Check Writing Tips

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If you need to rewrite a check, make a big X and write Void over the old one. Tear up or shred your voided check.

Writing a check for a later date (post-dating) is illegal.

Never give someone a blank check (a check that you have signed but on which you have not filled in the dollar amount).

Always use a legible signature. Since your financial institution compares your signed checks with your signature card, it is harder to forge a legible signature than a scrawled one.

Answers to crossword puzzle:

Down:
1) signature, 3) reconcile, 6) deposit, 7) bounce;

Across:
2) withdrawal, 4) credit, 5) ATM, 6) debit card, 8) endorse

Money Talks...Should I Be Banking?

is a series of three teen guides with accompanying leader’s guides designed to assist teenagers in 1) identifying their banking needs and savings habits; 2) understanding the mechanics of using banking services; and 3) developing the skills to select the best financial institutions and accounts for their lifestyles.

The topics and subject matter content are based on the results of a survey completed by teens. Comments regarding these teen and leader’s guides can be addressed to: Consumer Economics Department, University of California, 135 Building C, Highlander Hall, University of California, Riverside, CA 92321. Authors: Katherine Wassenberg, freelance writer; Charles Go; Margaret Johns; Patti Wooten Swanson; Keith Nathaniel; Shirley Peterson; Development Team: the UCCE Money Talks Workgroup; Graphic Designer: Kerry Decker, UC Riverside. 2008

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To simplify information, trade names of products have been used. No endorsement of named or illustrated products is intended, nor is criticism implied of similar products that are not mentioned or illustrated.

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Division of Agriculture and Natural Resources

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You probably already know a little about checking accounts. Find out just how clued in you are and how much there is still to learn by completing this crossword puzzle. Even if you cannot fill it in fully now, by the end of this teen guide you will have all the answers.

Across
1) In order to open a checking account, you will need to fill out a ___________ card, which is a contract between you and your financial institution.
3) You should ___________ your account by finding the differences between your check register balance and your monthly bank account statement.
6) Whenever you put money into your checking account, you must fill out a ___________ slip.
7) If you write a check for more money than you have in your account, your check will ___________.

Down
2) Taking money out of your account is a ______________.
4) On your check register you enter the amount you deposited into your checking account under the Deposit or ___________ column.
5) When using another institution’s ___________ machine, it is important to look for charges.
6) Besides writing a check, you can use a ___________ ___________ to withdraw money from your checking account.
8) Before depositing a check into your checking account you must ___________ the back of the check.

How did you do? You should know as much as possible about checking before you open an account. Understanding checking account lingo and how these accounts work will help you decide if you are truly ready to have your own account.

(Answers on page 12.)
Each month your financial institution will send you a monthly account statement that lists all of your transactions from the past month. However, the account balance on the statement will probably be different than the one in your check register because you may have made additional transactions since your statement was mailed. It is a good idea to find the differences between your monthly account statement and your check register; this is called reconciling your account. Reconciling your account will help you keep a good record of your spending and help you find any errors that you or the financial institution may have made.

Are you ready to open a checking account? If so, find the best financial institution for you. There are so many different places to pick from that it can be difficult to make a choice. One place to start is with your family and friends; find out where they bank and what they like and dislike about it. This information will provide you with a list of possible financial institutions and help you figure out what you want in a financial institution. However, no matter what anyone else tells you, you need to decide for yourself which institution best fits your life. This means you will need to decide which one will give you the best deals and will be convenient for you to visit.

Many financial institutions offer free student checking or a free checking account if you use direct deposit (have your paycheck automatically deposited into your checking account). Others might offer you a free account if your parents have an account with them.

One concern is whether or not you need a parent’s signature to open your account (which means that you will share access to your money with your parent). Most financial institutions require you to have a parent’s signature to open a checking account if you are under the age of 18. However, there are a few institutions that may allow you to open a checking account by yourself, if you or your parent has a banking history with them.
A debit card may come with your checking account. A debit card looks similar to an ATM card or a credit card, but it doesn’t work the same. In fact, not all debit cards are alike; each financial institution offers different features. Some charge a fee for making purchases with your debit card, but most don’t. Be sure you know how your debit card works.

You can use your debit card at an ATM machine or at places of business. When you use your debit card, you are making a withdrawal from your checking account. Your debit card may have a VISA or MasterCard logo on it, but it is not the same as a credit card. You use your debit card to access money in your checking account for purchases anywhere that a credit card is accepted. The money will be immediately withdrawn from your checking account.

You will either be asked to sign a receipt or enter your PIN number when you use your debit card. For example, if you use your debit card at a gas pump that accepts ATM cards, you will be asked to enter your pin number into the key pad.

Is having a debit card good or bad? Only you can decide whether it will be best for you. Check out the pros and cons.

Debit Card Pros
- It is easier to use than filling out a check
- It is accepted more often than checks
- It does not provide your phone number, address, or driver’s license number to the merchant
- If it is lost or stolen, you can easily inactivate it by making a telephone call

Debit Card Cons
- People often forget to fill out their check register when they use their debit cards because they do not need to take out their checkbooks
- Merchants might charge you a fee for using it
- The money is taken out of your account immediately, whereas a check often takes a couple days to be processed
- If you use your overdraft line of credit, you will have to pay high fees and possibly interest
- If stolen, the card can be used to take money from your account

Remember to always:
- check the receipt amount before signing it
- keep your PIN number private
- have the phone number handy to report a missing or stolen debit card

If you think you want a debit card, be sure to ask your financial institution for a list of its related fees.
Making a Deposit

To begin writing checks, you need to have money in your checking account, so it’s important to know how to deposit money. You can deposit either cash or checks. If you are depositing cash, you need to fill out a deposit slip. Depositing a check requires a little more work; you must endorse it, which means signing your name on the back of the check:

1) Write “For Deposit Only” in the endorsement area (so that no one else can cash it).
2) Then sign your name on the back (exactly as it is written on the front).

Note: Protect your privacy. Do not write your account number on the back of the checks for deposit.

The next step is to fill out a deposit slip. Practice filling out the following deposit slip using your name, today’s date, account number 9687459865, $10.00 cash, a check for $102.35, another check for $78.05, and a third check for $188.62. Draw a line through any blank spaces. (For help completing a deposit slip, see page 11.)

(continued on p. 6)
Making a Withdrawal

The three most common ways to withdraw money from your checking account are:

1. Visiting an ATM
   To withdraw cash from an ATM machine, you need your ATM card and your PIN number. Insert your card into the ATM machine and use the keypad to give the machine the requested information. Remember to remove your cash, card, and receipt from the ATM when you are finished.

2. Using your debit card
   If your financial institution has given you a debit card, you may also use it to make withdrawals. When you use your debit card at a store, you may be asked to enter your PIN number or you may have to sign a receipt.

3. Writing a check
   Of course, you can always write a check. Writing a check is like signing a contract; it is important to understand all of the information and make sure it is correct. When you write a check, you need to be sure to fill it in completely. Notice that there are six blank lines on the sample check. For your check to be valid, you must write the correct information on each line. Fill out the sample check using the following directions:
   1) Enter today's date.
   2) Write who the check is to, in this case, fill in DVDs Plus.
   3) Write the dollar amount of $19.85 in numbers. (Sometimes this is a box.)
   4) Write out the dollar amount of nineteen dollars and 85/100.
   5) Write in "Juan's birthday present." This is optional, but it will help you to remember why you wrote the check.
   6) Sign your name.

If you lose a check or have one stolen, you can call your financial institution and ask to stop payment on that check. When you call, the teller will ask for the check number, the date on which it was written, the amount for which it was written, and to whom it was written. This service will cost from $5.00 to $25.00 and is good for only six months. The fee for stopping checks can really add up, so keep your checks safe.

The third step is actually depositing your money, which means giving your money to the financial institution to put into your account. There are different ways to deposit your money:

1. Take it to the financial institution and give it to a teller
2. Deposit it in the ATM
3. Drop it in the financial institution's deposit box (most places have both indoor and outdoor deposit boxes)
4. Mail your deposit to the financial institution
Remember to avoid theft, cash should be taken directly to a bank teller.

Tip
Always take cash directly to the teller.

Updating Your Check Register
Once you have made a deposit, you need to enter it in your check register. Look at the sample check register below. Since you are making a deposit, you will need to fill out only three columns: the date, the deposit amount, and the balance. You may want to write the source of the deposit under Description of Transactions, such as "Oct. 1st paycheck" or "birthday money." Go ahead and fill in this information. Use today's date and the total deposit amount from your sample deposit slip. To finish, add this deposit to the previous balance.

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(See completed example on page 11.)

Fee or Free: You Decide (from p. 10).
The correct answer depends on your financial institution. Fees may range from one

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