



WELLS  
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*Adults' Version*

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# Instructor guide

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## Welcome to Wells Fargo's *Hands on Banking*® program!

This fun, interactive, and engaging financial education program is designed for both self-paced, individual learning and group use. These Instructor Guides will help you share this valuable program with groups of any size.

In these guides, you'll find everything you need to lead participants through real-life scenarios, group discussions, and activities that will encourage them to apply these lessons to their daily lives.

By sharing the *Hands on Banking* program with others, you'll help them to take control of their finances and build a brighter financial future.

### Program Overview

The *Hands on Banking* program covers all the basics of smart money management. The curriculum is designed for four age groups: Adults, Young Adults (ages 15–21), Teens (grades 6–8), and Kids (grades 4 and 5).

The *Hands on Banking* program is an easy and enjoyable way to teach and learn the essentials of financial education: the basics of bank services, the importance of saving, smart money management, using credit responsibly, investing, wealth building, and more. Whether it's opening a checking account, avoiding identity theft, paying for college, buying a home, or starting a small business, the *Hands on Banking* program provides real-world skills and knowledge everyone can use.

### Using the Instructor Guides

The Instructor Guides can be used alone or as an adjunct to the online/CD-ROM program; however, we strongly encourage you to review the program online or request a free CD-ROM. Even if participants will not experience the program online, gaining familiarity with the online program will help you present it more effectively. The most up to date content can always be found online at [www.handsonbanking.org](http://www.handsonbanking.org).

Each topic in the *Hands on Banking* program has its own Instructor Guide which follows the organization of the online program and includes much of the same content. The Adults' version of the *Hands on Banking* program includes six topics:

1. Basics of Bank Services.
2. Money Management Tools and Tips.
3. Protect Yourself Financially.
4. Using Credit to Your Advantage.
5. Planning Your Future.
6. Buying a Home.

Each Instructor Guide includes:

- A glossary of all the relevant terms introduced in the topic.
- A lesson introduction which includes:
  - » An overview.
  - » Learning objectives.
  - » Sample discussion questions to start the lesson.
  - » "The Basics"—a list of bullet points outlining the key concepts of the lesson.
- A lesson summary of all the key concepts of the lesson.
- Activities, quizzes, discussion questions, handouts and important tips for key concepts.
- A topic summary that lists all the major concepts of the topic.
- Additional activities designed to extend the concepts presented in the topic to the real world.
- A Library Resource section that includes additional reference materials and handouts.

## Lesson Concepts and Icons

Each lesson of a topic will present several key concepts. These concepts are introduced to your participants in a variety of ways which are represented in the guides by these icons.



### Activity

An activity usually involves some sort of class participation, whether it is a matching game, a fill in the blank exercise, or worksheet completion. Typically after an activity you will have the opportunity to lead a discussion.



### Discussion

Discussions allow you to introduce key concepts while involving your participants in the conversation and making the information relevant to them. In some places, sample discussion questions are included to help you guide the discussion.



### Quiz

Throughout all the topics, there are short quizzes designed to start discussions or quickly test participants' knowledge of certain concepts.



### Handout

All of the Instructor Guides include handouts that are designed as a resource for your participants to use outside the classroom in their daily lives. For example, one handout includes a list of web links for participants to use as they start, grow and manage their small business.



### Activity and Discussion Handouts

Sometimes during a lesson, an activity or discussion will also use a handout to teach key concepts. In these cases the Handout icon is placed below the Activity or Discussion icon.



### Transition

The Transition icon will let you know when the next concept is related to or follows up on the concept you're presently discussing or covering with your participants.



### Library Articles

The online/CD-ROM version of the *Hands on Banking* program includes a vast library with relevant articles, checklists, and worksheets for each topic and lesson.

Relevant library articles are recommended at the end of each lesson. These articles provide additional information to use in teaching key concepts (look for the library icon as seen above). We encourage you to review the full library selection online or on the CD-ROM. Feel free to enrich your sessions with additional articles from the library.

You can photocopy these articles and distribute them to participants to start a discussion, or you may want to give them away as handouts for participants to read on their own time. These library articles expand the topic content.

## Pre-and Post-tests for Adults and Young Adults

When you use the Adults' and/or Young Adults' courses with a group or in a classroom setting, we invite you to use the *Hands on Banking* pre and post test we've developed. They can be accessed in the "Instructional Resources" section of [handsonbanking.org](http://handsonbanking.org).

- The Pre-test will help you to determine what topics to emphasize with your group.
- The Post-test will help you assess participants progress.

We'd like to request that you report the anonymous results of these tests to our *Hands on Banking* team. Your input will help us to continue to improve the program.

## How to Access the Interactive Program

The *Hands on Banking* program is available free of charge in both English and Spanish.

- On the Web at [www.handsonbanking.org](http://www.handsonbanking.org) and [www.elfuturoentusmanos.org](http://www.elfuturoentusmanos.org).
- Available for free on CD-ROM—all four age groups are included.
- You may order a CD at [HOBCE@wellsfargo.com](mailto:HOBCE@wellsfargo.com). There is no charge for small quantities of the CD-ROM. Please email for information regarding high-volume requests. Allow two weeks for delivery.

## Once again, Thank You!

Thank you for sharing these valuable financial education programs with students and adults in our communities. As an instructor, your training and guidance will provide others with the knowledge and skills they need for a brighter financial future.

We welcome your comments and suggestions for future versions of the *Hands on Banking* curriculum and the Instructor Guides. And, we would very much like to hear your success stories. Please contact us via email at [HOBinfo@wellsfargo.com](mailto:HOBinfo@wellsfargo.com).

## Topic 1 — Basics of Banking Services

### Basics of Banking Services

#### Topic Overview

The Basics of Banking will introduce participants to basic banking concepts, such as types of financial institutions—banks, credit unions, and savings institutions, the different accounts they can open to help save money, use money to pay for day-to-day expenses, or even save for long-term goals. Finally, this topic will teach participants how to use and manage their accounts once they're opened and also the finer details of using an ATM with their new debit or ATM card.

This topic includes five lessons:

1. Financial institutions
2. Savings accounts
3. Checking accounts
4. Using and managing your accounts
5. Automated Teller Machines (ATMs)

These lessons include a number of hands-on participant activities. Use these activities to help simulate real-world scenarios and activities with your participants.

This instructor guide is based on and follows the structure of the online *Hands on Banking*® program. We invite you to use and experience the online program as it is an excellent resource that will support your instructional efforts and enhance your participants' experience. It includes a variety of interactive lessons and many helpful resource library articles to augment this guide. Visit [www.handsonbanking.org](http://www.handsonbanking.org) to access the program. Should you require a CD ROM to access the program you may request a free copy at [HOBCE@wellsfargo.com](mailto:HOBCE@wellsfargo.com).

## Topic 1 — Basics of Banking Services

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## Topic 1 — Basics of Banking Services

### Glossary

***Instructor note:***

*The Glossary contains definitions and descriptions of valuable terms and phrases related to this topic. Encourage your participants to use the Glossary during and after the class to become more familiar and comfortable with the terminology.*

*Photocopy the glossary on the next page and hand it out to your participants.*

## Topic 1 — Basics of Banking Services

### Glossary

<b>Account</b>	A banking service allowing a customer's money to be handled and tracked. Common bank accounts are savings and checking accounts.
<b>Automated Teller Machine (ATM)</b>	A specialized computer used by bank customers to manage their money, for example, to get cash, make deposits, or transfer money between accounts.
<b>Available balance</b>	The amount of money in your account that you can use or withdraw. Your available balance may not reflect all transactions that you have made, for example checks you have written that have not yet been paid from your account.
<b>Bad or bounced check</b>	See Non-sufficient funds
<b>Bank</b>	A financial institution that handles money, including keeping it for saving or commercial purposes, and exchanging, investing, and supplying it for loans.
<b>Check</b>	A written order instructing the bank to pay a specific amount of money to a specific person or entity. The check must contain a date, payee (person, company, or organization to be paid), amount, and an authorized signature.
<b>Checking account</b>	A bank account that allows a customer to deposit and withdraw money and write checks. Using a checking account can be safer and more convenient than handling cash.
<b>Clear</b>	When the bank pays a check you have written and then subtracts the amount from your account, your check has "cleared" the bank.
<b>Credit Union</b>	A non-profit financial institution that is owned and operated entirely by its members. Credit unions provide financial services for their members, including savings and lending. Large organizations may organize credit unions for their members, and some companies establish credit unions for their employees. To join a credit union, a person must ordinarily belong to a participating organization, such as a college alumni association or labor union. When a person deposits money in a credit union, he or she becomes a member of the union because the deposit is considered partial ownership in the credit union.
<b>Debit card</b>	A card linked to a checking account that can be used to withdraw money and make deposits at an ATM and to make purchases at merchants. When you use a debit card, the money will be deducted from the linked checking account.
<b>Deposit</b>	To put money into your account.
<b>Direct Deposit</b>	A deposit made directly into your account by the payer without the use of a check or deposit slip. Typical direct deposits include Social Security payments and automatic payroll deposits.
<b>Electronic Funds Transfer (EFT)</b>	Allows you to have funds electronically transferred into your account(s) such as deposit of your payroll check, tax refund or social security check.
<b>Endorse</b>	To sign the back of a check, authorizing the check to be exchanged for cash or credit.

## Topic 1 — Basics of Banking Services

### Glossary

<b>Federal Deposit Insurance Corporation (FDIC)</b>	An independent agency of the United States government that protects customers from the loss of their deposits if an FDIC insured financial institution fails. The basic insurance amount is specified per depositor per insured financial institution. Certain retirement accounts, such as Individual Retirement Accounts, are insured up to specified amount per depositor per insured financial institution. Customers can increase the amount of money insured at any one financial institution by owning deposit accounts in different ownership categories (e.g., Individual Accounts, Retirement Accounts, Joint Accounts, Revocable Trust Accounts). Please visit <a href="http://www.fdic.gov">www.fdic.gov</a> for the most current deposit insurance amounts.
<b>Financial institution</b>	Companies such as banks, credit unions, and savings institutions that provide a wide range of money management products and services to consumers. Financial institutions collect funds from the public and place them in financial assets, such as deposits, loans, and bonds.
<b>Global remittance</b>	A form of Electronic Funds Transfer which allows you to send money to families and friends outside of the United States from your accounts.
<b>Interest</b>	The amount of money paid by a borrower to a lender in exchange for the use of the lender's money for a certain period of time. For example, you earn interest from a bank if you have a savings account and you pay interest to a lender if you have a loan.
<b>Line of credit</b>	An arrangement by which a lender extends a specific amount of credit to a borrower for a certain time period. As long as the borrower repays the principal with interest, he or she can continue to borrow against the line of credit during the agreed upon time period. A line of credit can be unsecured or secured. Also called a credit line.
<b>Mobile Banking</b>	Allows an individual to access their financial accounts through a web browser on their mobile device such as cellular phone.
<b>Money order</b>	A document issued by a post office, bank, or convenience store ordering payment of a specific sum of money to an individual or business. There is generally a small charge for purchasing a money order.
<b>National Credit Union Administration (NCUA)</b>	An independent federal agency that charters and supervises federal credit unions and insures savings in federal and most state-chartered credit unions.
<b>Non-sufficient funds (NSF)</b>	The lack of enough money in an account to pay a particular check or payment. Also known as insufficient funds. A check with insufficient funds may be returned unpaid to the person cashing it. This has a negative impact on the check writer's history of handling his or her account, and may prevent opening of future accounts. See also Overdraft.
<b>Overdraft</b>	When there is not enough money in an account to cover a transaction and the bank pays it on your behalf, creating a negative balance in the account that you need to repay.

## Topic 1 — Basics of Banking Services

### Glossary

<b>Overdraft Protection</b>	Offered by many banks, overdraft protection is a service that automatically transfers money from a linked account that you select, such as a savings or credit account, when you don't have enough money in your checking account to pay your transactions.
<b>Personal Identification Number (PIN)</b>	A secret combination of letters or numbers you use to gain access to your account through an electronic device such as an ATM.
<b>Point-of-sale</b>	When you use a debit card to make a purchase from a merchant at a store, by telephone, or through the internet.
<b>Returned item</b>	This is also known as "non-sufficient funds" or a "bounced check." If you spend more money than you have in your checking account, the bank may return the transaction unpaid and charge a fee.
<b>Savings account</b>	A bank account that allows a customer to deposit and withdraw money and earn interest on the balance.
<b>Savings Institution</b>	A financial Institution that accepts deposits from individuals, makes homes mortgage loans, and pay dividends.
<b>Statement</b>	A monthly accounting document sent to you by your bank that lists your account balance at the beginning and end of the month, and all of the checks you wrote that your bank has processed during the month. Your statement also lists other deposits, deductions, and fees, such as service charges.
<b>Term</b>	A period of time over which a loan is scheduled to be repaid. For example, a home mortgage may have a 30-year term, meaning it must be repaid within 30 years.
<b>Transaction</b>	An agreement between a buyer and seller to exchange an asset for payment. In accounting, a transaction is any event recorded in the written financial records, also called the accounting books.
<b>Transaction register</b>	A register that allows you to keep accurate records of your deposits and withdrawals. Use your check and/or savings register to record every deposit and withdrawal you make.
<b>Withdrawal</b>	To take money out of an account.

## Topic 1 — Basics of Banking Services

### Lesson 1: Financial Institutions

In this lesson, participants will discover the benefits of using a financial institution, opening a checking or savings account and keeping good track of their money.

#### Learning Objectives

After completing this lesson, participants will be able to:

- Define a financial institution.
- Describe the benefits of using a financial institution.
- Select the best financial institution for their needs.

#### Start the Discussion

To start a discussion with your participants, ask some open-ended questions or invite them to talk about their good and bad experiences with banks. Here are some examples you could use:

- Why would you use a bank and its services?
- Why would a person choose not to use a bank?
- Why do you think it's safe or not safe to keep your money in a bank?
- List some difficulties someone who doesn't use a bank may face.

#### The Basics

- There are many types of financial institutions, including banks, credit unions and savings institutions.
- Millions of Americans use banks—a financial institution.
- Banks come in all sizes and are open in all locations, from a branch in a grocery store to a larger bank in a big city downtown.
- Banks offer safe, secure, convenient services so you can save money and build a better financial future.
- Bank employees are happy to help you and make you feel welcome. If you're new to banking, they can explain what accounts and services are available.



When you visit a bank or other financial institution, follow these tips and techniques:

1. If you don't know who to talk to, just ask.
2. Don't sign anything you don't understand.
3. Ask questions until you have the answers you need.
4. Ask for written information to take home and review.

## Topic 1 — Basics of Banking Services



### Types of Financial Institutions Activity (Instructor Copy)

#### **Instructor note**

Photocopy the activity handout on the following page. Instruct your participants to match each characteristic to a bank, credit union or savings institution.

#### **Instructions:**

Have participants read each characteristic in the left column and then decide whether it is a characteristic of a bank, credit union or savings institution. Sometimes, more than one answer is correct.

### Types of Financial Institutions

Characteristic	Bank, Credit Union or Savings Institution?
Insured by the National Credit Union Administration (NCUA)	Credit unions
Must have a majority of their assets in housing-related loans	Savings institutions
Governed by federal and state laws and regulations	Banks
Nonprofit financial institution owned by people who have something in common (employees in same industry)	Credit union
Similar to a bank	Savings institution, credit union
Main business is to make home loans	Savings institution
Members only	Credit Union
Created to promote homeownership	Savings institution
Make loans, pay checks, accept deposits, and provide other financial services	Banks, credit unions
Most are insured by the Federal Deposit Insurance Corporation (FDIC)	Banks, savings institutions

## Topic 1 — Basics of Banking Services



### Types of Financial Institutions Activity

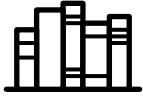
#### Instructions:

Have participants read each characteristic in the left column and then decide whether it is a characteristic of a bank, credit union or savings institution. Sometimes, more than one answer is correct.

### Types of Financial Institutions

Characteristic	Bank, Credit Union or Savings Institution?
Insured by the National Credit Union Administration (NCUA)	
Must have a majority of their assets in housing-related loans	
Governed by federal and state laws and regulations	
Nonprofit financial institution owned by people who have something in common (employees in same industry)	
Similar to a bank	
Main business is to make home loans	
Members only	
Created to promote homeownership	
Make loans, pay checks, accept deposits, and provide other financial services	
Most are insured by the Federal Deposit Insurance Corporation (FDIC)	

## Topic 1 — Basics of Banking Services



### ***Instructor note:***

*At this point in the class, consider using this recommended library article listed below as a discussion resource or a takeaway for your participants. You can find this and other library articles at the end of this topic.*

### **Recommended Article: About FDIC Insurance**

Remember, the online *Hands on Banking*® program has dozens of additional library articles that you can use and distribute for this and other topics. Visit [www.handsonbanking.org](http://www.handsonbanking.org) to browse all the available articles.

## Topic 1 — Basics of Banking Services



### Benefits of Using a Financial Institution Activity (Instructor Copy)

**Instructor note:**

Photocopy the activity handout on the following page. Instruct participants to match the benefits of using a financial institution with the supporting points.

There are many benefits to using financial institutions.

**Instructions:**

Have participants use the Word Bank to match the benefit of using a financial institution with its supporting points.

**Word Bank:**

- |                  |                |
|------------------|----------------|
| Always open      | Free of charge |
| Convenience      | Money saver    |
| Easy to use      | Safety         |
| Financial future | Security       |

**Benefits of Financial Institutions**

Benefit	Supporting Points
<b>Safety</b>	<ul style="list-style-type: none"> <li>It's risky to keep your money in cash.</li> <li>It could be lost, stolen, or destroyed.</li> <li>Financial institutions keep your funds safe.</li> </ul>
<b>Convenience</b>	<ul style="list-style-type: none"> <li>With banks, there's no need to carry cash.</li> <li>If you need cash, you can easily access your funds virtually anywhere.</li> </ul>
<b>Money saver</b>	<ul style="list-style-type: none"> <li>No need to use check cashing stores that charge enormous fees.</li> <li>Using a bank will help you save.</li> </ul>
<b>Security</b>	<ul style="list-style-type: none"> <li>No need to worry—all U.S. banks have to follow federal and state laws and regulations.</li> <li>At most banks, funds are insured by the FDIC.</li> <li>FDIC insures each person's money to at least \$250,000.</li> </ul>
<b>Financial Future</b>	<ul style="list-style-type: none"> <li>You'll have access to financial professionals to help you.</li> <li>Knowledgeable advice of bankers is a valuable resource to help you build a better financial future.</li> </ul>

## Topic 1 — Basics of Banking Services



### Benefits of Using a Financial Institution Activity (Instructor Copy)

There are many benefits to using financial institutions.

#### Instructions:

Use the words from the Word Bank to match the benefit of using a financial institution with its supporting points.

#### Word Bank:

Always open

Convenience

Easy to use

Financial future

Free of charge

Money saver

Safety

Security

#### Benefits of Financial Institutions

Benefit	Supporting Points
	<ul style="list-style-type: none"><li>• It's risky to keep your money in cash.</li><li>• It could be lost, stolen, or destroyed.</li><li>• Financial institutions keep your funds safe.</li></ul>
	<ul style="list-style-type: none"><li>• With banks, there's no need to carry cash.</li><li>• If you need cash, you can easily access your funds virtually anywhere.</li></ul>
	<ul style="list-style-type: none"><li>• No need to use check cashing stores that charge enormous fees.</li><li>• Using a bank will help you save.</li></ul>
	<ul style="list-style-type: none"><li>• No need to worry—all U.S. banks have to follow federal and state laws and regulations.</li><li>• At most banks, funds are insured by the FDIC.</li><li>• FDIC insures each person's money to at least \$250,000.</li></ul>
	<ul style="list-style-type: none"><li>• You'll have access to financial professionals to help you.</li><li>• Knowledgeable advice of bankers is a valuable resource to help you build a better financial future.</li></ul>

## Topic 1 — Basics of Banking Services

### Lesson Summary

***Instructor note:***

*Summarize this lesson by reviewing these key points with your participants.*

Key points from the Financial Institutions lesson:

- There are many types of financial institutions, including banks, credit unions and savings institutions.
- Millions of Americans use banks—a financial institution.
- Banks come in all sizes and are open in all locations, from a branch in a grocery store to a larger bank in a big city downtown.
- Banks offer safe, secure, convenient services so you can save money and build a better financial future.
- Bank employees are happy to help you and make you feel welcome. If you're new to banking, they can explain what accounts and services are available.

## Topic 1 — Basics of Banking Services

### Lesson 2: Savings Accounts

In this lesson participants will learn what a savings account is, the different types of savings accounts, and the benefits of having one. They'll learn how to fill out a savings deposit and withdrawal slip and how to keep track of these transactions.

#### Learning Objectives

After completing this lesson, participants will be able to:

- Describe what a savings account is.
- Describe the benefits of using a savings account.
- Explain how to select the best kind of savings account for their needs.
- Explain the steps for opening a savings account.

#### Start the Discussion

To start a discussion with your participants, ask some open-ended questions or invite them to discuss savings accounts. Here are some examples you could use:

- Are you saving money for something you want or need? Describe how you are managing to save money.
- Why would you recommend opening a savings account to someone who doesn't have one yet?
- List some reasons why you might withdraw money from a savings account.
- If you open a savings account, and start making deposits and withdrawals, who is responsible for keeping track of the account?

#### The Basics

- Savings accounts allow you to deposit, withdraw, and earn interest on your money.
- Use a savings account to put money aside for a future goal or emergency fund.
- Savings accounts earn interest—a small amount of extra money the bank gives you for opening the account.
- Many savings accounts limit how often you can take your money out.
- You can use several accounts to save money (regular savings, money market accounts and Certificates of Deposit (CDs)).
- Consider having more than one savings account.

## Topic 1 — Basics of Banking Services



### Types of Savings Accounts Activity (Instructor Copy)

#### **Instructor note:**

Photocopy the activity handout on the following page. Divide the class into groups. Instruct them to fill in the blanks. When they are finished, lead the discussion.

#### **Instructions:**

Have participants fill in the blanks.

#### **Regular Savings Account**

- Allows deposits and withdrawals.
- May require a minimum balance to keep account open.
- May limit the number of times you can withdraw money.
- Money earns interest (every other month or quarterly, four times a year).

#### **Money Market Account**

- Money earns interest.
- May require a higher minimum balance.
- Provides checks for withdrawals (may be a limit on number of checks that can be written).
- Generally have higher interest than regular savings accounts.

#### **Certificate of Deposit (CD)**

- Requires that money stay in an account for a fixed period of time, called its “term” (from a few months to five or more years).
- Interest earned is generally higher than on a regular savings or money market account.
- If money is withdrawn before the end of the term, penalties could be applied.

## Topic 1 — Basics of Banking Services



### Types of Savings Accounts Activity

#### Instructions:

Fill in the blanks.

#### Regular Savings Account

- Allows \_\_\_\_\_ and \_\_\_\_\_.
- May require a \_\_\_\_\_ to keep account open.
- May limit the number of times you can \_\_\_\_\_ money.
- Money earns \_\_\_\_\_ (every other month or quarterly, four times a year).

#### Money Market Account

- Money earns \_\_\_\_\_.
- May require a higher \_\_\_\_\_.
- Provides checks for \_\_\_\_\_ (may be a limit on number of checks that can be written).
- Generally have higher \_\_\_\_\_ than regular savings accounts.

#### Certificate of Deposit (CD)

- Requires that money stay in an account for a \_\_\_\_\_, called its “term” (from a few months to five or more years).
- Interest earned is generally \_\_\_\_\_ than on a regular savings or money market account .
- If money is withdrawn before the end of the term, \_\_\_\_\_ could be applied.

## Topic 1 — Basics of Banking Services



### How to Open a Savings Account Activity (Instructor Copy)

***Instructor note:***

*Photocopy the activity handout on the following page. Lead the class through the steps of opening a savings account.*

1. Ask your bank which forms of identification they accept, for example:
  - Driver's license or state ID.
  - Passport.
  - U.S. military ID.
  - Alien Registration card.
  - Matricula Consular card
2. Gather your personal identification.
  - Two forms of current photo identification are usually required.
  - Ask your bank what forms of identification they accept.
  - Ask your bank if they can accept a major credit or gas card as identification.
3. Have your money ready to be deposited.
  - Be prepared by asking your bank in advance if there will be a minimum deposit required.

Share with your participants that banks, credit unions, and other financial institutions may have different requirements for opening accounts. Remind them it is important to check with the financial institution before they go so they have all the required documents they need.

## Topic 1 — Basics of Banking Services



### How to Open a Savings Account

1. Ask your bank which forms of identification they accept, for example:
  - Driver's license or state ID.
  - Passport.
  - U.S. military ID.
  - Alien Registration card.
  - Matricula Consular card
2. Gather your personal identification.
  - Two forms of current photo identification are usually required.
  - Ask your bank what forms of identification they accept.
  - Ask your bank if they can accept a major credit or gas card as identification.
3. Have your money ready to be deposited.
  - Be prepared by asking your bank in advance if there will be a minimum deposit required.

## Topic 1 — Basics of Banking Services

### Lesson Summary

***Instructor note:***

*Summarize this lesson by reviewing these key points with your participants.*

**Key points from the Savings Account lesson:**

- Savings accounts allow you to deposit, withdraw, and earn interest on your money.
- Use a savings account to put money aside for a future goal or emergency fund.
- Savings accounts earn interest—a small amount of extra money the bank gives you for opening the account.
- Many savings accounts limit how often you can take your money out.
- You can use several accounts to save money (regular savings, money market accounts and Certificates of Deposit (CDs)).
- Consider having more than one savings account.

## Topic 1 — Basics of Banking Services

### Lesson 3: Checking Accounts

In this lesson your participants will discover checking accounts—their benefits, how to open an account and use checks and ATM cards.

#### Learning Objectives

After completing this lesson, participants will be able to:

- Describe what a checking account is.
- List the benefits of opening a checking account.
- Explain the steps for opening a checking account.
- Explain how to make purchases with ATM cards, debit cards and checks.
- Describe how to fill out a check.
- Describe how to endorse a check.

#### Start the Discussion

To start a discussion with your participants, ask some open-ended questions. Here are some examples you could use:

- Why would you open a checking account?
- What sorts of things can you write a check for?
- What are some reasons that someone might want to pay by check rather than using cash?
- Suppose someone told you that they were writing a check to pay for something even though they knew they didn't have enough money in their checking account to cover the amount of the check. What would you tell this person?

#### The Basics

- A checking account is a great tool for managing your money day-to-day.
- A checking account is a type of bank account that allows you to put money in—make a deposit—or take money out—make a withdrawal.
- A checking account allows you to pay for things in other ways than using cash—like writing checks or using a debit card.
- Writing checks and using a debit card are safe and convenient ways to pay for things from your checking account.
- With a checking account, you can get cash whenever you need it.
- Each time you write a check or make a purchase with a debit card, you have a record of how much you spent, and where.
- A checking account also makes it easy to deposit checks that others give you.
- Different institutions offer a variety of checking accounts with different features, benefits and fees.
- Each time you write a check be sure and record it immediately.

## Topic 1 — Basics of Banking Services



### All About Checks Activity (Instructor Copy)

#### **Instructor note:**

Photocopy the activity handout on the following page. Instruct your participants to answer each question in the space provided. Then lead a discussion about checks.

#### **Instructions:**

Have participants answer the questions in the space provided.

#### **About Checks**

<b>What is a check?</b>	<p>Checks are paper forms that people use to transfer money from one place to another.</p> <p>A check is a written order that instructs a bank to pay a specific amount of money from a specific checking account to a specific person or entity, for example, a store.</p>
<b>How do you get checks?</b>	<p>Your financial institution will normally provide you with checks when you open a checking account.</p> <p>You can order more checks when you need them, usually for a fee.</p>
<b>Why use checks?</b>	<p>Checks are a safe and convenient way to pay for things. If you have checks, you don't have to carry large amounts of cash around with you.</p> <p>Each time you write a check, you have a record of how much you spent, and where. That can help you pay closer attention to what you're buying, how much you're spending, and avoid spending more than you planned.</p>



#### **Why Have a Checking Account?**

- Keeps your money safe.
- Easy to make deposits and get cash.
- Convenient way to pay bills and make purchases.
- Helps you track spending.
- Avoid high cost check-cashing stores.

## Topic 1 — Basics of Banking Services



### All About Checks Activity

#### Instructions:

Answer the questions in the space provided.

#### About Checks

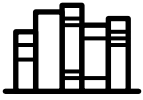
<b>What is a check?</b>	
<b>How do you get checks?</b>	
<b>Why use checks?</b>	



#### Why Have a Checking Account?

- Keeps your money safe.
- Easy to make deposits and get cash.
- Convenient way to pay bills and make purchases.
- Helps you track spending.
- Avoid high cost check-cashing stores.

## Topic 1 — Basics of Banking Services



### ***Instructor note:***

*At this point in the class, consider using this recommended library article listed below as a discussion resource or a takeaway for your participants. You can find this and other library articles at the end of this topic*

### **Recommended Article: How Checks Work**

Remember, the online *Hands on Banking*® program has dozens of additional library articles that you can use and distribute for this and other topics. Visit [www.handsonbanking.org](http://www.handsonbanking.org) to browse all the available articles.

## Topic 1 — Basics of Banking Services



### Parts of a Check Activity (Instructor Copy)

#### **Instructor note:**

Photocopy the activity handout on the following page. Lead a discussion about the parts of a check.

A sample check with the following details:

- A:** JOE SMITH  
2063 PLEASANT RD  
ANYWHERE USA 12345
- B:** April 10, 2009
- I:** 201
- C:** Edgar Rodriguez
- D:** \$46.73
- E:** Forty-six and seventy-three/100
- F:** YOUR BANK
- G:** For Groceries
- H:** Joe Smith
- J:** 987654320
- K:** 23400056

- A. Your name and address go here. These are preprinted on the check for your convenience and tell the person or company to whom you're giving the check—known as the payee—that you're the one who wrote it.
- B. Write in today's date.
- C. This is where you write the name of the person or company who will be receiving the money. If you're making a withdrawal for yourself, write "Cash" here.
- D. The amount of the check is written here.
- E. The amount in words is written on this line. You start at the left edge of the line and when you're finished, you will draw a line through the remaining empty space as far as the word "Dollars."
- F. The name of the bank that holds your account appears here.
- G. To remember what you bought, you can write a brief description here.
- H. Your signature should be the last thing you complete. It gives the bank permission, or authorization, to release the money to the payee.
- I. This is the check number. This reference number will help you keep track of your payments by check. Each time you write a check, you should record the check number, date, payee, and amount in your check register, and calculate your new balance.
- J. This is the 10-digit account number that is unique to your account. This tells the bank which account the money comes from.
- K. This is the bank routing number. It identifies the bank that issued the check. You need this number to set up direct deposit at work. Direct deposit allows your employer to electronically deposit your paycheck directly into your account, without giving you a paper check.



- Write in ink.
- Write clearly.
- Record every check in your register.

## Topic 1 — Basics of Banking Services



### Parts of a Check Activity

**A** JOE SMITH  
2063 PLEASANT RD  
ANYWHERE USA 12345

**B** April 10, 2009  
Date

**I** 201  
000-00000

**C** Pay to the Order of Edgar Rodriguez

**D** \$ \$46.73

**E** Forty-six and seventy-three/100  
Dollars

**F** YOUR BANK

**G** For Groceries

**H** Joe Smith

**K** ⑆ 23400056 ⑆ **J** 987654320 ⑆

- A.** Your name and address go here. These are preprinted on the check for your convenience and tell the person or company to whom you're giving the check—known as the payee—that you're the one who wrote it.
- B.** Write in today's date.
- C.** This is where you write the name of the person or company who will be receiving the money. If you're making a withdrawal for yourself, write "Cash" here.
- D.** The amount of the check is written here.
- E.** The amount in words is written on this line. You start at the left edge of the line and when you're finished, you will draw a line through the remaining empty space as far as the word "Dollars."
- F.** The name of the bank that holds your account appears here.
- G.** To remember what you bought, you can write a brief description here.
- H.** Your signature should be the last thing you complete. It gives the bank permission, or authorization, to release the money to the payee.
- I.** This is the check number. This reference number will help you keep track of your payments by check. Each time you write a check, you should record the check number, date, payee, and amount in your check register, and calculate your new balance.
- J.** This is the 10-digit account number that is unique to your account. This tells the bank which account the money comes from.
- K.** This is the bank routing number. It identifies the bank that issued the check. You need this number to set up direct deposit at work. Direct deposit allows your employer to electronically deposit your paycheck directly into your account, without giving you a paper check.



- Write in ink.
- Write clearly.
- Record every check in your register.

## Topic 1 — Basics of Banking Services



### Check Writing Practice Activity (Instructor Copy)

**Instructor note:**

Photocopy the activity handout on the following page. Instruct your participants to fill out the sample check using the information provided.

**Instructions:**

Have participants fill out the sample check below using this information:

**Payee:** Edgar Rodriguez.

**Date:** April 10, 2009.

**Amount:** \$46.73.

**Memo:** Groceries.

<b>A</b> JOE SMITH 2063 PLEASANT RD ANYWHERE USA 12345	<b>B</b> April 10, 2009 ✓ Date	<b>I</b> 201 000-00000
<b>C</b> Pay to the Order of Edgar Rodriguez ✓	<b>D</b> \$ \$46.73 ✓	
<b>E</b> Forty-six and seventy-three/100 ✓ Dollars		
<b>F</b> YOUR BANK		
<b>G</b> For Groceries ✓	<b>H</b> Joe Smith ✓	
<b>K</b> ⑆ 1 23400056⑆	<b>J</b> 987654320 ⑆	

## Topic 1 — Basics of Banking Services



### Check Writing Practice Activity

#### Instructions:

Fill out the sample check below using this information:

**Payee:** Edgar Rodriguez.

**Date:** April 10, 2009.

**Amount:** \$46.73.

**Memo:** Groceries.

<b>JOE SMITH</b> 2063 PLEASANT RD ANYWHERE USA 12345	_____	<b>201</b> 000-00000
	Date	
Pay to the Order of _____	\$ _____	
	Dollars	
<b>YOUR BANK</b>		
For _____		
⑆ 1 23400056⑆ 987654320 ⑆		

## Topic 1 — Basics of Banking Services



### How to Endorse a Check Activity (Instructor Copy)

**Instructor note:**

Photocopy the activity handout on the following page. Lead a discussion about endorsing a check using the key points below, and then instruct participants to endorse the check.

**Instructions:**

Have participants endorse the check.

- When you deposit a check, you need to let the bank know that you have personally approved the transaction by endorsing the check.
- On the back of the check near the top, you'll write "For deposit only," your signature, and the number of the account to which you want the check deposited.

ENDORSE HERE:

x John Sample

For deposit only

9876543201

DO NOT SIGN / WRITE/ STAMP BELOW THIS LINE  
FOR FINANCIAL INSTITUTION USAGE ONLY

## Topic 1 — Basics of Banking Services



### How to Endorse a Check Activity

#### Instructions:

Endorse this check with your name and the account number #279914.

**ENDORSE HERE:**

X

**DO NOT SIGN / WRITE / STAMP BELOW THIS LINE**  
FOR FINANCIAL INSTITUTION USAGE ONLY

## Topic 1 — Basics of Banking Services



### How to Open a Checking Account Activity (Instructor Copy)

***Instructor note:***

*Photocopy the activity handout on the following page. Lead the class through the steps of opening a checking account.*

1. Ask your bank which forms of identification they accept, for example:
  - Driver's license or state ID.
  - Passport.
  - U.S. military ID.
  - Alien Registration card.
  - Matricula Consular card.
  
2. Gather your personal identification.
  - Two forms of current photo identification are usually required.
  - Ask your bank what forms of identification they accept.
  - Ask your bank if they can accept a major credit or gas card as identification.
  
3. Have your money ready to be deposited.
  - Be prepared by asking your bank in advance if there will be a minimum deposit required.

Share with your participants that banks, credit unions, and other financial institutions may have different requirements for opening accounts. Remind them it is important to check with the financial institution before they go so they have all the required documents they need.

## Topic 1 — Basics of Banking Services



### How to Open a Checking Account Activity

1. Ask your bank which forms of identification they accept, for example:
  - Driver's license or state ID.
  - Passport.
  - U.S. military ID.
  - Alien Registration card.
  - Matricula Consular card.
2. Gather your personal identification.
  - Two forms of current photo identification are usually required.
  - Ask your bank what forms of identification they accept.
  - Ask your bank if they can accept a major credit or gas card as identification.
3. Have your money ready to be deposited.
  - Be prepared by asking your bank in advance if there will be a minimum deposit required.

## Topic 1 — Basics of Banking Services

### Lesson Summary

**Instructor note:**

*Summarize this lesson by reviewing these key points with your participants.*

Key points from the Checking Accounts lesson:

- A checking account is a great tool for managing your money day-to-day.
- A checking account is a type of bank account that allows you to put money in—make a deposit—or take money out—make a withdrawal.
- A checking account allows you to pay for things in other ways than using cash—like writing checks or using a debit card.
- Writing checks and using a debit card are safe and convenient ways to pay for things from your checking account.
- With a checking account, you can get cash whenever you need it.
- Each time you write a check or make a purchase with a debit card, you have a record of how much you spent, and where.
- A checking account also makes it easy to deposit checks that others give you.
- Different institutions offer a variety of checking accounts with different features, benefits and fees.
- Each time you write a check be sure and record it immediately.

## Topic 1 — Basics of Banking Services

### Lesson 4: ATM and Debit Cards

In this lesson, participants will learn about ATM and debit card; how to use them at stores and ATM machines; and the differences between an ATM, debit and credit card.

#### Learning Objective

After completing this lesson, participants will be able to:

- List things they can do at an ATM machine using their ATM or debit card.
- Understand why using an ATM is safe and convenient.
- Explain the differences between an ATM, debit and credit card.
- Use an ATM machine to withdraw or deposit money.

#### The Basics:

- An ATM is a specialized computer used by bank customers to manage their money.
- Use an ATM to deposit or withdraw money, print a statement or check your account balances.
- ATMs are safe and convenient ways to manage your money.
- Do not tell anyone your PIN number.
- Stay alert and aware while using an ATM.
- Make a habit of writing your ATM transactions and the purchases you've made with your ATM card or debit card in your register right away so that you don't forget.
- A debit card is not a credit card.

## Topic 1 — Basics of Banking Services



### What is an ATM? Activity (Instructor Copy)

#### **Instructor note:**

Photocopy the activity handout on the following page. Divide the class into groups. Instruct them to write down answers to the questions in the spaces provided. Then lead a discussion about ATMs.

#### **Instructions:**

Have participants answer the questions in the spaces provided.

#### **About ATMs**

Question	Answer
<b>What is an Automated Teller Machine (ATM)?</b>	<ul style="list-style-type: none"><li>• A specialized computer used by bank customers to manage their money.</li><li>• Use an ATM to:<ul style="list-style-type: none"><li>» Withdraw money.</li><li>» Make deposits.</li><li>» Print a statement (a record of your account activity or transactions).</li><li>» Check your account balances.</li><li>» Transfer money between your accounts.</li><li>» Even purchase stamps.</li></ul></li><li>• You can usually access the most services at an ATM that's operated by your own bank.</li></ul>
<b>Why use ATMs?</b>	<ul style="list-style-type: none"><li>• They are a safe and convenient way to manage your money.</li><li>• There are millions of ATMs worldwide.</li><li>• You can use many ATMs 24/7.</li><li>• Some allow you to select the language you want to use.</li></ul>
<b>Is there a fee for using an ATM?</b>	<ul style="list-style-type: none"><li>• Check with your bank to see if they charge any ATM fees to customers.</li><li>• Almost all banks do charge a fee to non-customers who use their ATMs.</li><li>• Even though using ATMs may cost you money, it's much less expensive than using a check cashing service.</li></ul>
<b>How do you use an ATM?</b>	<ul style="list-style-type: none"><li>• Insert an ATM or debit card and enter a Personal Identification Number (PIN), a secret password that you create.</li></ul>

## Topic 1 — Basics of Banking Services



### What is an ATM? Activity (Instructor Copy)

#### Instructions:

Answer the questions in the spaces provided.

#### About ATMs

Question	Answer
<b>What is an Automated Teller Machine (ATM)?</b>	
<b>Why use ATMs?</b>	
<b>Is there a fee for using an ATM?</b>	
<b>How do you use an ATM?</b>	

## Topic 1 — Basics of Banking Services



### Using ATM and Debit Cards at an ATM Activity (Instructor Copy)

#### **Instructor note:**

Photocopy the activity handout on the following page. Instruct your participants to follow along on their worksheet and take notes or write questions. Lead a discussion about using ATM and debit cards at an ATM.

#### **Instructions:**

Have participants follow along on their worksheet as you lead the discussion. Encourage them to take notes or write any questions they may have.

#### **1. Request an ATM card/debit card.**

When you open a checking account, your bank will ask if you'd like to apply for an ATM card or a debit card. If your ATM card is ever lost/stolen, contact your bank immediately.

#### **2. Create a Personal Identification Number (PIN).**

To use your card at the ATM, you must enter your PIN, a secret combination of numbers or letters that you create. Your PIN is like a secret password. If someone else has it, they can take money out of your account—so don't share it with anyone! If you do give it out, you may be held responsible for any money you lose. So to keep your money safe, keep your PIN a secret!

#### **3. Stay alert and aware.**

Because most ATMs give out cash and many accept deposits, it makes sense to be alert and aware of your surroundings no matter where or when you use an ATM.

#### **4. Follow onscreen directions.**

Not all ATMs work exactly the same way, but they're all designed to be easy to use. Just follow the directions on the ATM screen that you're using.

#### **5. Be aware of fees.**

Your ATM card will work in machines operated by your own bank. It may also work in ATMs operated by other financial institutions. This flexibility is great, but be careful about fees you may be charged by both your bank and the ATM owner.

#### **6. Know your available balance.**

Be sure you have enough money to cover your withdrawals and checks. Remember that whenever you make a withdrawal with your ATM or debit card, the money will be withdrawn from your checking account. When you write a check it may take several days for the funds to be withdrawn from your account or it may be processed that day. Also remember that when you deposit a check, the funds may be available for your use the next business day or longer depending on the bank's funds availability policy.

#### **7. Record your transactions.**

Make a habit of writing your ATM transactions and the purchases you've made with your ATM card or debit card in your register right away so that you don't forget. On a monthly basis, compare the amounts on your receipts to those on your bank statement to ensure that they match.

## Topic 1 — Basics of Banking Services



### Using ATM and Debit Cards at an ATM Activity

#### Instructions:

Follow along on their worksheet as you listen to the discussion. Take notes or write any questions you may have.

1. **Request an ATM card/debit card.**
2. **Create a Personal Identification Number (PIN).**
3. **Stay alert and aware.**
4. **Follow onscreen directions.**
5. **Be aware of fees.**
6. **Know your available balance.**
7. **Record your transactions.**

## Topic 1 — Basics of Banking Services



### ATM Cards, Debit Cards and Credit Cards Activity (Instructor Copy)

**Instructor note:**

Photocopy the activity handout on the following page. Instruct participants to match the card characteristics with each type of bank card.

**Instructions:**

For each characteristic, have participants decide whether it describes an ATM card, a debit card or a credit card.

**Types of Cards**

Debit, ATM or Credit Card?	Characteristics
ATM card	PIN-based card
ATM card	May be able to use it to make purchases (by entering your Personal Identification Number)
Debit card	Looks just like a regular ATM card, and you can use it at ATMs
Debit card	Can use it wherever Visa® or MasterCard® debit cards are accepted
Debit card	When you use it, money is deducted from your checking account
Credit card	When you use it, you're borrowing money to be repaid later, usually with interest



When you use a debit card at a store, you may have the option of selecting “debit” (and entering your PIN) or “credit” and signing your name. Either way money is deducted from your checking account.

## Topic 1 — Basics of Banking Services



### ATM Cards, Debit Cards and Credit Cards Activity

#### Instructions:

For each characteristic, decide whether it describes an ATM card, a debit card or a credit card. Write ATM card, debit card or credit card in the left column.

#### Types of Cards

Debit, ATM or Credit Card?	Characteristics
	PIN-based card
	May be able to use it to make purchases (by entering your Personal Identification Number)
	Looks just like a regular ATM card, and you can use it at ATMs
	Can use it wherever Visa® or MasterCard® debit cards are accepted
	When you use it, money is deducted from your checking account
	When you use it, you're borrowing money to be repaid later, usually with interest



When you use a debit card at a store, you may have the option of selecting “debit” (and entering your PIN) or “credit” and signing your name. Either way money is deducted from your checking account.

## Topic 1 — Basics of Banking Services



### The Parts of a Debit Card Activity (Instructor Copy)

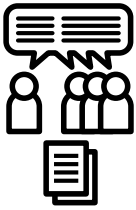
**Instructor note:**

Photocopy the activity handout on the following page. Lead a discussion about the parts of the debit card.



- A. Debit Card Number:** This 16-digit number is unique to your card. It is different from your checking account number.
- B. Expiration Date:** Your card can only be used until this date. A new card will be automatically sent to your address prior to the expiration date.
- C. Visa® or Mastercard® Logo:** This symbol means that you can use this card wherever Visa® or Mastercard® debit cards are accepted, for example, department stores, restaurants, and online.
- D. Customer Service Number:** Call this toll-free number when you have questions about your account.
- E. Signature Bar:** For your protection against fraud, be sure to sign here as soon as you receive your card.
- F. Card Verification Value (CVV):** This number is unique to your card. When you use your card to make purchases over the phone or Internet, some merchants may require you to supply this number to confirm that you have the card with you.
- G. Network Logos:** The logos that appear on your card indicate where it can be used:
- You can access the money in your checking account at any ATM that carries the same logos as your card.
  - You can make PIN-based purchases at merchants that display the same Point-of-Sale network logos that appear on your card, such as Interlink®. Some merchants also provide a cash back option when making a PIN-based purchase.
  - You can make signature-based purchases at merchants that accept Visa or MasterCard debit cards, depending on the logo on your card.

## Topic 1 — Basics of Banking Services



### The Parts of a Debit Card Activity



- A. Debit Card Number:** This 16-digit number is unique to your card. It is different from your checking account number.
- B. Expiration Date:** Your card can only be used until this date. A new card will be automatically sent to your address prior to the expiration date.
- C. Visa® or Mastercard® Logo:** This symbol means that you can use this card wherever Visa® or Mastercard® debit cards are accepted, for example, department stores, restaurants, and online.
- D. Customer Service Number:** Call this toll-free number when you questions about your account.
- E. Signature Bar:** For your protection against fraud, be sure to sign here as soon as receive your card.
- F. Card Verification Value (CVV):** This number is unique to your card. When you use your card to make purchases over the phone or Internet, some merchants may require you to supply this number to confirm that you have the card with you.
- G. Network Logos:** The logos that appear on your card indicate where it can be used:
- You can access the money in your checking account at any ATM that carries the same logos as your card.
  - You can make PIN-based purchases at merchants that display the same Point-of-Sale network logos that appear on your card, such as Interlink®. Some merchants also provide a cash back option when making a PIN-based purchase.
  - You can make signature-based purchases at merchants that accept Visa or MasterCard debit cards, depending on the logo on your card.

## Topic 1 — Basics of Banking Services



### Practice Your ATM Skills Activity (Instructor Copy)

#### **Instructor note:**

Photocopy the activity handout on the following page. Instruct participants to fill in the blanks using the words and phrases from the Word Bank.

#### **Instructions:**

Have participants use the Word Bank to fill in the blanks of the process they would follow to withdraw \$40.00 from their checking account.

#### **Word bank:**

\$40.00	Directions
Amount	Language
ATM card	Money
Bank hours	Name
Banking pamphlet	PIN number
Check Balance	Put it in your pocket
Count it	Receipt
Debit card	Withdrawal
Deposit	

1. Insert your ATM or debit card in the slot of the front of the machine.
2. Read the directions on the screen.
3. Select the language you want to use.
4. When asked, enter your PIN on the ATM's touch pad.
5. Select withdrawal from the list on the screen.
6. Enter \$40.00 using the touch pad.
7. Your money will come out. Take your money and receipt and count it.

#### **Tip!**

- Not all ATMs work the same. Be sure to read the directions onscreen.
- You may be asked to select a language before proceeding.
- When entering your PIN, be aware of those around you. Do not let anyone see your PIN.
- Always get a receipt so you can right down the amount of deposit or withdrawal in your bank account register.

## Topic 1 — Basics of Banking Services



### Practice Your ATM Skills Activity

#### Instructions:

Use the Word Bank to fill in the blanks of the process you would follow to withdraw \$40.00 from your checking account.

#### Word bank:

\$40.00	Directions
Amount	Language
ATM card	Money
Bank hours	Name
Banking pamphlet	PIN number
Check Balance	Put it in your pocket
Count it	Receipt
Debit card	Withdrawal
Deposit	

1. Insert your ATM or \_\_\_\_\_ in the slot of the front of the machine.
2. Read the \_\_\_\_\_ on the screen.
3. Select the \_\_\_\_\_ you want to use.
4. When asked, enter your \_\_\_\_\_ on the ATM's touch pad.
5. Select \_\_\_\_\_ from the list on the screen.
6. Enter \_\_\_\_\_ using the touch pad.
7. Your money will come out. Take your \_\_\_\_\_ and \_\_\_\_\_ and count it.

#### Tip!

- Not all ATMs work the same. Be sure to read the directions onscreen.
- You may be asked to select a language before proceeding.
- When entering your PIN, be aware of those around you. Do not let anyone see your PIN.
- Always get a receipt so you can right down the amount of deposit or withdrawal in your bank account register.

## Topic 1 — Basics of Banking Services

### Lesson Summary

***Instructor note:***

*Summarize this lesson by reviewing these key points with your participants.*

Key points from the ATM and Debit Card lesson:

- An ATM is a specialized computer used by bank customers to manage their money.
- Use an ATM to deposit or withdraw money, print a statement or check your account balances.
- ATMs are safe and convenient ways to manage your money.
- Do not tell anyone your PIN.
- Stay alert and aware while using an ATM.
- Make a habit of writing your ATM transactions and the purchases you've made with your ATM card or debit card in your register right away so that you don't forget.
- A debit card is **not** a credit card.

## Topic 1 — Basics of Banking Services

### Lesson 5: Using and Managing Your Bank Accounts

In this lesson, participants will learn how their accounts can make managing their money easy and convenient.

#### Learning Objectives

After completing this lesson, participants will be able to:

- Explain how to deposit, withdraw and transfer funds from their bank accounts.
- Describe how to keep track of transactions to avoid overdrafts.
- Explain how to read and understand their account statements.
- Explain how to make sure their records and the bank's records agree.

#### Start the Discussion

To start a discussion with your participants, ask some open-ended questions. Here are some examples you could use:

- What are some ways people can manage the money they have in the bank, without personally going to the bank?
- What are some ways you know of to use the Internet to manage your money?
- Give examples of some of the advantages of Internet banking.
- Name a banking transaction that you could not handle over the Internet.

#### The Basics

- Once your checking or savings account is open, you'll probably have lots of options for how to put money in, how to make deposits, and for taking money out, or making withdrawals.
- If you have more than one account with the same financial institution, be sure to ask them about convenient ways to transfer funds between your accounts.
- Each time you move your money in or out of your account, it's called making a transaction.
- When funds are moved by computer, rather than by cash or check, it's called an Electronic Funds Transfer, or EFT.
- Online banking is a great option that many financial institutions offer.
- Online banking allows you to handle many banking activities over the Internet, including paying your bills.
- Mobile banking allows you to use a mobile device to check on your accounts. For example, you can send a text message from your cell phone to find out your current account balance.

## Topic 1 — Basics of Banking Services



### Different Ways to Make Account Transactions Activity (Instructor Copy)

#### **Instructor note:**

Photocopy the activity handout on the following page. Divide the class into groups. Instruct them to fill in each blank after each question (there is an answer for each blank space).

#### **Instructions:**

Have participants fill in every blank space under the question with an answer.

#### **1. How can you check recent transactions and available balances?**

- With online banking.
- At many ATMs.
- By phone.
- At the bank.
- Mobile banking.

#### **2. How can you make deposits?**

- Via electronic direct deposit.
- At many ATMs.
- At the bank.
- By mail.

#### **3. How can you get cash?**

- At the ATM.
- At the bank.
- At many merchants, when you make a PIN-based purchase with your ATM or debit card.

#### **4. How can you make purchases?**

- With a check.
- With an ATM card.
- With a debit card.
- Over the phone with a debit card (depending on the merchant).
- On the Internet with a debit card (depending on the merchant).

#### **5. How can you transfer funds?**

- Using an ATM.
- Using online banking.
- At the bank.
- International (global) remittance.

## Topic 1 — Basics of Banking Services



### Different Ways to Make Account Transactions Activity

#### Instructions:

Fill in every blank space under the question with an answer.

**1. How can you check recent transactions and available balances?**

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_

**2. How can you make deposits?**

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_

**3. How can you get cash?**

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_

**4. How can you make purchases?**

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_

**5. How can you transfer funds?**

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_

## Topic 1 — Basics of Banking Services



### Automatic and Direct Deposits (Instructor Copy)

#### ***Instructor note:***

*Lead a discussion about automatic and direct deposits and global transfers using these key points.*

#### **Automatic Deposits**

- At many banks you can set up automatic deposits from your checking to your savings account.
- It can be easier to save more, and more quickly, when it's automatic.
- You may also have the option of automatic payments. This can help ensure that your regular monthly bills are always paid on time.

#### **International Remittance**

- International remittance, also called global remittance, is a type of Electronic Funds Transfer.
- Let's say you have family members who live outside of the United States. This service allows you to quickly and easily transfer funds to them from your account.
- Ask your bank if they offer this service.

#### **Direct Deposit**

- One example of an Electronic Funds Transfer is direct deposit.
- That's when money, such as a paycheck or Social Security check, is electronically transferred directly into your account.
- This way you receive the funds even faster and more safely than with a paper check.
- You'll receive proof of deposit from your bank for all direct deposits.
- By setting up direct deposit, you'll have timely access to your paycheck or other income on payday.
- Most employers and government agencies offer direct deposit.

## Topic 1 — Basics of Banking Services



### How to Fill in a Deposit Slip Activity (Instructor Copy)

**Instructor note:**

Photocopy the activity handout on the following page. Lead a discussion about the parts of a deposit slip.

When you make a deposit by mail or at the bank (and at some ATMs) you'll be asked to fill in a deposit slip.

DEPOSIT TICKET TO BE USED FOR DEPOSIT TRANSACTIONS ONLY	<b>EDGAR RODRIGUEZ</b> 2063 PLEASANT RD. ANYWHERE, U.S.A. 12345		<input type="checkbox"/> CASH INCLUDING COINS ▶	<b>D</b>		
			2542		25	00
	DATE <b>C</b> 08/06/09		List Checks 1502	<b>E</b>	120	00
	SIGNATURE <b>B</b> Edgar Rodriguez		Singly			
	<b>I</b>		TOTAL ITEMS	<b>F</b>	145	00
	<b>A</b>		OPTIONAL FROM REVERSE	<b>G</b>	40	00
	00000000001234567890		SUB TOTAL ▶	<b>H</b>	105	00
			<input type="checkbox"/> LESS CASH RECEIVED ▶			
			\$			

- A. Account Number:** This number ensures that the money is deposited in the correct account. If you do not have your account number with you, your bank can provide the information to you.
- B. Your information:** Your name is pre-printed or written in.
- C. Date:** You will write today's date here.
- D. Cash:** If depositing cash, you would write the amount here.
- E. Checks:** If you are depositing checks or money orders, you would list each one separately here and continue on the back if more space were needed.
- F. Subtotal:** You will add the cash and check amounts and write the total amount being deposited here.
- G. Less Cash Received:** If you are at the bank, you would use this space to write the amount of cash you would like to get back from the checks you are depositing.
- H. Total:** You will subtract the amount, if any, on the line "Less Cash Received" from the Subtotal, and write the total amount being deposited here.
- I. Signature:** The teller will ask you to sign the deposit slip and provide identification to confirm that you are the account holder, if you are withdrawing cash from your deposit.

## Topic 1 — Basics of Banking Services



### How to Fill in a Deposit Slip Activity

When you make a deposit by mail or at the bank (and at some ATMs) you'll be asked to fill in a deposit slip.

DEPOSIT TICKET TO BE USED FOR DEPOSIT TRANSACTIONS ONLY	EDGAR RODRIGUEZ 2063 PLEASANT RD. ANYWHERE, U.S.A. 12345		<input type="checkbox"/> CASH INCLUDING COINS	<b>D</b>		
			2542		25	00
		<b>C</b> 08/06/09	List Checks	<b>E</b>	120	00
		<b>B</b> Edgar Rodriguez	Singly			
		<b>I</b>	TOTAL ITEMS	<b>F</b>	145	00
		<b>A</b>	OPTIONAL FROM REVERSE	<b>G</b>	40	00
			SUB TOTAL	<b>H</b>	105	00
			<input type="checkbox"/> LESS CASH RECEIVED			
			\$			
		⑆ 0000000000 ⑆ 234567890⑆				

- A. Account Number:** This number ensures that the money is deposited in the correct account. If you do not have your account number with you, your bank can provide the information to you.
- B. Your information:** Your name is pre-printed or written in.
- C. Date:** You will write today's date here.
- D. Cash:** If depositing cash, you would write the amount here.
- E. Checks:** If you are depositing checks or money orders, you would list each one separately here and continue on the back if more space were needed.
- F. Subtotal:** You will add the cash and check amounts and write the total amount being deposited here.
- G. Less Cash Received:** If you are at the bank, you would use this space to write the amount of cash you would like to get back from the checks you are depositing.
- H. Total:** You will subtract the amount, if any, on the line "Less Cash Received" from the Subtotal, and write the total amount being deposited here.
- I. Signature:** The teller will ask you to sign the deposit slip and provide identification to confirm that you are the account holder, if you are withdrawing cash from your deposit.

## Topic 1 — Basics of Banking Services



### Deposit Slip Practice Activity (Instructor Copy)

**Instructor note:**

Photocopy the activity handout on the following page. Instruct your participants to fill out the deposit slip using the information provided.

**Instructions:**

Have participants use this information to fill in the deposit slip.

**Date:**

- 08/06/09.

**Checks to deposit:**

- #2542 for \$25.00.
- #1502 for \$120.00.

**Cash back:**

- \$40.00.

DEPOSIT TICKET TO BE USED FOR DEPOSIT TRANSACTIONS ONLY	<b>EDGAR RODRIGUEZ</b> 2063 PLEASANT RD. ANYWHERE, U.S.A. 12345		<input type="checkbox"/> CASH INCLUDING COINS	<b>D</b>		
	DATE <b>C</b> 08/06/09	List Checks <b>2542</b>	<input type="checkbox"/> LESS CASH RECEIVED		25	00
	<b>B</b> Edgar Rodriguez <small>SIGN HERE ONLY IF CASH RECEIVED FROM DEPOSIT</small>	Singly	TOTAL ITEMS	<b>E</b>	120	00
	<b>I</b>	OPTIONAL FROM REVERSE	<input type="checkbox"/>			
	<b>A</b>	SUB TOTAL	<input type="checkbox"/>	<b>F</b>	145	00
				<b>G</b>	40	00
				<b>H</b>	105	00

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Remind your participants that withdrawing and depositing money are just one part of managing their accounts. Now they'll learn the four basic skills to help them keep track of their transactions.

## Topic 1 — Basics of Banking Services



### Deposit Slip Practice Activity

#### Instructions:

Use this information to fill in the deposit slip.

#### Date:

- 08/06/09.

#### Checks to deposit:

- #2542 for \$25.00.
- #1502 for \$120.00.

#### Cash back:

- \$40.00.

DEPOSIT TICKET TO BE USED FOR DEPOSIT TRANSACTIONS ONLY	<b>EDGAR RODRIGUEZ</b>	<input type="checkbox"/> CASH	\$	
	2063 PLEASANT RD.	INCLUDING COINS ▶		
	ANYWHERE, U.S.A. 12345	_____		
	DATE _____	List _____		
	_____	Checks _____		
	<small>SIGN HERE ONLY IF CASH RECEIVED FROM DEPOSIT</small>	Singly _____		
		TOTAL ITEMS <input type="checkbox"/>		OPTIONAL FROM REVERSE
		SUB TOTAL ▶		
		<input type="checkbox"/> LESS CASH RECEIVED ▶		
⑆ 0000000000⑆ 234567890⑈				

## Topic 1 — Basics of Banking Services



### Keeping Track of Your Transactions Activity (Instructor Copy)

#### **Instructor note:**

Photocopy the activity handout on the following page. Instruct your participants to fill in the blanks as you lead the discussion.

To be a good money manager, you need to keep accurate records. It's up to you to keep track every time you put money in and take money out of your accounts. It's your money, so it's important to keep track.

There are four essential skills you need.

#### **Instructions:**

Direct participants to fill in the blanks as they listen to the discussion,

#### **1. Save your transaction receipts.**

- Every time you make a           **transaction**           at the bank or ATM, you'll receive a receipt.
- Be sure to           **save**           your receipts.

#### **2. Record every transaction in your register.**

- It's a small           **notepad**           you'll receive when you open your account.
- Add your deposits, subtract your withdrawals, and keep track of your           **current balance**           (the **exact amount** you have in your account right now).

#### **3. Avoid spending more than you have.**

- Keeping track will help you avoid           **spending more**           than you have in your account.
- It's called an           **overdraft**          .

#### **4. Review your statement every month.**

- At the end of the month, the bank will send you a           **statement**          .
- Your statement lists your balance at the beginning and end of the statement month, and all of the           **transactions**           that the bank has processed during the statement month.
- Review your statement along with your           **register**           and your           **receipts**           to make sure that your records and the bank's records           **agree**          .



If your bank offers online banking, you won't have to wait for your statement to review your account activity. Online banking gives you access to review your accounts any time.

## Topic 1 — Basics of Banking Services



### Keeping Track of Your Transactions Activity

To be a good money manager, you need to keep accurate records. It's up to you to keep track every time you put money in and take money out of your accounts. It's your money, so it's important to keep track.

There are four essential skills you need.

#### Instructions:

As you listen to the discussion, fill in the blanks.

#### 1. Save your transaction receipts.

- Every time you make a \_\_\_\_\_ at the bank or ATM, you'll receive a receipt.
- Be sure to \_\_\_\_\_ your receipts.

#### 2. Record every transaction in your register.

- It's a small \_\_\_\_\_ you'll receive when you open your account.
- Add your deposits, subtract your withdrawals, and keep track of your \_\_\_\_\_ (the **exact amount** you have in your account right now).

#### 3. Avoid spending more than you have.

- Keeping track will help you avoid \_\_\_\_\_ than you have in your account.
- It's called an \_\_\_\_\_.

#### 4. Review your statement every month.

- At the end of the month, the bank will send you a \_\_\_\_\_.
- Your statement lists your balance at the beginning and end of the statement month, and all of the \_\_\_\_\_ that the bank has processed during the statement month.
- Review your statement along with your \_\_\_\_\_ and your \_\_\_\_\_ to make sure that your records and the bank's records \_\_\_\_\_.



If your bank offers online banking, you won't have to wait for your statement to review your account activity. Online banking gives you access to review your accounts any time.



## Topic 1 — Basics of Banking Services



### How to Use Your Transaction Register Activity

Here is a sample transaction register.

YEAR/AÑO _____								
Transfer = T    Direct Deposit = DD    Debit Card = DC    Teller Machine = ATM    Automatic Payment = AP    Loan Payment = LP    Expense = E    Tax Deductible = TD								
DATE FECHA	NUMBER NUMERO	TRANSACTION DESCRIPTION DESCRIPCION DE LA TRANSACCION	CODE CODIGO	✓ T	(-) PAYMENT WITHDRAWAL CANTIDAD DEL PAGO O RETIRO	(+) DEPOSIT CANTIDAD DEL DEPOSITO	BALANCE	
8/03	101	ABC Electric Co. Bill for July			42 00		\$345 00	
8/06		ATM			40 00		263 00	
8/13		Coffee			3 50		259 50	
8/15		Paycheck Direct Deposit				557 24	816 74	
8/16		Automatic Transfer to Savings			40 00		776 74	
	<b>C</b>	<b>B</b>			<b>E</b>	<b>F</b>	<b>H</b>	<b>A</b>

Transferencia = T    Depósito Directo = DD    Tarjeta de Débito = TD    Cajero Automático = CA    Pago Automático = PA    Pago de Préstamo = PP    Gasto = G    Deducible de Impuestos = DI

- A. This column is used to calculate the current balance in the account by adding each deposit and subtracting each withdrawal.
- B. This is the number of the check.
- C. This column is used to record the date the check was written or the transaction was.
- D. This is the name of the payee, that is the person or company who was paid.
- E. Once a month, you'll use this column to check off each transaction that appears on your monthly account statement. This will help you to ensure that your records and the bank's records match.
- F. This is the amount of the check or transaction
- G. Use this line to briefly describe the transaction. This can be a helpful reminder of what you purchased or why you received funds.
- H. This is the amount of your deposit.

#### Tip!

Don't forget to record all of your transactions, not just checks. Be sure to include:

- Deposits
- ATM withdrawals
- Debit card purchases
- Electronic funds transfers
- Interest payments
- Bank fees





## Topic 1 — Basics of Banking Services



### Avoid Overdrafts! Activity (Instructor Copy)

#### **Instructor note:**

Photocopy the activity handout on the following page. Divide the class into groups. Instruct them to list as many answers/examples for each question as possible. Then lead a discussion using the key points below.

#### **Instructions:**

Have participants answer the questions and provide as many answers or examples as they can.

#### **What is an overdraft?**

- Overdrafts occur when you write a check/withdraw more money than you have in your account.
- When you try to spend money you don't even have, that's a serious issue.
- If you make several overdrafts the bank may close your account.

#### **Available balance**

- It is always important to know your available balance before you access your money.
- The available balance is the amount of money that the bank will make available to you for withdrawal or use to authorize your next purchase or payment.
- Your available balance reflects the authorized withdrawals that are known to your bank. You should adjust for any checks you have written that have not been paid from your account.
- In addition, some pending debit card transactions may not be your final purchase amount (such as when you add a tip to a restaurant bill)—so you need to adjust for this amount. As a result, the bank may say “yes” to one of your transactions and then when all of your transactions are paid from your account, you may have overspent on your account.
- Your transaction register will always be the most complete record of the amount that is available for your next withdrawal or purchase.

#### **Going beyond my available balance**

When you spend more than you have in your checking account, there are several possible outcomes. Your bank may:

- Decline your next ATM or debit card transaction when you are attempting to withdraw money or pay for a purchase and you do not have enough money in your account. There is no bank fee associated with a declined ATM or debit card transaction.
- Transfer money from a savings or credit account that you link to your checking account for overdraft protection. A transfer fee may apply. You should check with your bank about applicable fees.
- Pay your transactions into overdraft. You will need to repay the bank and an overdraft fee may apply.
- Return your transaction unpaid due to insufficient funds. Your bank may charge you a returned transaction fee. If this returned transaction is for payment of a bill (e.g., credit card, car payment or insurance premium) you may be assessed other late bill payment fees and you could adversely impact your credit payment history.

## Topic 1 — Basics of Banking Services



### Avoid Overdrafts! Activity (Instructor Copy) (continued)

- The bank may pay your transaction into overdraft as a service to you; but this is a discretionary service (the bank does not promise to commit to pay your transaction). An overdraft fee may be charged on each transaction paid into overdraft—so, this is not the best way to manage your account!

The best option is to keep track of your transactions to avoid overspending. Another good choice is to ask if your bank offers overdraft protection. When you link another account (such as a savings or credit account) to your checking account, the bank will transfer money to your checking account when it is needed. Usually this is a single transfer fee that may cover multiple transactions (not like overdraft or returned transaction fees that may be charged on each transaction). Remember that this service can help prevent overdrafts or returned transactions only have money or available credit in the linked account.

## Topic 1 — Basics of Banking Services



### **Avoid Overdrafts! Activity**

#### **Instructions:**

Answer the questions and provide as many answers or examples as you can.

**What is an overdraft?**

**What is an available balance?**

**What happens if I go beyond my available balance?**

## Topic 1 — Basics of Banking Services



### How to Read Your Statement Activity (Instructor Copy)

#### **Instructor note:**

Photocopy the activity handout on the following page. Lead a discussion about bank statements.

BANK Street Address City, State 12345		ACCOUNT STATEMENT April 1 through April 30 Account Number: 98765432	
Balance as of 4/30		\$1,339.05	
Activity detail			
<b>Deposits</b>			
Date	Description	\$ Amount	
4/3	Deposit	15.00	
4/15	Automatic Deposit	1,266.36	
<b>Total Deposits</b>		1,281.36	
<b>Withdrawal</b>			
<b>Checks</b>			
Number	Date	\$ Amount	
200	4/1	1,200.50	
<b>Total Checks</b>		1,200.50	
<b>Other withdrawals</b>			
Date	Description	\$ Amount	
4/28	Automatic payment - Car Company	178.00	
4/16	Cash	100.00	
4/25	Debit-Grocery Store	37.27	
<b>Total Other withdrawals</b>		\$315.27	
<b>Total withdrawals</b>		<b>\$1,515.77</b>	

- A. This is the name and address of the financial institution.
- B. This is the period of time covered by this statement.
- C. This number identifies the account covered by this statement.
- D. This is the account balance according to the bank on the closing date of this statement.
- E. This section lists the deposits made during the statement period.
- F. This column describes how each deposit was made.
- G. This column lists the amount of each deposit and the total of all deposits.
- H. This section lists any checks that were written during the period, including each check number, date, and amount.
- I. This section lists other withdrawals such as debit card purchases and other electronic payments.



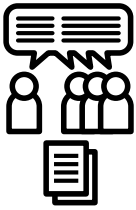
**Remember:** Your statement may not include all your transactions during the month. Some transactions may have been processed, or cleared, after the statement period closed. Missing transactions should appear on your next statement.

If you use online banking, you can quickly find out whether a check or deposit has cleared.



Remind your participants that each month they'll need to compare their records to the bank's records to make sure they match.

## Topic 1 — Basics of Banking Services



### How to Read Your Statement Activity

BANK		ACCOUNT STATEMENT	
Street Address City, State 12345		April 1 through April 30 Account Number: 98765432	
Balance as of 4/30		\$1,339.05	
Activity detail			
<b>Deposits</b>			
Date	Description	\$ Amount	
4/3	Deposit	15.00	
4/15	Automatic Deposit	1,266.36	
<b>Total Deposits</b>		1,281.36	
<b>Withdrawal</b>			
<b>Checks</b>			
Number	Date	\$ Amount	
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4/28	Automatic payment - Car Company	178.00	
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- A. This is the name and address of the financial institution.
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- D. This is the account balance according to the bank on the closing date of this statement.
- E. This section lists the deposits made during the statement period.
- F. This column describes how each deposit was made.
- G. This column lists the amount of each deposit and the total of all deposits.
- H. This section lists any checks that were written during the period, including each check number, date, and amount.
- I. This section lists other withdrawals such as debit card purchases and other electronic payments.



**Remember:** Your statement may not include all your transactions during the month. Some transactions may have been processed, or cleared, after the statement period closed. Missing transactions should appear on your next statement.

If you use online banking, you can quickly find out whether a check or deposit has cleared.

## Topic 1 — Basics of Banking Services



### How to Reconcile Your Account Activity (Instructor Copy)

#### Instructor note:

Photocopy the activity handout on the following page. Lead a discussion about bank statements using the step-by-step process and diagram listed below.

#### Instructions:

On the back of the statement, participants will find a worksheet similar to the sample show here. Have them follow these step-by-step instructions to reconcile their account.

BANK Street Address City, State 12345		ACCOUNT STATEMENT April 1 through April 30 Account Number: 98765432	
Balance as of 4/30		\$1,339.05	
Activity detail			
<b>Deposits</b>			
Date	Description	\$ Amount	
4/3	Deposit	15.00	
4/15	Automatic Deposit	1,266.36	
<b>Total Deposits</b>		1,281.36	
<b>Withdrawal</b>			
<b>Checks</b>			
Number	Date	\$ Amount	
200	4/1	1,200.50	
<b>Total Checks</b>		1,200.50	
<b>Other withdrawals</b>			
Date	Description	\$ Amount	
4/28	Automatic payment - Car Company	178.00	
4/16	Cash	100.00	
4/25	Debit-Grocery Store	37.27	
<b>Total Other withdrawals</b>		\$315.27	
<b>Total withdrawals</b>		<b>\$1,515.77</b>	

Bank Street Address, City State 12345	
ACCOUNT BALANCE CALCULATION WORKSHEET	
1	<b>1. Enter</b> The <b>New Balance</b> shown on your statement: \$ _____
2	<b>2. Add</b> Any Deposits listed in your register or transfers into your account which are not shown on your statement. \$ _____
3	<b>3. Calculate the Subtotal</b> Add parts 1 and 2. \$ _____
3	<b>4. Subtract</b> The total outstanding checks and withdrawals not shown on your statement. \$ _____
4	<b>5. Calculate the Ending Balance</b> (part 1 + part 2 - part 4) This amount should be the same as the current balance in your check register. \$ _____

1. First, you enter the balance that's shown on your statement for the last day of the statement period.
2. Second, you list all of the deposits that are in your check register but that do not appear on the bank statement.
3. Third, you list all of the withdrawals—checks, ATM, debit card, and other withdrawals—that do not appear on the bank statement.
4. After you've followed the instructions on the worksheet for adding and subtracting, the final amount on the worksheet should be the same as the current balance shown in your check register.

If your check register and worksheet don't balance, or if you have other questions about your statement, most banks have a toll-free telephone number for customer service to help you.



**Remember:** Your statement may not include all your transactions during the month. Some transactions may have been processed, or cleared, after the statement period closed. Missing transactions should appear on your next statement.

If you use online banking, you can quickly find out whether a check or deposit has cleared.

## Topic 1 — Basics of Banking Services



### How to Reconcile Your Account Activity

#### Instructions:

On the back of the statement, participants will find a worksheet similar to the sample show here. Have them follow these step-by-step instructions to reconcile their account.

BANK Street Address City, State 12345		ACCOUNT STATEMENT April 1 through April 30 Account Number: 98765432	
Balance as of 4/30		\$1,339.05	
Activity detail			
<b>Deposits</b>			
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4/3	Deposit	15.00	
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<b>Withdrawal</b>			
<b>Checks</b>			
Number	Date	\$ Amount	
200	4/1	1,200.50	
<b>Total Checks</b>		1,200.50	
<b>Other withdrawals</b>			
Date	Description	\$ Amount	
4/28	Automatic payment - Car Company	178.00	
4/16	Cash	100.00	
4/25	Debit-Grocery Store	37.27	
<b>Total Other withdrawals</b>		\$315.27	
<b>Total withdrawals</b>		<b>\$1,515.77</b>	

Bank Street Address, City State 12345	
ACCOUNT BALANCE CALCULATION WORKSHEET	
1	<b>1. Enter</b> The <b>New Balance</b> shown on your statement: \$ _____
2	<b>2. Add</b> Any Deposits listed in your register or transfers into your account which are not shown on your statement. \$ _____
	<b>3. Calculate the Subtotal</b> Add parts 1 and 2. \$ _____
3	<b>4. Subtract</b> The total outstanding checks and withdrawals not shown on your statement. \$ _____
4	<b>5. Calculate the Ending Balance</b> (part 1 + part 2 - part 4) This amount should be the same as the current balance in your check register. \$ _____

1. First, you enter the balance that's shown on your statement for the last day of the statement period.
2. Second, you list all of the deposits that are in your check register but that do not appear on the bank statement.
3. Third, you list all of the withdrawals—checks, ATM, debit card, and other withdrawals—that do not appear on the bank statement.
4. After you've followed the instructions on the worksheet for adding and subtracting, the final amount on the worksheet should be the same as the current balance shown in your check register.

If your check register and worksheet don't balance, or if you have other questions about your statement, most banks have a toll-free telephone number for customer service to help you.



**Remember:** Your statement may not include all your transactions during the month. Some transactions may have been processed, or cleared, after the statement period closed. Missing transactions should appear on your next statement.

If you use online banking, you can quickly find out whether a check or deposit has cleared.

## Topic 1 — Basics of Banking Services

### Lesson Summary

**Instructor note:**

*Summarize this lesson by reviewing these key points with your participants.*

Key points from the Using and Managing Your Accounts lesson:

- Once your checking or savings account is open, you'll probably have lots of options for how to put money in, how to make deposits, and for taking money out, or making withdrawals.
- If you have more than one account with the same financial institution, be sure to ask them about convenient ways to transfer funds between your accounts.
- Each time you move your money in or out of your account, it's called making a transaction.
- When funds are moved by computer, rather than by cash or check, it's called an Electronic Funds Transfer, or EFT.
- Online banking is a great option that many financial institutions offer.
- Online banking allows you to handle many banking activities over the Internet, including paying your bills.
- Mobile banking allows you to use a mobile device to check on your accounts. For example you can send a text message from your cell phone to find out your current account balance.

## Topic 1 — Basics of Banking Services

### Topic Summary

**Instructor note:**

*Summarize this topic by reviewing these key points with your participants.*

**Key points from the Basics of Banking Topic:**

1. Financial institutions offer safe, secure, convenient services to save money and build better financial future.
2. Savings accounts are a safe place to put money for future goals and unexpected expenses.
3. Checking accounts are ideal for paying bills and daily purchasing.
4. Ask your bank what services they offer and how to use them.
5. Take advantage of helpful tools: ATMs, online banking, direct deposit, and more.
6. Keep accurate records.
7. Avoid overdrafts!
8. Reconcile your statements monthly.

**Additional Activities**

*These activities are designed to extend the new concepts presented in the Basics of Bank Services Topic. Use these or similar activities to give participants an opportunity to apply what they have just learned to real-life scenarios.*

1. Visit some local financial institutions, such as banks and credit unions. Pick up pamphlets and brochures and compare and contrast services, interest rates and fees.
2. Talk to a financial professional at a bank or financial institution about services they offer.
3. Research online savings accounts. How do they differ from accounts offered by brick-and-mortar banks or credit unions.
4. Visit your local bank or credit union and find out the current rates on CDs or money market accounts. If possible, ask a financial professional at the bank to show you how these rates have gone up or down in the past.
5. If you're ready, visit your local bank or credit union and open a checking or savings account. Share your experience with the class.

## Topic 1 — Basics of Banking Services

### Appendix

#### Library Articles & Additional Topic Resources

Use these library articles as a discussion resource or a takeaway for your participants. Remember, the online *Hands on Banking*® program has dozens of additional library articles that you can use and distribute for this and other topics. Visit [www.handsonbanking.org](http://www.handsonbanking.org) to browse all the available articles.



## About FDIC Insurance

The Federal Deposit Insurance Corporation (FDIC) preserves and promotes public confidence in the U.S. financial system by insuring deposits in financial institutions; by identifying, monitoring and addressing risks to the deposit insurance funds; and by limiting the effect on the economy and the financial system when a financial institution fails.

The FDIC insures deposits in most financial institutions in the United States. The FDIC protects depositors against the loss of their deposits if a FDIC-insured financial institution fails. FDIC insurance is backed by the full faith and credit of the United States government.

The FDIC is an independent agency of the U.S. government and was created in 1933. Since its inception, the FDIC has responded to thousands of financial institution failures. No depositor has lost a single cent of insured funds as a result of a financial institution failure.

Basic FDIC insurance is \$250,000 per depositor per insured financial institution. It is possible to have more than \$250,000 insured by the FDIC on deposit at any one financial institution. The FDIC separately insures deposits held in different categories of legal ownership including: Individual Accounts, Joint Accounts, Revocable Trust Accounts (including Payable-on-Death [POD] accounts), and certain Retirement Accounts (such as IRAs).

The FDIC's Electronic Deposit Insurance Estimator can help you determine if you have adequate deposit insurance for your accounts.

The FDIC insures deposits only. It does not insure securities, mutual funds, U. S Treasury bills, bonds, notes or similar types of investments purchased through an insured financial institution.

To protect insured deposits, the FDIC responds immediately when an insured financial institution fails. Financial institutions generally are closed by their chartering authority—the state regulator, the Office of the Comptroller of the Currency, Federal Deposit Insurance Corporation or the Office of Thrift Supervision. The FDIC has several options for resolving institution failures, but the one most used is to sell deposits and loans of the failed institution to another institution. Customers of the failed institution automatically become customers of the assuming institution. Most of the time, the transition is seamless from the customer's point of view.

## About FDIC Insurance (continued)

### Here is a summary of what funds are—and are not—FDIC-Insured:

#### FDIC-Insured

- Checking Accounts (including money market deposit accounts).
- Savings Accounts (including passbook accounts).
- NOW Accounts.
- Time Deposit Accounts (Certificate of Deposits).
- Certain Retirement Accounts (including IRAs).

#### Not FDIC-Insured.

- Investments in mutual funds (stock, bond or money market mutual funds).
- Annuities (underwritten by insurance companies).
- Stocks, bonds, Treasury securities or other investment products, whether purchased through a bank or a broker/dealer.
- Contents of safe deposit boxes.
- Losses from robberies and other thefts.

For further information, visit the FDIC Web site at [www.fdic.gov](http://www.fdic.gov).

We invite you to contact Wells Fargo for further information and assistance. Visit our Web site at [wellsfargo.com](http://wellsfargo.com) or any Wells Fargo store.