

Warm-Up

Understanding Checking and Debit Accounts

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Lesson Question

Lesson Goals

Learn about checking and debit accounts.

Define

account.

Balance a

Compare

fees and benefits.

W
2K

Words to Know

Fill in this table as you work through the lesson. You may also use the glossary to help you.

debit	<input type="text"/> or taking money out of an account
deposit	adding <input type="text"/> to an account
electronic funds transfer	system of moving money from one <input type="text"/> to another without any paper money exchanging hands
outstanding	<input type="text"/>
overdrawn	having <input type="text"/> money than was available taken out of an account

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Describing a Checking Account

A checking account is a service provided by that allows customers to deposit money at the bank. The money is protected.

- Customers can take money out of their accounts by writing checks.
- The amount of money in an account is called the .

1001

5/24 2013 09-765/432

PAY TO THE ORDER OF Bob Jim Smith \$ 00

Twenty and $\frac{00}{100}$ DOLLARS

MEMO Skateboard Billy Jim Smith

⑆ 123456789⑆ 0987654321⑆ 1001⑆

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Identifying Deposits

A **deposit** puts money into a bank account.

- Checks or cash using a slip
- Checks or cash using an automated teller machine (ATM)
- Online transfer of from one account to another
- **Electronic Funds Transfer (EFT)**
 - Money is moved electronically from one to another (direct deposit).

DEPOSIT		
DATE	5/23/2013	
NAME	Billy Jim Smith	
ACCOUNT NUMBER		
CASH	50	00
CHECKS	100	
Subtotal	150	
Less Cost	<input type="text"/>	
TOTAL		

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Identifying Debits

A **debit**, or withdrawal, is money from an account.

- Write a to another person
- Present a slip
- Use an ATM/debit card
- Perform an transfer
- Make online bill payments ()

1001

1/1 20 11 09-765/432

PAY TO THE ORDER OF ABC Co. \$

Twenty five and 00/100 DOLLARS

MEMO Phone call John Smith

1234567890 0987654321 1001



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Balancing a Checking Account

- A register or computer software is generally used to make sure checking accounts remain balanced.
- Reasons to balance a checking account:
 - Know how much money is in the account at any time
 - Track monthly earnings/spending for a
 - Prevent the account from being **overdrawn**
 - An account is overdrawn when more money is than is in the account.
 - Check for bank

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Using a Check Register

Check Number	Date	Description of Transaction	(-) Debit	✓	(+) Deposits	Balance
		Beginning Balance				125.36
001	3/15	bicycle tire	\$ 36.51			
	3/16	present				

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Balancing a Checking Account

Balancing a checking account means your with the bank's records to make sure they match.

Account Statement		2/16/13-3/16/13
Account Number 12345678		
Deposits		
3/16	Deposit	\$50.00
Total Deposits		\$50.00
Withdrawals		
#001	3/15	\$36.51
Total Checks		\$36.51
Total Other Withdrawals		\$0
Total Withdrawals		\$36.51
Balance as of 3/16		\$138.85

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Using the Worksheet to Balance

Account Balance Calculation Worksheet

1. Enter the ending balance shown on your statement. \$
2. Enter the total of all outstanding deposits. \$ 36.00
3. Calculate the subtotal. (Add parts 1 and 2). \$
4. Enter the total of all outstanding withdrawals. \$ 20.00
5. Calculate the ending balance. (Subtract part 4.) \$

Outstanding transactions are those that did not reach the before the date of the bank .

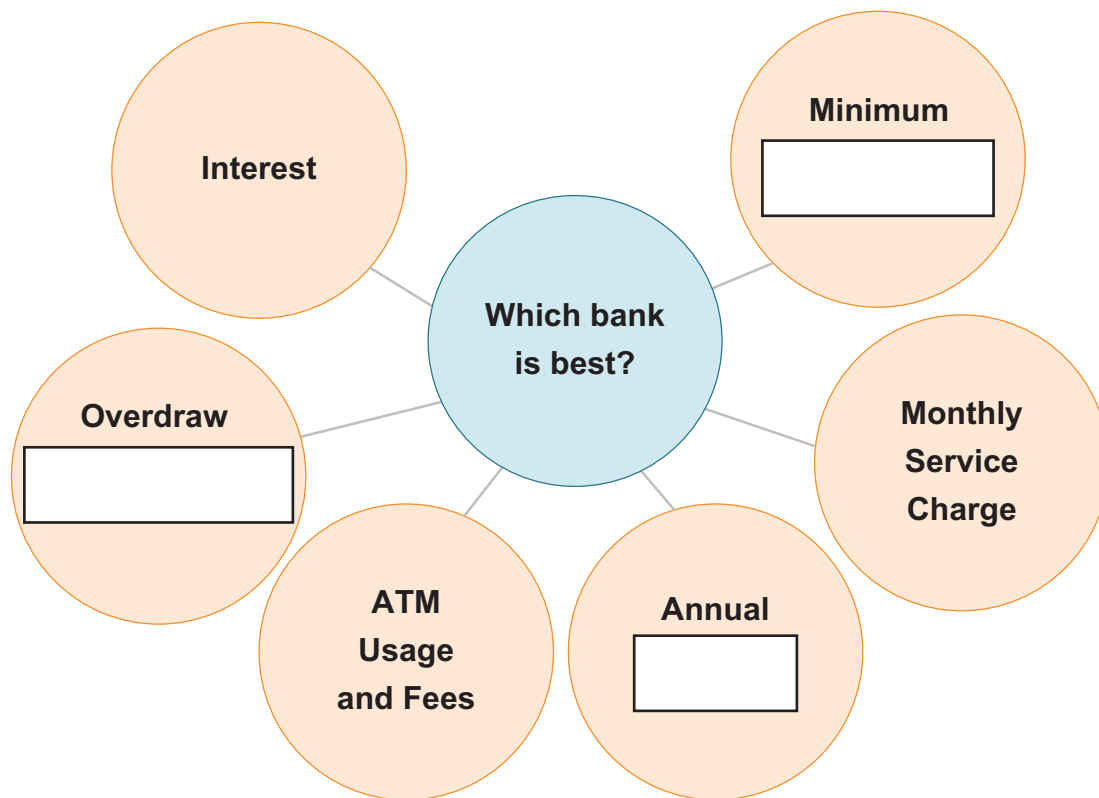
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Analyzing a Checking Account



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Comparing Checking Accounts

	Account A	Account B	Account C
Minimum Balance	\$500	\$250	\$100
<input type="text"/>	0.2%	0%	0%
Overdraw Fees	\$0 if linked with <input type="text"/> account or \$40 per overdraw	\$35 per overdraw	\$25 per overdraw
ATM Usage/Fees	\$0 for all ATMs	\$0 for ABC bank ATMs \$3 for non-ABC bank ATMs	\$3 per transaction
Monthly Fee	\$10 or \$0 with <input type="text"/> deposit	\$0	\$0
<input type="text"/>	\$0	\$10	\$12

Summary

Understanding Checking and Debit Accounts

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Lesson Question

What is a checking account?

✓

Answer

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Review: Key Concepts

- Deposits are money to an account.
- are money taken from an account.
- Transfers can be either or debits.
- Keep your account balanced to be sure it does not become .
- Compare banks by learning about interest, minimum balance, ATM fees, overdraft protection, overdrawn fees, monthly fees, and annual fees.

How do you balance a checkbook?
How do you know which amounts to add and which amounts to subtract?

You write down your starting amount. Any money that you put into your account, you add. Any money that you take out, you subtract.

Summary

Understanding Checking and Debit Accounts

Use this space to write any questions or thoughts about this lesson.