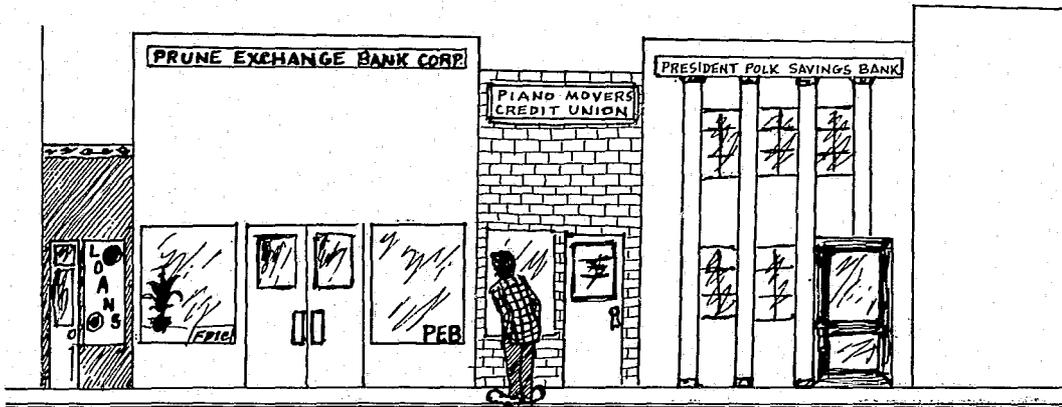
CURRICULUM
PACKAGE

63918

HANDLING YOUR
CHECKING ACCOUNT

✓ ACA
✓ COMPREHENSIVE WORK
ENTRY PROGRAM

✓ UNIT 9
HANDLING YOUR CHECKING ACCOUNT



DO NOT WRITE IN THIS BOOKLET!

NCJRS

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UNIT GOALS

After completing this unit, you will be able to:

Open and maintain a checking account

Recognize that a checking account is a safe way to handle money

Recognize that a checking account gives you a written record of how and where you spent your money

Recognize that by paying bills with checks you can avoid the expense of buying money orders or transportation to pay bills in person

Recognize that opening and keeping a checking account is the first step toward establishing good credit

Identify the steps for opening a checking account

Go to your bank's New Accounts Department

Fill out a signature card

Decide what type of checking account you want to open

Make your initial deposit

Recognize that there are several types of checking accounts

Recognize that you should shop around and talk to people in different banks before deciding where to open your account and what type of account you should open

Write checks correctly

Record on your check stub or in your record book all necessary information before writing a check

Record the date

Record the check number

Record the payee

Identify the payee as the person you write the check to

Record the amount and purpose of the check

Record your new balance

Subtract the amount of each check from the old balance

Add the amount of each deposit to the old balance

Write all checks in ink

Recognize that pencil is legal but can be easily erased

Date each check properly

Write the name of the payee in the space after the words

"Pay to the Order of:"

Write the amount to be paid in the space after the dollar sign (\$)

Avoid leaving spaces between the dollar sign and the amount to be paid

Draw a line through any space left

Spell out the amount to be paid in the space in front of the word "dollars"

Draw a line through any space left
Use the following model: "Ten and 50/100_____"
or "One Hundred Twenty Five and no/100_____"

Avoid writing checks for less than one dollar

Sign all checks on the bottom right hand corner always using the same signature

Avoid changing your signature in any way

Avoid using "Mr.", "Miss", "Mrs.", or "Ms." as part of your signature

Avoid erasing or crossing out anything on checks

Recognize that if you make a mistake, you should write "VOID" across the face of the check and file it with your canceled checks

Identify canceled checks as checks which have been cashed by the payee and returned to you by the bank

Endorse checks correctly

Recognize that to endorse a check means to sign your name, always using the same signature

Sign your name only on the back of the left hand side of the check

Sign your name exactly as it appears on the front of the check

Recognize that if this is not your usual signature, you should add the correct signature below your first endorsement

Recognize that you should notify the bank immediately if you lose a checkbook or even a single check

Reconcile your account as soon as you receive your statement each month

Find out your own new checkbook balance

Subtract any service charge on your bank statement from your own checkbook balance

Find out your new bank statement balance

Add recent deposits not recorded on your bank statement to the balance on your bank statement

Subtract all outstanding checks (those not yet returned to you by the bank)

Recognize that your own new checkbook balance should be exactly the same as your new bank statement balance

DIRECTIONS

Before you begin this unit, complete the test items on the Unit Test. Use a blank sheet of paper to write down your answers, or an answer sheet provided by your instructor. DO NOT WRITE IN THIS BOOKLET! When you have finished, check your answers using the Unit Test Key which you will find in the back of the booklet. Count the number of items you answered wrong and mark your score on your answer sheet (for example, -6). After you have finished reading the text, take the Unit Test again. When you have finished, check your answers using the Unit Test Key. Count the number of items you answered wrong and mark your score on your answer sheet (for example, -1). By comparing the two scores, you can see how much you have learned.

In the unit you will find review questions to check your progress. Answer the review questions on a separate sheet of paper. Then, check your answers using the Review Question Key. You will find the answers printed upside down. If you answer any of the questions wrong, read over the section right before the questions. If you answer all of them right, keep reading.

At the back of the booklet, you will find a list of words and their meanings. If you come across a word you do not understand, look it up in the word list. Words which appear in the list are underlined in the text.

Unit Test

For each of the following test items, circle on your response sheet the letter which most correctly completes the statement. DO NOT WRITE IN THIS BOOKLET!

1. A checking account:
 - a. is a safe way to handle money
 - b. gives you a written record of how and where you spent your money
 - c. both a and b
 - d. neither a nor b

2. By paying bills with checks you can:
 - a. avoid the expense of buying money orders or transportation to pay bills in person
 - b. buy now and worry about paying later
 - c. both a and b
 - d. neither a nor b

3. Opening and keeping a checking account:
 - a. is for people who have a lot of money
 - b. makes a lot of unnecessary paperwork
 - c. is the first step toward establishing good credit
 - d. none of the above

4. The steps for opening a checking account include all of the following except:
 - a. go to your bank's New Accounts Department
 - b. fill out a signature card
 - c. give credit references
 - d. decide what type of account you want to open
 - e. make your initial deposit

5. There are several types of checking accounts.
 - a. True
 - b. False

6. All banks are the same so it doesn't matter where you go to open a checking account.
 - a. True
 - b. False

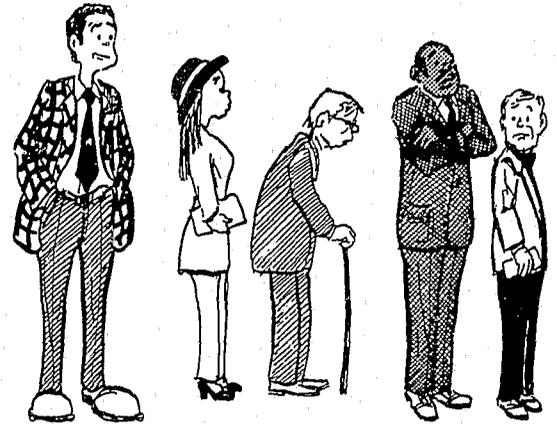
7. Before writing a check you should record on your check stub or in your record book:
 - a. date
 - b. check number
 - c. payee
 - d. amount and purpose of check
 - e. new balance
 - f. all of the above

8. "Payee" means:
- the person who writes the check*
 - the person you write the check to*
 - the bank*
 - none of the above*
9. It is legal to write a check in pencil but all checks should be written in ink.
- True*
 - False*
10. In writing checks you should:
- date each check properly*
 - write name of payee in the space following the words "Pay to the Order of:"*
 - write amount to be paid in space after the dollar sign (\$)*
 - spell out the amount to be paid in the space in front of the word "dollars"*
 - all of the above*
11. If there are spaces between the amount to be paid and the dollar sign (\$) or the word dollars you should:
- leave them blank*
 - draw lines through them*
 - void the check and write another one*
 - none of the above*
12. In spelling out the amount to be paid you should follow the following model:
- "Ten and 50/100—"*
 - "Ten and .50—"*
 - both a and b*
 - neither a nor b*
13. In writing and signing checks you should avoid:
- writing checks for less than one dollar*
 - changing your signature in any way*
 - using "Mr.", "Miss", "Mrs.", or "Ms." as part of your signature*
 - all of the above*
14. If you make a mistake you should:
- erase*
 - cross out*
 - write "VOID" across the face of the check and file it with your canceled checks*
 - tear the check up and throw it away*

15. Canceled checks are checks which:
- a. *you have decided not to write*
 - b. *have been cashed by the payee and returned to you by the bank*
 - c. *both a and b*
 - d. *neither a nor b*
16. In endorsing a check correctly you should:
- a. *sign your name always using the same signature*
 - b. *sign your name only on the back of the left hand side of the check*
 - c. *both a and b*
 - d. *neither a nor b*
17. You should notify your bank immediately if you lose:
- a. *your checkbook*
 - b. *a single check*
 - c. *both a and b*
 - d. *neither a nor b*
18. In reconciling your account as soon as you receive your bank statement each month you should:
- a. *subtract any service charge on your statement from your checkbook balance*
 - b. *add recent deposits to the balance on your statement*
 - c. *subtract all outstanding checks*
 - d. *all of the above*
19. Your own checkbook balance should be exactly the same as:
- a. *the total of all your deposits*
 - b. *your new bank statement balance*
 - c. *neither a nor b*
 - d. *both a and b*

PAY ALL BILLS HERE
STAY IN LINE - NO TALKING - KEEP MOVING

A checking account is a safe way to handle money. It gives you a written record of how and where your money has been spent. By using checks to pay bills you can avoid the expense of buying money orders and the hassle of paying bills in person.



Above all, opening and keeping a checking account is the first step toward establishing good credit. Being able to handle a checking account shows how well you will be able to manage all of your money.

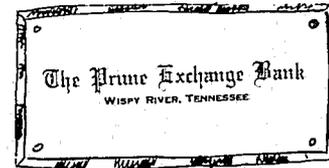
NEW
ACCOUNTS
MRS. MOUSEMINDER



To open a checking account simply go to your bank's New Accounts Department, fill out a signature card, decide what type of checking account you want, and make your initial deposit. Depending on what type of account you open, there may be a minimum balance (an amount that you must keep in your account). For example, with some checking accounts you do not have to pay a service charge, but you have to keep at least \$100.00 in your account.

Since this is your first step toward establishing credit, you will not have to give credit references.

All banks are not the same, and you should shop around and talk to people at different banks before deciding on where to open your account. There are also many types of checking accounts and you should shop around before deciding upon the right account for you. Generally, you will find that the people who work at the bank are willing to help you decide which type of account is best for you. But you have to ask for help.



Check your progress by answering the following review questions.

DIRECTIONS:

On your response sheet write the letter of the phrase which most correctly completes the statement.

1. The most important thing about opening a checking account is that:
 - a. it's a safe way to handle money
 - b. you can avoid the hassle of paying bills in person
 - c. it is the first step toward establishing good credit
 - d. you can avoid the expense of buying money orders

2. When opening a checking account you should:
 - a. shop around
 - b. go to your bank's New Accounts Department
 - c. both a and b
 - d. neither a nor b

Check your answers by using the key below. If you get the answers right, keep reading. If you get either of the answers wrong, go back over what you have already read.

1. c
2. c
Review Question Key



Once you have your account, be sure to keep your account properly. Record all deposits or withdrawals BEFORE actually making the deposit or withdrawal. Record also, on your check stub or in your record book, all other necessary information.

Record the date, check number, the payee (the person you write the check to), the amount and purpose of the check. Always keep your checkbook up to date by recording your new balance. Simply subtract the amount of each check from the old balance. The new balance should be the last amount recorded.





After recording the necessary information, you are now ready to write your check. Always write your checks in ink. Pencil is legal but can easily be erased and changed. Begin by dating your check properly. Otherwise, the bank may refuse to cash a check until the date on that check.

Next, write the name of the payee in the space after the words "Pay to the Order of:". Write the amount to be paid in the space after the dollar sign (\$). Try not to leave any space between the dollar sign and the amount to be paid. If you do leave space, draw a line through it.

ROBERT W. LARKIN 123 Main Street Anywhere, U.S.A. 12345		# <u>1</u>
Pay to the order of	<u>Potomac Gas + Electric Co.</u>	<u>December 21</u> 19 <u>78</u> <u>15-990</u> 820
	<u>\$35.19</u>	
<u>Thirty Five and 19/100</u>		Dollars
The Prune Exchange Bank WISPY RIVER, TENNESSEE		
<u>December fuel bill</u>	<u>Robert W. Larkin</u>	
+ ⑆ 0820-0990 ⑆ 123 4567 8⑈		

Spell out the amount to be paid in the space in front of the word "Dollars". Again, try not to leave any space between the written amount and the word "Dollars". If you do leave a space draw a line through it. The amount should be spelled out using the following model: "Ten and 50/100———" or "One Hundred Twenty Five and no/100———". You should not write a check for less than one dollar, but if you must, use the model "Only 95 cents" and cross out the word "Dollars".

Finally, sign your checks in the space provided on the bottom right hand corner. Decide on a signature and use it at all times. Do not change your signature in any way, and do not use the titles "Mr.", "Mrs.", "Miss", or "Ms." as part of your signature.

Check your progress by answering the following review questions.

DIRECTIONS:

On your response sheet write the letter of the phrase which most correctly completes the statement.

1. All necessary information should be recorded on the check stub or in the record book:
 - a. after writing the check
 - b. in ink
 - c. before writing the check
 - d. none of the above

2. In writing checks you should:
 - a. write in ink
 - b. include the proper date
 - c. draw lines through spaces left next to the amount to be paid
 - d. all of the above

3. Checks should be signed:
 - a. on the bottom right hand corner
 - b. with your full name, including the title "Mr.", "Mrs.", "Miss", or "Ms."
 - c. both a and b
 - d. neither a nor b

Check your answers by using the key below. If you get the answers right, keep reading. If you get any of them wrong, go back over what you have already read.

1. c 2. d 3. a
Review Question Key

Do not erase or cross out on your checks. If you make a mistake, write "VOID" across the face of the check and file it with your canceled checks. (Canceled checks are checks which have been cashed and returned to you by the bank.)

ROBERT W. LARKIN 123 Main Street Anywhere, U.S.A. 12345		# 52
Pay to the order of <u>Clinton Klug</u>		<u>September 30</u> 19 <u>79</u> <u>15-990</u> 820
<u>Twenty Five and 25/100</u>		\$ <u>26.00</u>
The Prune Exchange Bank WISPY RIVER, TENNESSEE		Dollars
		<u>Robert W. Larkin</u>
⑈ 0820-0990 ⑈ 123 4567 8⑈		

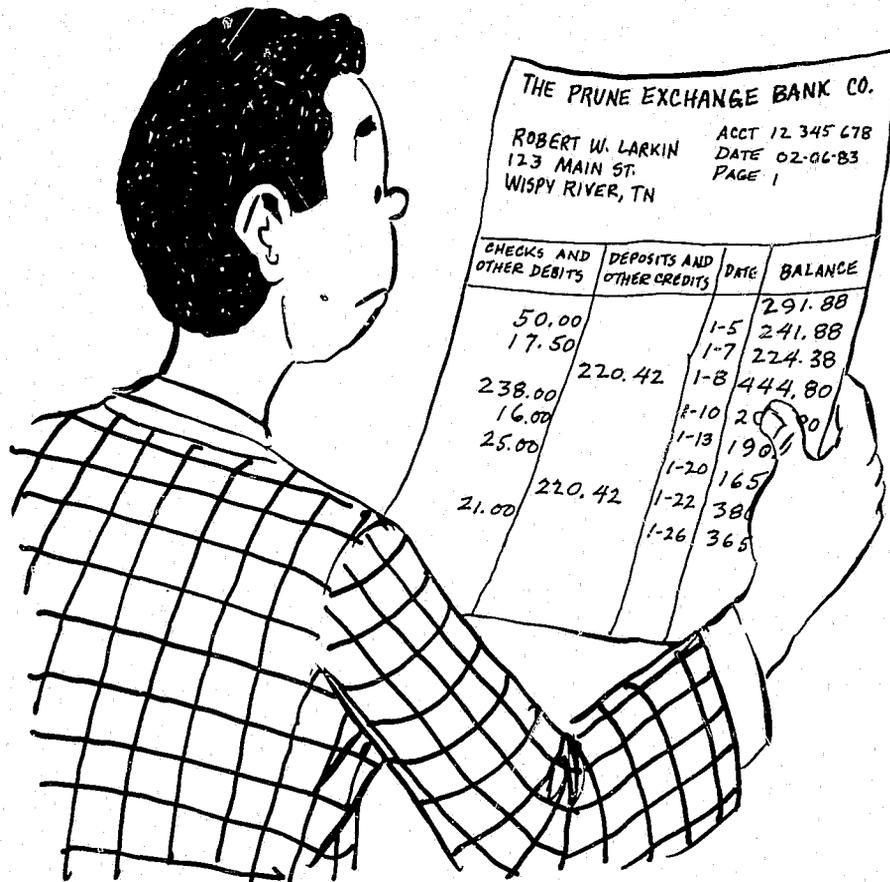
When you get a check made out to you, endorse (sign) it on the back of the left hand side. Sign your name exactly as it is on the front of the check. If this is not your usual signature, add the correct signature below the first endorsement (signature).

Clinton Klug, Inc. WISPY RIVER, TENNESSEE OUTBOARD MOTORS		# 186
Pay to the order of <u>Bobby Bill Larkin</u>		<u>April 10</u> 19 <u>80</u> <u>15-990</u> 820
<u>Twenty-five and 00/100</u>		\$ <u>25.00</u>
The Prune Exchange Bank WISPY RIVER, TENNESSEE		Dollars
		<u>Clinton Klug</u>
⑈ 0820-0990 ⑈ 123 4567 2⑈		

FRONT

<u>Bobby Bill Larkin</u> <u>Robert W. Larkin</u>

BACK



Each month, you will get a bank statement showing all the deposits you have made and all the checks you have written. You will also get all of your canceled checks for the past month. When you receive your bank statement, reconcile your account immediately. This simply means that you should check to see that there are no mistakes in your statement. You could lose money if you aren't careful.

1. Your own checkbook balance	343.21
2. Minus service charges appearing on your bank statement	2.00
3. Your own new checkbook balance	341.21



Reconciling your account can be a simple matter if you have followed the rules outlined in this unit.

Simply subtract any service charge on your bank statement from your own checkbook balance. This gives you your own new checkbook balance.

4. Balance in the bank's statement	363.28
5. Plus recent deposits not yet recorded in bank statement	185.00
6. Minus value of all outstanding checks - those not appearing on bank statement	207.07
7. New bank statement balance	341.21



Then, add any recent deposits not recorded on your bank statement to the balance on your bank statement. Subtract from that total all outstanding checks (those not yet returned to you by the bank), and you have your new bank statement balance. Your new checkbook balance should be exactly the same as your new bank statement balance.

Now that you have completed the text, take the Unit Test again. When you have finished, check your answers using the Unit Test Key. Count the number of items you answered wrong and mark your score on your answer sheet (for example, -1). By comparing the two scores, you can see how much you have learned.

* * * * *

Unit Test Key

- | | |
|-------|-------|
| 1. c | 11. b |
| 2. a | 12. a |
| 3. c | 13. d |
| 4. c | 14. c |
| 5. a | 15. b |
| 6. b | 16. c |
| 7. f | 17. c |
| 8. b | 18. d |
| 9. a | 19. b |
| 10. e | |

WORD LIST

1. balance - the amount of money you have in your account
2. canceled checks - checks which have been cashed by the payee and returned to the bank
3. cash a check - to go to the bank and give a check to the teller in exchange for cash
4. credit - a way of paying over a period of time, for things you buy
5. credit references - credit you have used before which proves that you are able to repay
6. deposit - to put money in your account; money you have put in your account
7. endorse - sign a check made out to you, always using the same signature
8. establish - to set up or start something and make it firm
9. initial deposit - first deposit; the money you use to open your account
10. minimum balance - the smallest amount allowed
11. outstanding checks - checks which have not been cashed and returned to you by the bank
12. payee - the person you write a check to
13. reconcile - a way of checking to see that there are no mistakes in your monthly bank statement
14. service charge - a small amount of money that the bank charges you for keeping your account open; usually about \$2.00 or \$3.00 plus 15¢ for each check you write
15. signature - the way you usually sign your name
16. signature card - a card with your correct signature which the bank keeps
17. withdrawals - money you have taken out of your account

Teacher's Notes

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END