



Steps to a Healthy Checkbook

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Your Signature Card

SURNAME		GIVEN NAMES		TRANSIT	
SURNAME		GIVEN NAMES		SIGNATURE CODE	
ACCOUNT NO.	ACCOUNT TYPE	DATE OPENED	DATE CLOSED		

Specimen Signature(s)

<hr/>	<p>SIGNATURE CODE</p> <p><input checked="" type="checkbox"/> Single</p> <p>1 Either</p> <p>2 Both (ALL)</p> <p>3 Multiple</p> <p>4 Non-Writer</p>
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See reverse for additional signatures

You will sign a signature card when you open your accounts. This card, and your signature on it, will give the bank an example of how you sign your name. They will use this to verify any questionable signatures and to list anyone else that is on the account.

- Make sure that you sign your name just like you plan to sign every check from this point forward. It is best to use your legal name too. For example, using a nickname is probably not the best way to go.
- Also, as a minor, you may be required to have a parent or guardian on your account until you reach 18. They will need to come to the bank when you open your account to sign your card too.

WHAT'S ON A CHECK?

- 1 The date you wrote the check
- 2 Person or company receiving payment
- 3 The amount of payment, in numbers
- 4 Total payment, in words
- 5 Memo (description of payment), optional
- 6 Your signature
- 7 Routing number (for electronic clearing)
- 8 Checking account number
- 9 Check number (also in upper-right corner)

JOHN M. SMITH
4923 MAIN STREET
ANYTOWN, CO 81234

DATE January 31, 2012

PAY TO THE ORDER OF XYZ Retail Store \$ 150.50

One hundred fifty ⁵⁰/₁₀₀ cents DOLLARS

Main Street Credit Union
4642 Main Street
Anytown, CO 81234

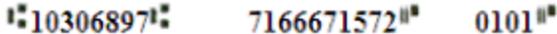
MEMO For prom dress

⑦ ⑧ ⑨

⑦ ⑧ ⑨

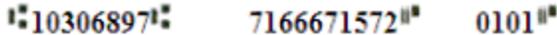
Always write out a check in pen so nothing can be changed. If you make a mistake, initial any corrections you make, or write "VOID" across that check and fill out a new one. Before you shred the voided check, be sure to record it in your check register.

How to Write a Check

	DATE _____	101
PAY TO THE ORDER OF _____	\$ _____	
		DOLLARS
 MoneyInstructor.com Bank 1221 Main Street Anywhere, US 10001		
FOR _____		
		

Step 1:

How to Write a Check

	DATE 10/09/03	101
PAY TO THE ORDER OF _____	\$ _____	
		DOLLARS
 MoneyInstructor.com Bank 1221 Main Street Anywhere, US 10001		
FOR _____		
		

NEXT
[Click Here](#)

[Today's Date](#)

Step 2:

How to Write a Check

	DATE	10/09/03	101
PAY TO THE ORDER OF	Company XYZ, INC.	\$	
			DOLLARS
	MoneyInstructor.com Bank		
	1221 Main Street		
	Anywhere, US 10001		
FOR			
10306897	7166671572	0101	

NEXT
[Click Here](#)

The name of the recipient (individual, company, etc) you are writing the check to.

Step 3:

How to Write a Check

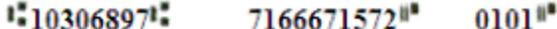
	DATE	10/09/03	101
PAY TO THE ORDER OF	Company XYZ, INC.	\$10.21	
			DOLLARS
	MoneyInstructor.com Bank		
	1221 Main Street		
	Anywhere, US 10001		
FOR			
10306897	7166671572	0101	

NEXT
[Click Here](#)

The amount of the check in numerals, with cents after the decimal. Begin as close as possible to the \$. If cents are zero, be sure to write .00

Step 4:

How to Write a Check

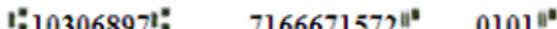
	DATE <u>10/09/03</u>	101
PAY TO THE ORDER OF	<u>Company XYZ, INC.</u>	\$ <u>10.21</u>
Ten and 21/100 -----		DOLLARS
 MoneyInstructor.com Bank 1221 Main Street Anywhere, US 10001		
FOR	_____	
		

NEXT
[Click Here](#)

The amount of the check in words, except for cents, which is written in cents/100. Start at the left edge, and draw a line through the remaining space.

Step 5:

How to Write a Check

	DATE <u>10/09/03</u>	101
PAY TO THE ORDER OF	<u>Company XYZ, INC.</u>	\$ <u>10.21</u>
Ten and 21/100 -----		DOLLARS
 MoneyInstructor.com Bank 1221 Main Street Anywhere, US 10001		
FOR	<u>Utility Bill</u>	
		

NEXT
[Click Here](#)

Optional field to describe the reason for the check, or an account number.

Step 6:

How to Write a Check

	DATE <u>10/09/03</u>	101
PAY TO THE ORDER OF	<u>Company XYZ, INC.</u>	\$ <u>10.21</u>
Ten and 21/100		DOLLARS
 MoneyInstructor.com Bank 1221 Main Street Anywhere, US 10001		
FOR	<u>Utility Bill</u>	<u><i>Your Signature</i></u>
⦿10306897⦿ 7166671572⦿ 0101⦿		

NEXT
[Click Here](#)

Your signature.

Step 7:

How to Write a Check

	DATE <u>10/09/03</u>	101
PAY TO THE ORDER OF	<u>Company XYZ, INC.</u>	\$ <u>10.21</u>
Ten and 21/100		DOLLARS
 MoneyInstructor.com Bank 1221 Main Street Anywhere, US 10001		
FOR	<u>Utility Bill</u>	<u><i>Your Signature</i></u>
⦿10306897⦿ 7166671572⦿ 0101⦿		

AGAIN?
[Click Here](#)

Finished! After your check is complete, be sure to record it in your checkbook.

Check Writing Terms

Payee: The party that receives the check.

Payor: The party that writes the check (to the payee).

Check Register: A booklet that is used to keep a record of all your checking related transactions, including checks written and deposits.

Check Stub: A strip on the side of some checks that is torn off. Used to keep record of the amount of the check.

Endorse a Check - Check Endorsement: When the payee signs their name on the back of a check to cash or deposit the check.

Balance: The amount of money currently in your checking account.

Non-sufficient Funds: When you write a check for more money than you have in your account.

Minimum Balance: The minimum amount of money required in your account. Having an amount less than the minimum balance may result in extra service charges or reduced privileges.

Service Charge: An amount the bank charges (fees) for use of the checking account.

NOT-SO-FREE CHECKING

Free checking accounts are usually the best deal in banking. But “free” doesn’t mean totally without cost. It just means no monthly fee. In some cases, you’re required to keep a minimum balance to qualify.

Fee types and amounts will vary. Scan the chart for a list of the most common fees.

Fast Facts About Banking Fees	
Types of Fees	Charged When...
Monthly Service Fees	Having an account (unless you have free checking)
Out-of-Network ATM Fees	Using an automated teller machine (ATM) not owned by your bank or in a network your bank belongs to
Check Fees	Writing more checks than you’re allowed in a month
Debit Fees	Choosing “debit” for a debit card purchase (aka point-of-sale (POS) fees) at checkout
Nonsufficient Funds (NSF) Fees	Writing a check for an amount that exceeds your balance
Overdraft (OD) Fees	Having an electronic transaction that exceeds your balance
OD Transfer Fees	Having a bank transfer money from a linked account to prevent an overdraft transaction
Deposited Item Returned Fee	Depositing a check when there isn’t enough money in the payer’s account to cover the check amount
Stop Payment Fees	Instructing your bank to cancel a check you wrote when that check is presented for deposit or cash

Source: *Still Risky: An Update on the Safety and Transparency of Checking Accounts*, The Pew Charitable Trusts, June 2012, www.pewstates.org/uploadedFiles/PCS_Assets/2012/Pew_Safe_Checking_Still_Risky.pdf

Activity 5.2: Check Writing 101

NAME:

DATE:

Directions:

Practice writing checks for the following purchases. Always use permanent ink to write a check, and be sure your handwriting is legible. In a real situation, you want to be sure that the bank can clearly read the check to deduct the correct amount from your account. Don't erase or cross out errors. If you make a mistake, print "void" across the check, and then write out another check. You will find an example of a written check on page 8 in the Student Guide.

Use your own name, your school name, and today's date to write checks for these transactions:

- Buy a pair of tickets for an upcoming school event with a check payable to your school, \$42.50
- Pay rent to Mayfair Apartments, \$750
- Contribute to a disaster fund with a check payable to the Red Cross, \$5

Tips for writing numerals on checks:

The check amount is written twice on a check to verify the amounts. The bank will question the validity of the check if both amounts don't match.

Write figures in the box on the right side of the check, and write the same amount in words on the line below beginning as close to the left of the check as possible. After all, you don't want anyone to make adjustments to the numbers after you write the check!

- When writing out dollar amounts in words, write the amount as you say it out loud. For example, \$7,450 is written as *seven thousand four hundred fifty*. The word "dollar" is already on the check to the right, so you don't have to repeat the word.
- When spelling out large numbers, use a hyphen to connect a word ending in *-y* to another word. Examples: *twenty-one* or *ninety-nine*.
- You don't need to use the word "and" after "thousand" or "hundred." Just write the amount.
- Only write the dollar amount in words on the text line, not the cents amount. Any amount less than a dollar is shown as a fraction. Example: 52.31 is written as *fifty-two and 31/100*.
- To discourage anyone from modifying your written amount, fill in the line completely. Add a wavy line to the right of the amount if necessary. Do the same after the payee's name so no other name can be added to the check.

Activity 5.2: Check Writing 101

<p>_____</p> <p>4923 MAIN STREET ANYTOWN, CO 81234</p>	<p>1015</p> <p>DATE _____</p>
<p>PAY TO THE ORDER OF _____</p>	<p>\$ <input style="width: 80px;" type="text"/></p>
<p>DOLLARS  <small>SECURITY PRINTED ON DEMAND</small></p>	
<p> Main Street Credit Union 8642 Main Street Anytown, CO 81234</p>	
<p>MEMO _____</p>	
<p>002003004 121 1095857723 1015</p>	

<p>_____</p> <p>4923 MAIN STREET ANYTOWN, CO 81234</p>	<p>1016</p> <p>DATE _____</p>
<p>PAY TO THE ORDER OF _____</p>	<p>\$ <input style="width: 80px;" type="text"/></p>
<p>DOLLARS  <small>SECURITY PRINTED ON DEMAND</small></p>	
<p> Main Street Credit Union 8642 Main Street Anytown, CO 81234</p>	
<p>MEMO _____</p>	
<p>002003004 121 1095857723 1016</p>	

<p>_____</p> <p>4923 MAIN STREET ANYTOWN, CO 81234</p>	<p>1017</p> <p>DATE _____</p>
<p>PAY TO THE ORDER OF _____</p>	<p>\$ <input style="width: 80px;" type="text"/></p>
<p>DOLLARS  <small>SECURITY PRINTED ON DEMAND</small></p>	
<p> Main Street Credit Union 8642 Main Street Anytown, CO 81234</p>	
<p>MEMO _____</p>	
<p>002003004 121 1095857723 1017</p>	

Filling Out a Deposit Slip

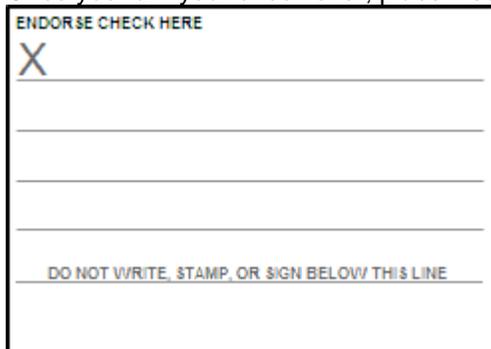
The deposit slip is really easy to fill out.

- First, your deposit slips can be located at the back of your checkbook. Your name, address, account information, and bank information is already printed on your check. If you don't have any or you get a blank counter copy from your bank, you will need to add all of this information to the slip.
- On the left hand side, you will enter the date.
- The line under the date line is the "Cash Received" line. If you would like to get cash back from your total deposit, you would sign here. Do not sign here if you intend for all of your cash to be deposited.
- On the right side of the deposit slip, you will separate your deposit by type.
 - The first line is for currency or bills.
 - The second line is for coins or change.
 - Next, you have a line for a single check. You can enter that amount here and add a check description on the line to the left of the amount. A description could be the check number or other identifying number.
 - If you have more than one check to deposit, you will want to list each one separately on the back of the deposit slip, total the checks up and enter it on the front of the deposit slip on the next line.
 - Did you remember to endorse all of your checks?
- Once you have all of your cash and check deposits listed, subtotal the amount on the next line.
- If you want cash back from your deposit, enter the amount on the "Less Cash Received" line (remember to sign on the left too).
- Total the remainder of your deposit on the last line and give it to the bank teller along with all your deposits.

Suggested Lesson Plan to use with this Check Endorsement Worksheet

The reason you endorse a check is to either deposit it or to sign it over to someone else. When endorsing a check, you turn the check over, and sign it on the back of the check. You should sign your name exactly the same way it is written on the front of the check.

Once you turn your check over, place it so it faces up, like this:



The diagram shows a rectangular box representing the back of a check. At the top left, it says "ENDORSE CHECK HERE" in blue. Below this text is a large blue "X" mark. There are three horizontal lines below the "X". At the bottom of the box, there is a horizontal line with the text "DO NOT WRITE, STAMP, OR SIGN BELOW THIS LINE" written below it.

You will sign the check underneath, where the check says "ENDORSE CHECK HERE", or a similar phrase. Do not make any marks under the line that says not to write below this line.

There are several different ways to endorse a check:

BLANK ENDORSEMENT - Sign your name the same way it appears on the front of the check. If it is spelled wrong on the front, then sign it again correctly. **IMPORTANT** - Do not sign your check with a blank endorsement until you are about to either cash or deposit it, otherwise someone else could potentially try to cash your check. Anyone can cash a check once you endorse a check with a blank endorsement.

ENDORSE CHECK HERE

John Smith

RESTRICTIVE ENDORSEMENT - This is the safer method to endorse your check and is recommended if you are mailing or someone else is depositing your check. Before signing your check, write a phrase such as "For deposit Only", or "For deposit to account number..." and then sign your name underneath. Then the check may only be deposited to either the bank or to your specific bank account.

ENDORSE CHECK HERE

For Deposit Only

John Smith

OR

ENDORSE CHECK HERE

For deposit to account no. 0358247

John Smith

SPECIAL ENDORSEMENT - This method allows you to sign your check over to someone else (a third party) who may then deposit it or cash it. Write "Pay to the order of" and then the name of the person you are giving the check to. Then, as above, sign your name underneath. Now you can give your check to that individual.

ENDORSE CHECK HERE

Pay to the order of

Lisa Reynolds

John Smith

Step 1:

Recording Checks in your Check Register

RECORD ALL CHARGES OR CREDITS THAT AFFECT YOUR ACCOUNT

CHECK NUMBER	DATE	DESCRIPTION OF TRANSACTION	PAYMENT/DEBIT (-)		✓	FEE (-)	DEPOSIT/CREDIT (+)		BALANCE
									\$
	4/1	Monthly Paycheck					1000	00	3000 00
202	4/3	Electric and Gas, Co.	200	00					2800 00

START
[Click Here](#)

This is a check register, or checkbook. You use it to keep track of all your checking account transactions, including all payments (checks) and deposits. Press START to record a new check transaction in the check register.

Step 2:

Recording Checks in your Check Register

RECORD ALL CHARGES OR CREDITS THAT AFFECT YOUR ACCOUNT

CHECK NUMBER	DATE	DESCRIPTION OF TRANSACTION	PAYMENT/DEBIT (-)		✓	FEE (-)	DEPOSIT/CREDIT (+)		BALANCE
									\$
	4/1	Monthly Paycheck					1000	00	3000 00
202	4/3	Electric and Gas, Co.	200	00					2800 00
203									

NEXT
[Click Here](#)

CHECK NUMBER: Write the number of the check you are writing.

Step 3:

Recording Checks in your Check Register

RECORD ALL CHARGES OR CREDITS THAT AFFECT YOUR ACCOUNT

CHECK NUMBER	DATE	DESCRIPTION OF TRANSACTION	PAYMENT/DEBIT (-)	✓	FEE (-)	DEPOSIT/CREDIT (+)	BALANCE
							\$ 2000 00
	4/1	Monthly Paycheck				1000 00	3000 00
202	4/3	Electric and Gas, Co.	200 00				2800 00
203	4/7						

DATE: Write the date you are writing the check, or making the deposit.

NEXT
[Click Here](#)

Step 4:

Recording Checks in your Check Register

RECORD ALL CHARGES OR CREDITS THAT AFFECT YOUR ACCOUNT

CHECK NUMBER	DATE	DESCRIPTION OF TRANSACTION	PAYMENT/DEBIT (-)	✓	FEE (-)	DEPOSIT/CREDIT (+)	BALANCE
							\$ 2000 00
	4/1	Monthly Paycheck				1000 00	3000 00
202	4/3	Electric and Gas, Co.	200 00				2800 00
203	4/7	Company XYZ, INC.					

DESCRPTION OF TRANSACTION: The name of the recipient (individual, company, etc) of the the check, or the type of deposit.

NEXT
[Click Here](#)

Step 5:

Recording Checks in your Check Register

RECORD ALL CHARGES OR CREDITS THAT AFFECT YOUR ACCOUNT

CHECK NUMBER	DATE	DESCRIPTION OF TRANSACTION	PAYMENT/DEBIT (-)		✓	FEE (-)	DEPOSIT/CREDIT (+)		BALANCE	
									\$	
	4/1	Monthly Paycheck					1000	00	3000	00
202	4/3	Electric and Gas, Co.	200	00					2800	00
203	4/7	Company XYZ, INC.	345	93						

NEXT
Click Here

PAYMENT/DEBIT: Write the amount of the check in the payment/debit column. (The deposit/credit box will remain empty). Use the deposit/credit box instead if you are making a deposit.

Step 6:

Recording Checks in your Check Register

RECORD ALL CHARGES OR CREDITS THAT AFFECT YOUR ACCOUNT

CHECK NUMBER	DATE	DESCRIPTION OF TRANSACTION	PAYMENT/DEBIT (-)		✓	FEE (-)	DEPOSIT/CREDIT (+)		BALANCE	
									\$	
	4/1	Monthly Paycheck					1000	00	3000	00
202	4/3	Electric and Gas, Co.	200	00					2800	00
203	4/7	Company XYZ, INC.	345	93					2454	07

NEXT
Click Here

BALANCE: This is your account balance. Subtract the amount of your check from the previous check register balance. Every time you enter a new transaction, subtract your check amount (or add your deposit) from your prior balance.

Step 7:

Recording Checks in your Check Register

RECORD ALL CHARGES OR CREDITS THAT AFFECT YOUR ACCOUNT

CHECK NUMBER	DATE	DESCRIPTION OF TRANSACTION	PAYMENT/DEBIT (-)		✓	FEE (-)	DEPOSIT/CREDIT (+)		BALANCE	
									\$	
	4/1	Monthly Paycheck					1000	00	3000	00
202	4/3	Electric and Gas, Co.	200	00					2800	00
203	4/7	Company XYZ, INC.	345	93					2454	07

AGAIN?
[Click Here](#)

Finished! Always be sure to record all payments and deposits in your check register as soon as possible. Also, keep your balance accurate so you will always know how much money you have in your account.

Once you have all of your transactions recorded in your check register, it will be easier for you to reconcile your bank statement. When you receive your bank statement, you want to make sure that the bank's balance and your checkbook's balance are the same. This is an easy thing to do and it is important that you do it every month to make sure that your money is where you think it is.

Activity 5.4: Keeping Track

NAME:

DATE:

Directions:

Record the following seven transactions in Jason's checkbook register. Use actual dates for this week. Write the check number in the Number/Code column. For other transactions, create your own coding system. Example: "D" is a deposit.

Monday:	Opened checking account with cash deposit, \$200
	Automatic withdrawal to pay for personalized checks, \$20
Wednesday:	Wrote Check #100 at Fine Foods to buy groceries, \$29.11
	Wrote Check #101 to buy books at Wayne's Book World, \$13.50
Thursday:	Wrote Check #102 to self for "Cash" to have spending money for the weekend, \$30
Friday:	Automatic withdrawal for monthly phone bill \$25.50
Saturday:	Deposited paycheck, \$118.78

NUMBER OR CODE	DATE	TRANSACTION DESCRIPTION	PAYMENT AMOUNT	✓	FEE	DEPOSIT AMOUNT	BALANCE
			\$			\$	

Is your final balance \$201.65?

Activity 5.5: Does it Balance?

NAME:

DATE:

As you have learned in this module, the account balance shown on your bank statement isn't the amount that is actually available for you to use now. It doesn't include any deposits or withdrawals that were made but not yet processed by the bank. You need a system to keep track of every deposit made to your account and every payment or withdrawal you make so you know the actual balance as of the current moment.

To ensure that your tracking record matches your bank's records, reconcile what you have recorded with your bank account statement to compare transaction information. You should do this at least once a month. This is a good habit to stick to so you confirm that your transactions are recorded accurately and also regularly check for any unauthorized activity on your account.

Directions:

Reconcile Jason's checking account to ensure that his records match his credit union's records. Compare the credit union statement with the checking account information that Jason tracks in a spreadsheet.

- Step 1. Compare the transactions listed on the statement with what Jason recorded in his spreadsheet. Check (✓) each cleared transaction in Jason's list that is also shown on the bank statement. Any unchecked items are **outstanding**—meaning that Jason has recorded the transaction but the transaction hasn't yet been processed by the bank.
- Step 2. Use the formula in the box below to make adjustments to the bank statement balance. If Jason's information has been recorded accurately and your math is correct, the adjusted bank balance should match the current balance Jason shows on his spreadsheet.

	Credit Union Statement Ending Balance
	+ Outstanding Deposits
	- Outstanding Payments
	Adjusted Credit Union Balance
	Does adjusted number match Jason's ending balance?

Activity 5.5: Does it Balance?

Jason's Partial Spreadsheet (recent transactions)

Ch/Code	Date	Description	Cleared	Payment	Deposit	Balance
deb od	10/5	JC Penney (clothes)	✓	-62.55		299.16
D	10/5	Deposit (BO money)	✓		25.00	324.16
267	10/10	West High School (fee)		-13.90		310.26
268	10/12	Chester Food Bank (donation)		-25.00		285.26
D	10/20	Deposit (BO money)			100.00	385.26
269	11/1	Family Insurance (car ins)		-126.50		258.76
270	11/3	Entertainment, Inc (concert tickets)		-50.00		208.76
D	11/5	Deposit (paycheck)			60.00	268.76
deb od	11/13	Bob's MiniMart (gas)		-30.00		238.76
auto w/d	11/15	Western Mutual Funds (investment)		-100.00		138.76

Statement

Community Credit Union

November 10

Jason Price

Account #3300-22

550 Rolling Road
Chester, CA 96020

Beginning balance on October 10	\$ 324.16
Deposits and other additions	\$ 160.00
Checks paid and other subtractions	\$ -88.90
Ending balance on November 10	\$ 395.26

Cleared Checks		Cleared Deposits	
267	13.90	10/20	100.00
268	25.00	11/5	60.00
270	50.00		