

Unit 4:
**Managing Financial
Accounts**

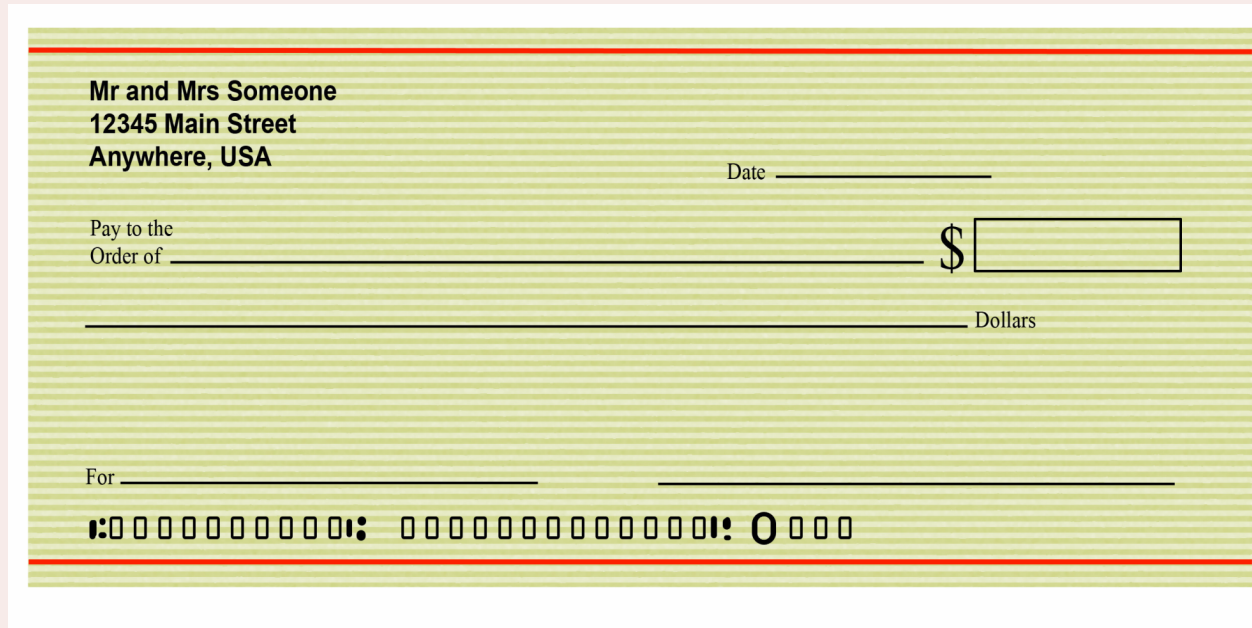
Personal Financial Literacy

Objectives

- Compare the different types of checking accounts.
- Explain the process of check endorsement.
- Explain the importance of recording debit withdrawals and reconciling them against a financial statement.
- List ways you and the bank can protect your personal information and assets when using online banking services.

Parts of a Check

- Personal information
- Payee
- The Dollar Box
- The amount of your check
- Memo line
- Date line
- Signature line
- Banks ABA routing number
- Your account number
- Check number

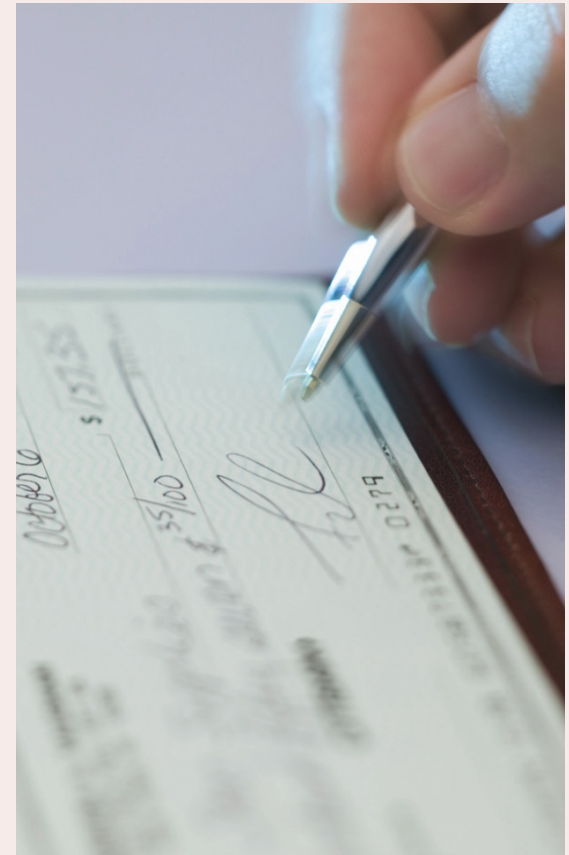


Regular Checking Accounts

- May or may not have a monthly service fee for unlimited transactions
- Single or joint checking accounts

Interest-Bearing Checking Accounts

- Interest often determined by current interest rate
- Must maintain higher balance
- May waive minimum balance requirement if consumer has multiple bank accounts



Share Accounts

- Checking accounts at credit unions
- Rarely minimum balance requirements
- Fees low or nonexistent

Special Accounts

- Limited activity accounts
- Low balances and/or few transactions
- Per transaction fee common

Check Endorsement

- Left edge of check on reverse side
 - Blank
 - Your signature in endorsement area
 - Special
 - Transfers right to cash the check to someone else
 - Restrictive
 - Limits use of check

Check Register



- Record:
 - Check number
 - Date
 - Payee
 - Amount
- Write in check register **BEFORE** you write the check or make the withdrawal.

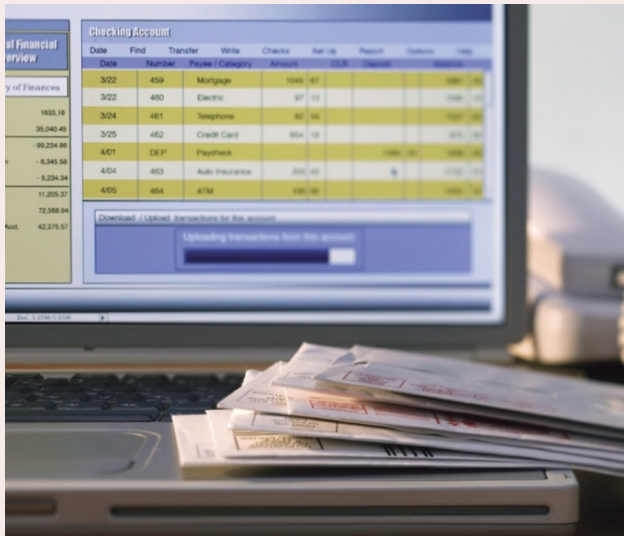
Reconciliation

1. Check off transactions from monthly statement.
2. Subtract fees or add interest from statement.
3. List outstanding deposits and checks that appear in your register but not on your statement.
4. Use ending balance on statement: add outstanding deposits and subtract outstanding checks or withdrawals.



Keeping Online Banking Safe: Institutions

- Must offer a copy or receipt for transactions.
- Provide secured websites.
- Must investigate reported errors within 10 days of notification.
- Automatic log-off when inactive for 10 minutes.



Keeping Online Banking Safe: Account holder

- Keep user name and password confidential
- Make passwords difficult
- Sign-off; never leave account information on screen.
- Do not autosave user name or passwords.
- Do not give social security number or account number to anyone

Unit Review

1. Explain the purposes of having a checking account.
2. Name the eight items found on every check.
3. What responsibilities does having a checking account include?
4. Distinguish between different types of checking accounts.
5. What would be an advantage to having a joint checking account?

Unit Review - Continued

6. Name the types of endorsements. – Blank, Restrictive, and Special (A special endorsement may include “Pay to the order of”)
7. Identify why you might use a restrictive endorsement. – Usually includes “For Deposit Only” and a signature
8. What is a blank endorsement? Signature only

Unit Review - Continued

9. What is the purpose of a check register?
10. What should you do when you receive a monthly account statement?

Unit Review - Continued

11. Explain a reason that some checking accounts become overdrawn.
12. Describe the process of reconciling an account.
13. List at least three things a financial institution does to keep financial accounts safe online.
14. Name at least three things an account holder can do to keep financial accounts safe.

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