



Banking Services Unit

Saving for Financial Goals

Using a savings account to set aside funds for your financial goals... IMPORTANT because...

- Takes the money you are saving out of your wallet.
- Keeps it in a secure place.
- Lets you keep track of what you have saved.
- Earns a small amount of interest in the process.

5-D

Savings for Goals

Saving for Financial Goals

Using a savings account to set aside funds for your financial goals...

- provide funds for emergencies,
- short-term goals and
- eventually investments.

<http://www.bettermoneyhabits.com/en/videos/create-safety-net-unexpected-events.html?cat=saving-budgeting#fbid=OC2Rkwf1rK7>

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Savings for Goals

Interest

- Money you earn from the bank on your savings balance (They loan out your money.)
- Interest rates vary from month to month
- Interest may be compounded.

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Savings for Goals

When You Open a Savings Account

- You deposit money in the account.
 - You can add money at any time.
- However, you can be limited to a certain number of withdrawals from a savings account per month.
- The savings institution is allowed to use your money to invest and earn a profit.
 - You are paid a small amount of interest for depositing your money.
 - Your money is insured against loss.
 - Photo identification & Social Security Number
 - Need parent signature if you are a minor.

5-C

Opening Savings Account

What is a checking account?

- A banking service where money is deposited into an account and checks, or drafts (*credit union term*), can be written to withdraw money from the account as needed.
- Also known as a demand deposit because you can demand portions of your funds at will.

Checking Account

To Open a Checking Account, you must provide the following:

- Signature authorization card
- Photo ID & Social Security No.

These provide bank with important information and an official signature to compare with subsequent checks written

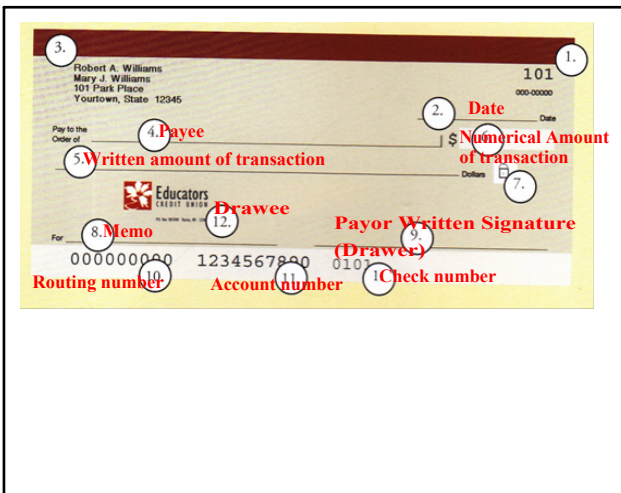
- Also, you need to make an Initial Deposit

Opening Checking Account

Tips on Writing Checks

- Always use a pen – preferably one with dark ink.
- Write legibly and do not leave any gaps.
- Sign your name the exact same way it appears on your signature card.
- Avoid Mistakes – if so, write “VOID”.
- Make sure you have the \$ to cover check.

Writing Checks



Parts of a Check

Checking Terms

- Cancelled Checks – those the bank has processed, or cleared.
- Outstanding checks/deposits -- transactions that you have made but the bank isn't aware of them yet.

Terminology

Uses of Cancelled Checks

- Proof of purchase
- Proof of payment in case a dispute arises
- Budgeting is facilitated because check records are kept.

Cancelled Checks

Checkbook Register

- A checkbook register is a record of deposits to and withdrawals from a checking account.
- Keeps an overall record of money spent, money deposited, fees, the purpose of the checks, and what amount.

Check Register (SmartBoard).PPT

Registers

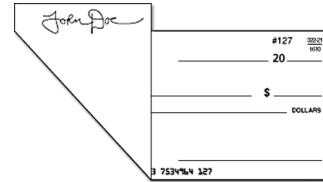
Endorsing a Check

- Blank Endorsement
- Restrictive Endorsement
- Special (or full) Endorsement

Endorsements

Blank Endorsement

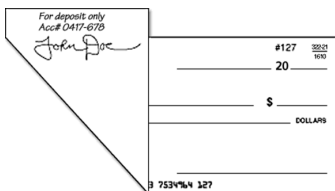
- A blank endorsement is simply the signature of the payee written **exactly** as his or her names appears on the front of the check. Use only when you are at the teller window at the financial institution.



Blank Endorsement

Restrictive Endorsement

- A restrictive endorsement restricts or limits the use of the check.
- “For Deposit Only & Account Number”
- This check will only be able to be deposited under that account number.



Restrictive Endorsement

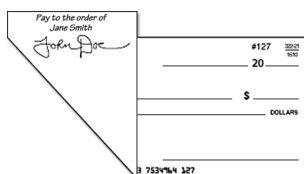
When To Use Restrictive Endorsements

- Mailing deposits
- Placed in night deposit boxes
- Any other circumstances when there is a chance that it will be misplaced.

Restrictive Endorsement

Special (Full) Endorsement

- A special endorsement, or an endorsement in full, is written when the payee signs over the check to a 3rd person.
- The purpose is to specifically name the next payee who is entitled to cash the check.



Special Endorsement

Special Endorsement Issues

- Often called a second-party check when you sign the check over to another person.
- Most stores will not cash a second-party check because they cannot get identification of the person who wrote it.

Special Endorsement

Reconciling a Checking Account

- The process of matching your checkbook register with the bank statement.
- It's not a lot of fun, but it is extremely important.
- Every check and every deposit must be accounted for.
- It helps to see if you are accurate so you don't get an overdrawn fee.

Reconciliation

- **Add** interest and other deposits made but not yet entered in your checkbook register.
- **Subtract** any service charge or other deductions not previously entered in your checkbook register.
- **Add** deposits made but not shown on this statement.
- **Subtract** checks issued and withdrawals made but not shown on the statement.

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Balance Steps

Insurance on your deposited money

At a bank - Up to \$250,000
Insurance is FDIC

At a credit union - Up to \$250,000
Insurance is NCUA

Depositor Insurance

Debit Cards

- Choose the credit option instead of debit option. ("Credit" you sign your name, "Debit" you must enter your PIN... but be aware of identity theft! Also can avoid point of service fees.
- Must use debit option if you want to get cash back.
- Money is taken directly out of your checking account immediately, so enter the amount spent into your check register.

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Debit Cards

About Your PIN

- **PIN stands for Personal Identification Number. This number gives you access to your account, so it's important to keep it secret.**
- **Memorize your PIN. Do not write it down and keep it somewhere in your wallet (where someone could find and use it).**

PIN

EFT (electronic funds transfer)

Some businesses use the information from your paper check to instantly convert it to an electronic check (aka e-check).

Even if you don't use paper checks, you can "write" an e-check when paying online or by smartphone. You need these two pieces of information:

- Bank routing number
- Your account number

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EFT

Banking Terminology

- Overdraft fee - you attempting to spend more money than you actually have in your account. Your financial institution will charge you an overdraft fee. (Every additional attempt will trigger another overdraft fee.)
- Non-sufficient fee (NSF) - a charge that the business listed as the payee will charge you when you have written a "bad check/bounced check)

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Banking terminology

When you provide a check as payment, you authorize us to use information from your check to process a one-time Electronic Funds Transaction (EFT) or draft drawn from your account, or process the payment as a check transaction. You also authorize us to process credit adjustments, if applicable. If your payment is returned unpaid, you authorize us to collect your payment and the Return Fee Amount below by EFT(s) or draft(s) from your account. If you are presenting a corporate check, you make these representations as an authorized corporate representative and agree that the corporation will be bound by the NACHA rules.

Return Fee Amount is \$25.00

Questions? Call 1-800-697-9263

Signature _____

NSF Business Fee

Banking Terminology

- Overdraft protection - the bank will offer you the option for protection from having your card declined....for a fee. (You can opt out of overdraft protection so it isn't possible to overdraw your account and you won't be charged for it.)

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Banking terminology

Automate Your Banking

- Direct Deposit - becoming more mandatory (prepaid reloadable cards or paycard)
- Automatic Deposits/Transfers - you can set up automatic deposits into savings (pay yourself first) and other transfers
- Online Bill Pay - you can send money to your creditors and utilities straight from your checking or saving account (either one time payment or scheduled payments).
- Account Alerts - helps you stay on top of your account by setting "alarm" for low balance, failed bill pay, overdraft fees

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Mobile Banking

Online Bill Pay

<https://www.billpaysite.com/v2/GuidedConsumerDemo/Enrollment/demo.aspx?instID=38571&MkPromo=0&MkRec=693047>

Mobile Apps

<https://www.wellsfargo.com/mobile/onaphone/#apps>

Online Bill Pay

Advantages of Online Banking

- Saves time
- Saves money
- Gives the owner of the account more control.


Disadvantages of Online Banking

- Poorer customer service than a brick-and-mortar building.
- You may not have immediate access to your funds unless you have set up a debit card or automatic bill pay.
- You are not able to immediately receive a bank product such as a money order or registered check.

Adv/Disadv of Online Banking

Payday Loan Stores

Payday Lenders.ppt



<http://banking.about.com/od/loans/a/PaydayLoans.htm>

The image shows a presentation slide titled "Payday Loan Stores". At the top center is the title. Below it is a small icon of a presentation file labeled "Payday Lenders.ppt". Underneath the icon are three stacks of US dollar bills, each appearing to be a \$20 bill. At the bottom of the slide is a URL: "http://banking.about.com/od/loans/a/PaydayLoans.htm".

Pay Day Loans

Attachments

Checking Accounts and Banking Services (SmartBoard).PPT

Savings (SmartBoard).PPT

Check (SmartBoard).PPT

Check Register (SmartBoard).PPT

Interest_1_Year.xlsx

Interest_3_Year.xlsx

Interest_1_Month.xlsx

PV_500.xlsx

Realistic_Savings_Example.xlsx

Jack and Jill.pdf

Quarterly Key.xlsx

Investing the value of your vices.xlsx

Wells Fargo (Edgewood).ppt

Payday Lenders.ppt