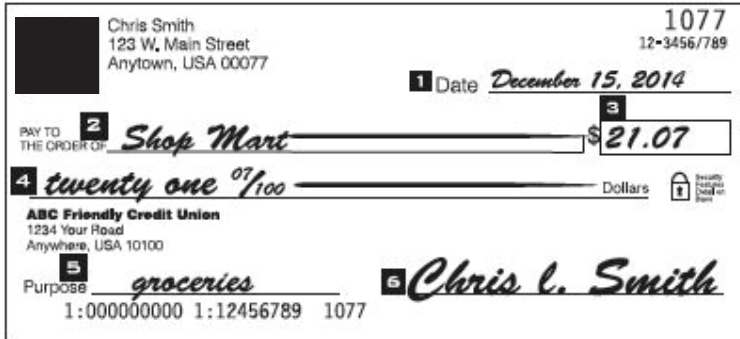


CHECKING ACCOUNT BASICS

Whether you write checks or use a debit/check card, call it a check or a share draft, pay bills electronically or by mail, you need to keep track of the money in your account. Use these tips to reduce the possibility of making mistakes that can cost you money or make it easy for a forger to get your money.

When you deposit a check, you may not have access to the funds right away. Ask the credit union for its funds availability policy. Holds vary based on where you deposit your check (with a teller, by mail, or at an ATM), and where the check is from (the government or a local business, for example).




HOW TO WRITE A CHECK

- 1.) Write in the correct date and year. Even if you enter a date several days ahead, the check can be deposited for payment right away. Avoid ink colors other than blue or black. Don't use pencil or erasable ink.
- 2.) Enter the name of the person or business. Draw a line after the name to prevent a thief who could add the word "or" and his or her name. Don't make a check out to "cash" or anyone could cash and take the money.
- 3.) Print figures as close to the dollar sign as possible. This makes it hard to raise the amount—changing \$ 25 to \$125, for example.
- 4.) Write out the amount beginning at the extreme left, and draw a line through the rest of the space.
- 5.) Fill in the "purpose" line so you'll have a record of why you wrote the check.
- 6.) Sign your name legibly and always in the same way. Choose a form of your name to use only when you sign checks or other important papers. For example, "Chris Smith" may use "Chris W. Smith" for a check signature.

USING YOUR CHECK/DEBIT CARD REGISTER

Your checking account comes with a register for you to record all transactions:

- Purchases made by check
- Purchases made by debit card
- Deposits
- Automatic transfers
- Electronic bill payment
- Withdrawals
- ATM transactions
- Any fees or penalties
- Any interest (dividends)

TRANSACTION TYPE / CHECK #	DATE	DESCRIPTION OF TRANSACTION	AMOUNT (DEBIT)	FEES / FEE	DEPOSIT / CREDIT (+)	\$ BALANCE
	12/15	open account			1791	1791
	12/15	Garden Apartments rent	612 00			1179
debit	12/15	Shop Mart groceries	21 00			21
	12/17	ATM	20 00			1158
	12/18	deposit paycheck			212 15	212 15
						1350 15

Write in the date and amount of each transaction and add or subtract it.

Once a month you'll receive an account statement electronically or in the mail. The statement will list:

- Your account balance at the beginning and end of the month.

HOW TO CASH A CHECK

You must endorse—sign—a check before you can deposit it. Sign your name as close to the top of the back left side as possible. Sign it exactly as it appears on the front. If your name is misspelled, sign it correctly underneath the first endorsement.

- Deposits.
- Transfers.
- Withdrawals.
- Checks that have been cashed.
- Purchases made with your debit card.
- Any fees, dividends or penalties.

Check-mark each entry in your register that is listed on your statement and record any transaction listed on your statement that isn't yet in your register. The most commonly overlooked transactions are ATM withdrawals and debit card purchases.

The back of the statement usually has a reconciliation form with these steps:

- Enter the ending balance shown on the statement.
- Enter any deposits made after the ending date of the statement. Include any interest or dividends you may have received.
- Subtract the total of any checks that you wrote, debit card purchases you made, or ATM withdrawals that did not appear on your statement. Also subtract any fees or penalties.

The total should equal the amount listed in your register.

If your balance doesn't match the credit union's, double-check your math and make sure you've correctly recorded all transactions. If you're using software to keep your register, make sure you've entered the correct numbers.

If you have questions, ask your parents or someone from the credit union to teach you how to best manage your account.

LOSE TRACK OF YOUR ACCOUNT—LOSE MONEY

If you write a check or use your debit card for more money than you have in your account, that's an overdraft. Depending on your account, your financial institution may:

- Pay the amount and notify you that you owe the money—and a fee—or,
- Return the unpaid check to the person or business it was written to. This is called "bouncing" a check and it'll probably cost you at least \$45 in service fees.

If you fail to balance your checking account and have several overdrafts, it'll cost you a lot more than money.

In the world of financial institutions, not keeping track of your accounts is considered "mismanaging" them. Financial institutions have the right to close mismanaged accounts—and report such actions to credit bureaus. You can lose your account and hurt your credit rating, simultaneously.

This can result in higher interest rates on any loans you apply for and could even affect the approval of those loans. You can avoid all these hassles—and save money—by simply reconciling your checking account.

Some credit unions and other financial institutions offer an overdraft protection service, usually for a fee. One option automatically transfers money from your savings account to your checking account if you're overdrawn. But watch out: Because it's so convenient, you might find yourself accidentally spending your savings. Another option is an overdraft line of credit that automatically loans you money to cover overdrafts. The catch: You have to repay the money with interest. Your best defense is to always know your account balances.

SAFETY TIPS FOR YOUR CHECKS AND DEBIT/CHECK CARD

- Treat checks the same as cash and keep them in a safe place. Destroy any blank checks and deposit slips you won't use.
- If you lose your checks or debit/check card, notify the credit union immediately.

When you get your plastic debit/check card, you'll need to select a 4-digit special personal identification number (PIN). You'll need your PIN when using an ATM or for some purchases.

- Memorize your PIN. Don't share it or write it on the card.
- Don't let others see you punch your PIN into an ATM or merchant machine.