

# Checking Accounts

*When you open a checking account you put money in the bank. Then you buy a book of checks from the bank. Using checks keeps you from having to carry cash with you. You can use checks to pay in most stores. You can use checks to pay bills. Instead of carrying cash you carry a checkbook.*

## New words to remember

- ✓ deposit
- ✓ check register
- ✓ insufficient funds
- ✓ bounced check
- ✓ balance
- ✓ minimum balance

## Why Would You Want to Use a Checking Account?

Carrying large amounts of cash is not safe. Hiding cash in your home is risky. The money could be lost or taken from you. It is never safe to send cash in the mail. You can safely send a check in the mail. It is safe to *deposit* or put money in a checking account.

## How Checking Accounts Work

When you write a check, you tell the bank to pay the amount of money written on the check. The amount of money on the check is taken from your account. The person or name written on the check will be paid the money. You must keep track of how much money you have in your account. You must have enough money in your account to pay for checks you write.

An account has *insufficient funds* if it does not have enough money in it. Insufficient funds will cause *bounced checks*. Banks will charge you a fee for bounced checks. Bounced checks cannot be cashed. The company you wrote the check to can also charge you a fee. A bounced check can cost you a lot of money. If you bounce too many checks the bank will close your account. You may also get into legal trouble.

You need to keep correct records for your checking account. You will need to write the amount of your check in your *check register*. A check register is a little book where you keep a record of the money in your checking account. Then subtract the amount of the check from your total amount. Some banks charge a fee for having a checking account. Subtract the fee from the total amount on your check register. See the following example:

## Check Register

DATE	NO.	TRANSACTION	DEPOSIT AMOUNT	PAYMENT AMOUNT	BALANCE
					\$ 500.00
2/29/08	100	electric company		75.00	425.00
3/2/08	101	rent		250.00	175.00
3/5/08	102	grocery store		56.00	119.00
3/7/08		deposit	300.00		419.00

The amount of money you have in your bank account is called the *balance*. Some banks require that you keep a *minimum balance* in your account. Minimum balance is the smallest amount of money you can have in your account at all

Over ➔



times. If you have less than the *minimum balance*, you can be charged a fee. Ask questions about fees when you start an account. When you put money into your checking account it is called a *deposit*. The bank will give you a receipt when you make a deposit. Keep the receipts in a safe place. Write the amount of the deposit in your check register.

## Writing a Check

The check will look like the example below. You will write the name of the person or company you are paying on the line that says, "PAY TO THE ORDER OF." On the line below you will write in words the amount of the check. For example, if the check amount is \$50.45, you will write fifty and 45/100.

Labels and their corresponding fields on the blank check:

- Name and address of person who can sign check:** Points to the top left field containing "JOSE MARTINEZ, 123 OAK STREET, BUFFALO, NY".
- Date:** Points to the top right field containing "20\_\_".
- Check number:** Points to the top right field containing "100".
- Who you are writing the check to:** Points to the "PAY TO THE ORDER OF" line.
- Amount written in words:** Points to the line below the "PAY TO THE ORDER OF" line.
- Name and address of the bank:** Points to the field containing "CITI BANK, 222 MAIN STREET, BUFFALO, NY".
- Reason for check:** Points to the "FOR" line.
- Your checking account number:** Points to the MICR line containing "4401115075311211 0100".
- Your signature:** Points to the signature line.
- Amount in numbers:** Points to the dollar amount field containing "\$\_\_".

Information on the completed check:

- Top Left:** JOSE MARTINEZ, 123 OAK STREET, BUFFALO, NY
- Top Right:** 100
- Date:** May 19 2008
- Pay to the Order of:** John Doe Lumber Yard
- Amount in Numbers:** \$ 75.82
- Amount in Words:** Seventy Five and 82/100 DOLLARS
- Bank:** CITI BANK, 222 MAIN STREET, BUFFALO, NY
- For:** wood for kitchen trim
- Signature:** Jose Martinez
- MICR Line:** 1:0210000021: 4401115075311211 0100

## ***Checking Accounts***

**Materials needed:**

- Wipe board and wipe board markers
- Pencils
- Checkbook and check register
- Highlighters

**Finanza materials:**

- *Checking Accounts* (Toolbox Topic, Skills Practice Worksheet, Pre/Post–Survey)

Elements	Activities	Notes
<b>Pre-Set</b>	Introduce topic	Do you pay your bills with cash? What is this? (Display checkbook - from bank or use your own)
	Conduct Pre-Survey	Students complete (oral or written) survey.
	Introduce new vocabulary	Instructor writes vocabulary words on wipe board. Instructor and students repeat vocabulary words.
<b>Instruction</b>	Read <i>Checking Accounts</i> (if appropriate)	Provide Toolbox Topic – <i>Checking Accounts</i> . Instructor leads guided reading of topic.
	Identify vocabulary words in reading	Students highlight definitions of new words.
	Explain how checking accounts work	Instructor explains the process of establishing and using a checking account. Show checkbook and check register. Instructor demonstrates writing a check.
	Practice managing a checking account	Provide Skills Practice Worksheet. Instructor guides the students through practice with examples on worksheet.
	Explain insufficient funds	Instructor creates example of check register with insufficient funds and explains situation. Instructor provides additional subtraction examples if students need more practice.
<b>Concept Check</b>	Review vocabulary	Instructor makes vocabulary cards – randomly draws cards for students to define.
	Conduct Post-Survey	Students complete (oral or written) Post-Survey.

**Workshop Guidelines:**

- Complete attendance/sign-in document
- Record Pre/Post-Survey results if completed orally
- Time estimate – 1 hour for adults... less for children depending on grade (K – 12)

## Checking Accounts *Cuentas de cheques*

Name/*Nombre* \_\_\_\_\_Date/*Fecha* \_\_\_\_\_

Name and address of person who can sign check/  
Nombre y dirección de la persona que puede firmar el cheque

Date/*Fecha*      Check number/  
Número del cheque

Jose Martinez 123 Oak Street Buffalo, NY	Date _____      101 20____
Pay to the <span style="float: right;">SAMPLE/MUESTRA</span> Order of _____   \$ <span style="border: 1px solid black; display: inline-block; width: 80px; height: 20px; vertical-align: middle;"></span> _____ Dollars	
Country Bank 222 Main St. Buffalo, NY For _____	
0210000021    440    507532    0101	

Your account number/  
Número de su cuenta

Reason for check/  
Motivo para el cheque

Your Signature/  
Su Firma

Name and address of the bank/  
Nombre y dirección del banco

Amount in numbers/  
Cantidad en números

Amount written in words/  
Cantidad escrita con palabras

Name of the person who will cash the check/  
Nombre de la persona que cobrará el cheque

Over/*Continúa al reverso*

Write a check to pay your rent for \$550. Your landlord's name is John Doe.

Escriba un cheque para pagar el alquiler por 550 dólares, a nombre de su casero, John Doe.

Jose Martinez 123 Oak Street Buffalo, NY	102  Date _____ 20__
Pay to the Order of _____   \$ <span style="border: 1px solid black; display: inline-block; width: 80px; height: 20px; vertical-align: middle;"></span> _____ Dollars	
Country Bank 222 Main St. Buffalo, NY	
For _____	
0210000021   440   507532   0102	

Write a check for groceries at Wegmans for \$45.69.

Escriba un cheque para pagar por comida en Wegmans por 45.69 dólares.

Jose Martinez 123 Oak Street Buffalo, NY	103  Date _____ 20__
Pay to the Order of _____   \$ <span style="border: 1px solid black; display: inline-block; width: 80px; height: 20px; vertical-align: middle;"></span> _____ Dollars	
Country Bank 222 Main St. Buffalo, NY	
For _____	
0210000021   440   507532   0103	

Write a check to the Telephone Company for \$26.47.

Escriba un cheque para la Compañía de Teléfonos por 26.47 dólares.

Jose Martinez 123 Oak Street Buffalo, NY	104  Date _____ 20__
Pay to the Order of _____   \$ <span style="border: 1px solid black; display: inline-block; width: 80px; height: 20px; vertical-align: middle;"></span>	
_____ Dollars	
Country Bank 222 Main St. Buffalo, NY	
For _____	
0210000021   440   507532   0104	

Record the information from the three checks you wrote in the register below. Your beginning balance is \$700.

### Check Register

Escriba la información de los tres cheques que escribió en el registro de abajo. El balance que tiene al principio es de 700 dólares.

### Registro de cheques

Date	No.	Transaction	Amount of Deposit	Amount of Payment	Balance
					\$
----	101	Sample	----	----	----
	102				
	103				
	104				



## Checking Accounts Pre-Assessment

Date: \_\_\_\_\_

Name: \_\_\_\_\_

1. Can you use checks to pay your bills?

Yes

No

2. What kind of information might you find in a check register?

- a. the amount of a check you wrote
- b. your checking account balance
- c. the date you wrote a check
- d. all of the above

3. Which would you do to put money into your checking account?

make a deposit

write a check

4. An account with *insufficient funds* doesn't have enough money in it.

True

False

5. Is it safe to send a check through the mail?

Yes

No

Total Correct: \_\_\_\_\_



## Checking Accounts Post-Assessment

Date: \_\_\_\_\_

Name: \_\_\_\_\_

Circle the correct answer.

1. Can you use checks to pay your bills?

Yes

No

2. What kind of information might you find in a check register?

a. the amount of a check you wrote

b. your checking account balance

c. the date you wrote a check

d. all of the above

3. Which would you do to put money into your checking account?

make a deposit

write a check

4. An account with *insufficient funds* doesn't have enough money in it.

True

False

5. Is it safe to send a check through the mail?

Yes

No

What can happen if you bounce checks? (not scored)

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Total Correct: \_\_\_\_\_