

### **Questions to ask your bank**

- Where are the bank locations and can you get to them safely?
- Are there safety deposit boxes available?
- What are the hours of the bank?
- Is there a 24-hr phone option or internet banking?
- What is the “cut-off time” for deposits?
- Is there a minimum balance required?
- Are there fees or charges? For what and how much?
- What is the bank’s funds availability policy?
- Are checks returned with statements?
- Is there an interest rate paid on the account?
- Is a savings account also required?
- What is the fee for money orders?
- Is notary service available and is there a fee?
- What is the bank’s privacy policy?

### **Opening a Bank Account**

When opening a bank account you will be required to provide valid identification and personal information such as your address, phone number, Social Security number and date of birth. This information will be used to build your profile with the bank. I encourage you at this time to be specific as this is what the bank will use to contact you if necessary. Please also use this time to specify additional security precautions you would like used, for example a codeword or special note on your profile to identify you. You can also specify where you would like your statements and/or checks sent whether it be a different address or to the bank itself. The information will also be used to run a ChexSystems report and possibly a credit report if you are applying for a credit product at that time.

Once you choose an account and it is opened for you there will be a packet of some type you will be given. It should include disclosures that will tell you what your rights are and what the bank’s rights are. You will also probably receive additional pamphlets describing various bank products and services. You will then go through the items specific to your account, most importantly the signature card. Make sure to sign this where indicated as you will sign your checks in the future. This will be used as a reference to negotiate items from your account. If your signature changes for any reason be sure to update this with your bank.



## Account Ownership

There are numerous options when it comes to account ownership, but I am going to focus on the following four: individual, joint, custodial and payable on death or POD. It is important to understand how account ownership affects the security of your information. Once an individual is added to an account they cannot be removed without closing the account. Below you will see examples of the account types I mentioned above and who can access them.

### Individual – Mary Jones

Mary is the only person who can access this account. She is the only signer and would be the only one authorized to process any account changes or closures.

### Joint – Mary and Bob Jones

Mary and Bob are the only people who can access this account. They can access the account individually or together. Either one is authorized to process any account changes or closures.

### Custodial – Mary Jones i/t/f Sam Jones

Mary is the only person who can access this account. The account is set up under the name and tax ID number of the minor child, but Mary is the trustee. She is the only signer and the only one authorized to process any account changes or closures.

### Payable on Death – Mary Jones POD Sam Jones

Mary is the only person who can access this account. She is the only signer and the only one authorized to process any account changes or closures. Sam is the beneficiary in the event of Mary's death.

Please be aware that your privacy is important to the bank and every effort will be made to keep your information secure. You should receive a copy of the bank's privacy policy at the time of account opening. Make yourself familiar with this policy and if there is an opt-out option, as this will affect you in the future. You are also responsible for keeping your account information secure. The bank will not be held liable for accountholder's actions.



## Checking Accounts

### **Benefits**

- Shows a level of responsibility.
- Your money is in a safe place – FDIC insured.
- Provides written record and proof of payment.
- You can pay your bills by mail, internet or by using the bank's Bill Pay program
- You don't have to buy money orders.
- May help you to cut down on impulsive cash spending.
- No monthly transaction limits or higher minimum balance requirements

### **Limitations**

- Requires your time to balance the account (should be done monthly).
- May lead to overspending if not balanced correctly.
- Can cost you money, from monthly fees, ATM fees, NSF fees, etc.
- Holds can be placed on certain items deposited.

## Delay of Funds Availability

All banks are required to post their Funds Availability Policy. Also known as a hold, it is federally mandated under Regulation CC. There are basic standards with which all federally insured institutions must be in compliance. This should be explained at the time of account opening, but ask for clarification if you do not receive this. **A hold being placed on a particular item is not a personal judgment against you in any way.**

Holds may be placed on a deposit for numerous reasons, but the most common are for a new account, status of account or inability to verify funds. An account is typically considered new for the first 30 days. During that time, items deposited are closely monitored and would more likely have a hold placed than an established account. In most cases, holds are placed because of the specific item being deposited. If you are ever unsure about a particular item, contact your financial institution to determine if a hold will be placed.

Reg CC also requires that the accountholder be notified that a hold is being placed at the time of deposit or they are not responsible for any OD fees that would result from the hold. This is only required if the accountholder is present.

If you want to avoid having a hold placed on the funds there are alternatives. You can deposit cash, set up direct deposit or deposit a cashier's check. Holds are also generally not placed on Federal or State Government checks.

## Understanding Your Check

JANE M DOE 123 MAIN STREET ANYTOWN, KENTUCKY 40222	<b>501</b>
	DATE _____
PAY TO _____ THE ORDER OF _____	\$ _____ DOLLARS
FIRST AMERICAN BANK 456 SYCAMORE WAY CHICAGO, IL 12345	
MEMO _____	_____
⑆012345678⑆ ⑈987 65 432 ⑈ 0501	

1. Your name and address. You could also have your phone number and driver's license printed.
2. The date the check was written.
3. The check number.
4. **The amount the check was written for in numbers.**
5. Your signature.
6. **Your checking account number.**
7. **Bank routing number. This specifies what bank your account is at.**
8. You write what the check is for or the bill's account number here.
9. Bank name and branch, or phone number.
10. **The amount the check was written for in words, also known as the legal amount.**
11. Person or company the check is written to.

## Check Writing Tips

- Always write clearly in ink.
- Draw a line through any blank space. This will prevent any additions to your check.
- Write the amount of the check in numbers close to the "\$" so that other numbers can't be inserted. This will prevent checks from being altered to a larger amount.
- Don't sign the check until it is completely filled out.
- Use the memo line to help keep record of your spending.
- Do not post-date your checks.
- Be cautious about making checks payable to "Cash".

## Endorsing a Check

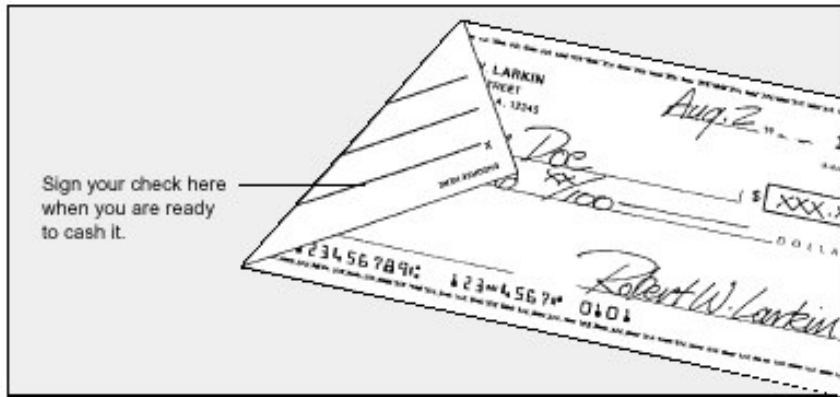


Figure 4.—Endorsement location.

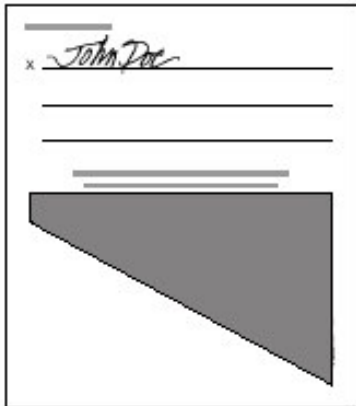


Figure 5.—Blank endorsement.

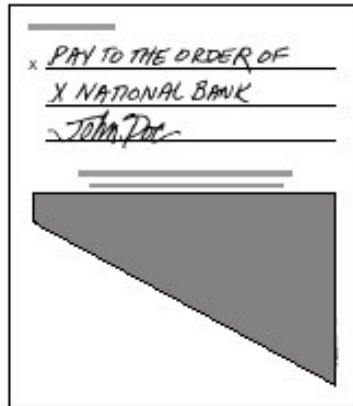


Figure 6.—Special endorsement.

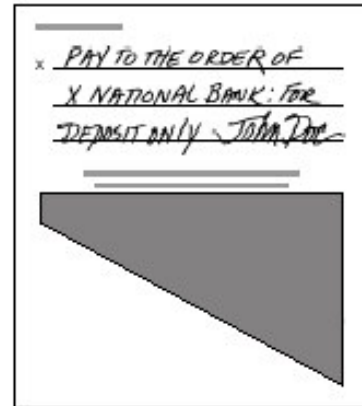


Figure 7.—Restrictive endorsement.

- You must sign any check before you deposit it or cash it.
- Sign on the top area only.
- Sign your name as it is written on the front of the check.
- If your name is misspelled, then sign it as it appears and then sign it correctly.
- Two-party endorsements – the and/or rule.
- If you want to cash the check, then just sign it.
- If you want to deposit the check, then write “For deposit only” and sign it.
- If you want to give the check to someone else, write “Pay to the order of”, write their name, you sign it, and then they’ll need to sign it before they cash or deposit it.

## Depositing a Check or Cash

DEPOSIT TICKET	
<b>MELISSA STONE</b> 814 UPPER CREST LANE ANYTOWN, US 12345	
DATE: _____ 19____	
_____ DEPOSITOR'S SIGNATURE FOR CASH RECEIVED	
	50-5678/1234
	USE OTHER SIDE FOR ADDITIONAL LISTING
	BE SURE EACH ITEM IS PROPERLY ENDORSED
	DEPOSITED FUNDS MAY NOT BE AVAILABLE FOR IMMEDIATE WITHDRAWAL
⑆ 23456789⑆ 23456789⑆	

CURRENCY		
COIN		
C H E C K S		
TOTAL FROM REVERSE SIDE		
SUB-TOTAL		
LESS CASH OUT		
TOTAL DEPOSIT		

- Use the deposit slip from the back of your checkbook. It will have your account information printed on it. If you run out of deposit slips, you can get a generic one from your bank.
- List your paper money on the first line.
- List your coin money on the second line.
- List each check after that. Use the check number. There is more space on the back of the slip for if you're depositing numerous checks. If you want cash back, then subtotal all of the cash and checks you've listed, write the amount you wish to get back, subtract the cash-back from the subtotal, and write this amount as your total deposit.
- Put the current date on the deposit slip.
- Remember to record the deposit in your checkbook register.



## Balancing Your Account

Each month you will receive a monthly statement for your account. It is important to compare the checks and debits written in your register to what is documented as having cleared on your statement.

On the back of your statement there is a worksheet that explains step-by-step how to balance your statement. For example:

- Enter the ending balance shown on your statement.
- Add up any deposits shown in register, but not yet on statement.
- Add these two numbers together, and write down the subtotal.
- Add up any outstanding checks or debits written in your register, and subtract this number from the subtotal. This will give you your current balance.
- Add any interest credited, and subtract any maintenance fees shown.
- Your register balance should equal the figure shown here.
- Draw a line, or highlight to indicate you are balanced. This gives you a starting point from when you last balanced.

### **In the event that you do not balance, take the following steps:**

- Recheck your addition and subtraction.
- Review the checks and debits that cleared on your statement.
- If you are unable to locate the error, go to your bank for assistance.

### **Reasons to balance your account:**

- It is the only way to ensure that you know exactly how much money you have in your account.
- It allows you to see any errors that might have been made against your account.
- It allows you to identify a check or debit that was inadvertently not written in your register.
- It helps to protect you from fraud and identity theft by catching warning signs as early as possible.



### **Account Access & ATM/Debit**

- Access your account by visiting a branch or by phone or internet.
- Access your account with an ATM or Debit card.
- You will receive a PIN (personal identification number) with the card.
- Keep your PIN separate from your card. It is used at ATMs and at stores to authorize transactions.
- ATM cards come with an Accel or similar logo and can only be used at an ATM.
- Debit cards come with a credit card logo on them. This allows you to use it anywhere that credit cards are accepted. You'll have to sign the receipt the same way you would with a credit card (money spent comes directly from your checking account).
- ATM's which are located in banks, grocery stores, gas stations, etc.
- Remember to record all ATM withdrawals, ATM fees, and debit charges in your checkbook register.

### **Security and Precautions**

- Do not carry your Social Security Card or Debit/ATM Card PIN number in your wallet.
  - Do not provide your SSN unless absolutely necessary (credit application, employment application, government agencies).
  - Never give your account or debit card account numbers to someone who has contacted you over the phone.
  - Do not mail bills with checks from your unsecured household mailbox.
  - Destroy any documents that contain your account numbers or personal information.
  - Make sure to keep your checkbook and debit/ATM cards in a secure place – even when you are at home.
  - Make sure the branch and ATM locations are well lit and safe.
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