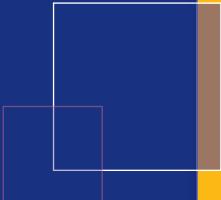




Banking Basics 101

Course objectives – learn about:

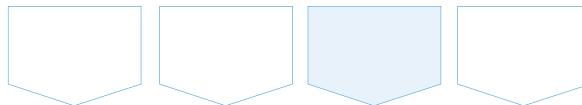
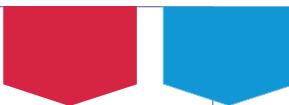
- Using a checking account
- Various types of payment vehicles
- Benefits of a savings account



How to Manage Your Finances and Still Have Money Left Over For Pizza

All of **us** serving you®





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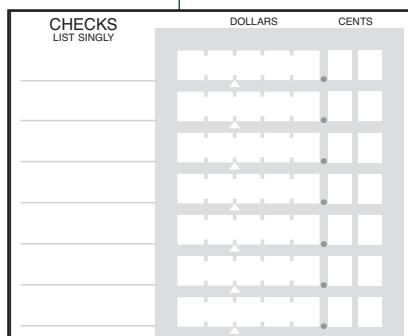
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Getting Started

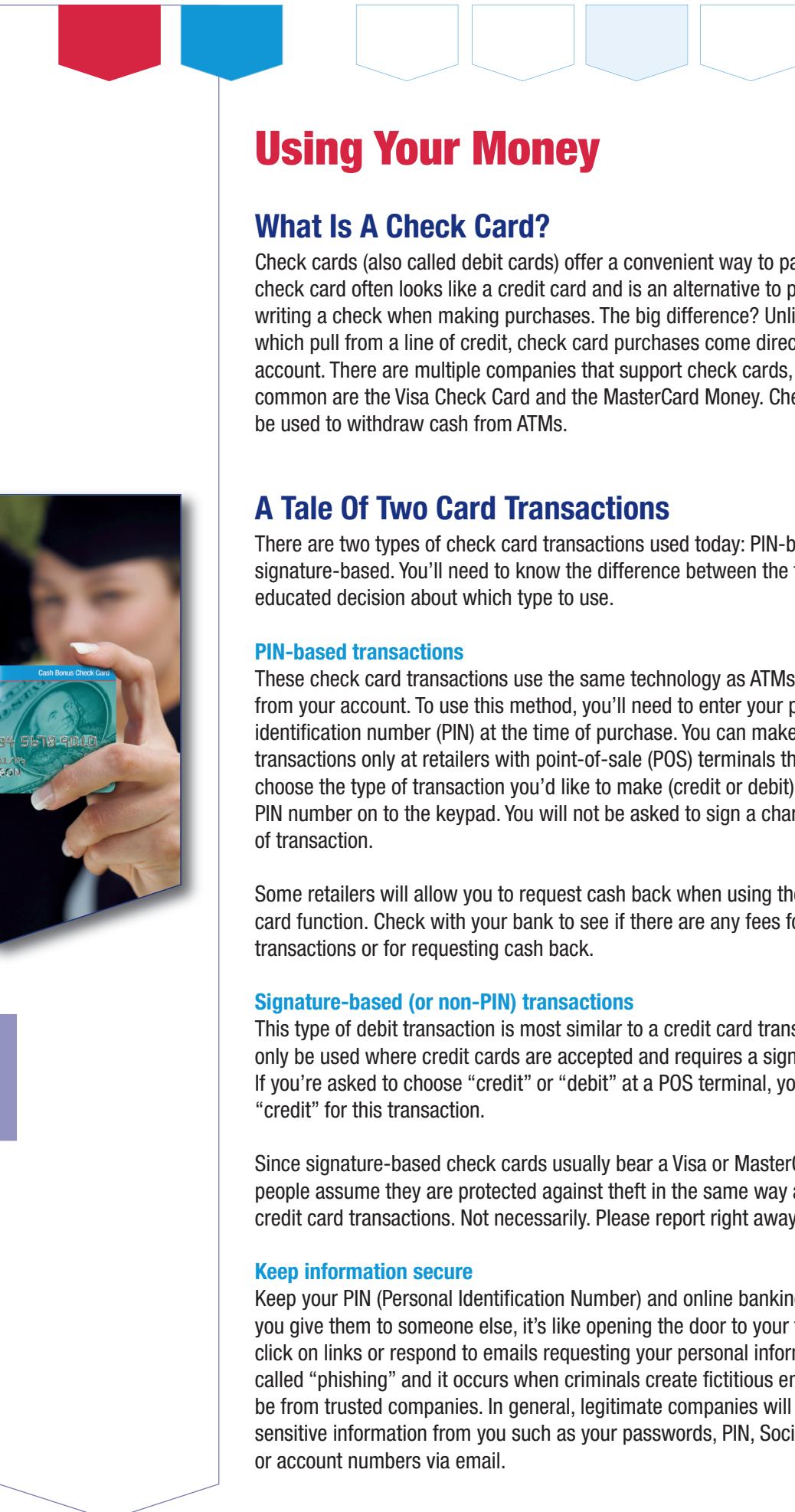
What Is A Checking Account?

- A checking account is where you deposit money to have on hand for day-to-day expenses and for paying bills.
 - You can access those funds as long as you follow your bank's policies and you agree to maintain a positive balance.
 - There are four different ways to access your funds: withdraw cash from an ATM or bank teller, use your check card at a merchant, pay bills electronically or write a check.
 - Checks can be written by the account holder to pay a specified amount of money to a person, company or organization.
 - Check cards can be used for purchases at retailers, gas stations and more. If the card has a Visa® or MasterCard® logo, it can also be used anywhere Visa or MasterCard check cards are accepted.
 - If your bank offers online banking, you can transfer funds from one account to another, check balances, check overall account information or pay bills with the click of a button.



Use the flip side of the deposit ticket if you need more room to list out checks you are depositing.

<p>The day you are depositing money.</p>		<p>Add your cash together, and write the amount here.</p>
DEPOSIT TICKET		
<p>JAMES C. MORRISON 1765 SHERIDAN DRIVE YOUR CITY, STATE 12345</p>		
<p>DATE <u>May 23, 2011</u></p>		
<p>DEPOSITS MAY NOT BE AVAILABLE FOR IMMEDIATE WITHDRAWAL</p>		
<p><u>James C Morrison</u></p>		
<p>SIGN HERE FOR CASH RECEIVED IF NO CHECKS</p>		
<p>usbank usbank.com</p>		
<p>+ 10000678940 12345678#*</p>		
<p>Write out each check on individual lines.</p>		
		<p>Subtotal the total of your cash and your checks combined. Then, subtract the cash you want to receive.</p>



Using Your Money

What Is A Check Card?

Check cards (also called debit cards) offer a convenient way to pay for purchases. A check card often looks like a credit card and is an alternative to paying cash or writing a check when making purchases. The big difference? Unlike credit cards, which pull from a line of credit, check card purchases come directly from your bank account. There are multiple companies that support check cards, but the most common are the Visa Check Card and the MasterCard Money. Check cards can also be used to withdraw cash from ATMs.

A Tale Of Two Card Transactions

There are two types of check card transactions used today: PIN-based and signature-based. You'll need to know the difference between the two to make an educated decision about which type to use.

PIN-based transactions

These check card transactions use the same technology as ATMs to debit money from your account. To use this method, you'll need to enter your personal identification number (PIN) at the time of purchase. You can make these types of transactions only at retailers with point-of-sale (POS) terminals that allow you to choose the type of transaction you'd like to make (credit or debit) and to enter your PIN number on to the keypad. You will not be asked to sign a charge slip for this type of transaction.

Some retailers will allow you to request cash back when using the PIN-based check card function. Check with your bank to see if there are any fees for making PIN-debit transactions or for requesting cash back.

Signature-based (or non-PIN) transactions

This type of debit transaction is most similar to a credit card transaction – it can only be used where credit cards are accepted and requires a signature, not a PIN. If you're asked to choose "credit" or "debit" at a POS terminal, you should choose "credit" for this transaction.

Since signature-based check cards usually bear a Visa or MasterCard logo, some people assume they are protected against theft in the same way as they are with credit card transactions. Not necessarily. Please report right away.

Keep information secure

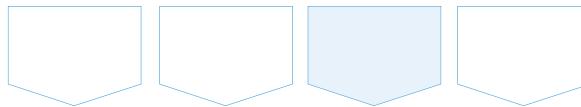
Keep your PIN (Personal Identification Number) and online banking password safe. If you give them to someone else, it's like opening the door to your finances. Don't click on links or respond to emails requesting your personal information. This is called "phishing" and it occurs when criminals create fictitious emails that seem to be from trusted companies. In general, legitimate companies will never request sensitive information from you such as your passwords, PIN, Social Security number, or account numbers via email.

Important Tip – Whether you choose a PIN or signature-based transaction, the amount of your purchase is immediately taken from your checking account. Your check card transaction will be declined if you do not have sufficient funds, unless you have given your bank prior consent to overdraw your account. Be sure to write down all your check card purchases immediately. If you forget to write down one or two purchases, your balance will be incorrect, resulting in possible fees or declined transactions.

Pay Bills Online

A convenient way to pay recurring bills is through your bank's internet bill pay site. Set up the merchant and the account number one-time, and then schedule your bills to be paid automatically each month, or when you authorize. Some merchants will even send the bill electronically, ensuring you never miss an important payment. Internet bill pay also stores your payment history, so you can monitor spending and identify problems immediately. Often a free service, there's no need to hunt for stamps and write checks!

The screenshot shows the US Bank Internet Bill Pay interface. At the top, there's a navigation bar with links for 'Back To Your Accounts', 'Payment Center', 'Add A Bill', 'Manage Your Bills', 'Bill History', 'Bill Pay Messages' (with a link to 'View your Bill Pay messages and E-Bill notices'), 'Help' (with a link to 'Get Assistance with Bill Pay'), and 'Log Out'. Below the navigation bar is a section titled 'Payment Center' with a sub-section 'Pay Bills'. It says 'You can pay these bills from the following account.' and shows a dropdown menu for 'From Account' with the value 'XXXXX'. It also displays 'Preferred Account' and 'Available Balance \$1,690.63'. There are three biller entries: 'ebill' for 'Waste Management' with fields for 'Amount' and 'Pay Date'; 'US Bank' for 'U.S. Bank Credit Card' with similar fields; and 'Cable Company' with similar fields. To the right of these entries is a sidebar for 'eBills' with the text 'Safe. Simple. Secure. Get your bills here ►►'. Below this are sections for 'Pending Payments' (listing 'Waste M...' for \$16.09 on 09/07) and 'Recent Payments' (listing 'Cable Co...' for \$58.34 on 08/06). At the bottom right of the sidebar is a call-to-action 'Get U.S. Bank To Go with Mobile Banking!' with a 'Find Out How ►►' button.



Writing Checks

From time to time, you may find it necessary to write a check for your purchase. These funds come directly from your checking account, just like a check card purchase.

JAMES C. MORRISON
1765 SHERIDAN DRIVE
YOUR CITY, STATE 12345

101
DATE December 1, 2011 ①

PAY TO THE ORDER OF American Utility Company \$ 391.58 ③

④ Three hundred ninety-one and 58/100 DOLLARS ②

usbank All of us serving you™
MEMO ⑥ Utility Bill

⑤ James C. Morrison MP

⑦ 000067894 ⑧ 12345678 ⑨ 101

Routing Number Account Number Check Number

- ① Date line: Record the date that you write the check.
- ② "Pay to the Order of" line: Record the name of the person or business to whom the check is written.
- ③ Amount field: Starting at the far left of the box, write the amount of the check in figures. Placing the figures at the far left will prevent anyone from adding a digit in front of the amount you've indicated.
- ④ Dollars line: Starting at the far left, write the dollar amount of the check in words and the cents as a fraction of 100. Draw a line in the remaining space.
- ⑤ Signature line: Sign your name as it is printed on your checks. Do not sign a check until it is ready to be used. When you sign a check, you become responsible for paying the amount indicated on the check.
- ⑥ Memo line: Record the purpose of the payment.

Managing Your Account

The best tool available to manage your finances effectively is YOU. Keeping track of deposits made, balances on hand, and bills or other withdrawals “in process” will prevent surprises. Banks offer many tools to enable your success, including checkbook registers, internet banking and monthly statements.

Filling Out Your Checkbook Register

Keeping accurate records of all your financial transactions is key when balancing your checkbook. You can do this by either filling out your checkbook register or entering receipts into an online or software-based tool to help you track your spending. Filling out your checkbook register isn’t difficult as long as you know the basics.



■ AD -Automatic Deposit ■ AP -Automatic Payment ■ AT M-Teller Machine ■ DC-Debit Card ■ T-Tax Deductible ■ TT -Telephone Transfer							
NUMBER OR CODE	DATE	TRANSACTION DESCRIPTION			PAYOUT AMOUNT	✓ FEE	DEPOSIT AMOUNT
560	5/25	Acme Car Rental			\$ 85.00	\$	\$ 100.00
1	2	3	4	5	6	7	8

- ① Check Number: The number in the upper right corner of the check. You can also indicate check card, ATM and online payment transactions here.
- ② Date: The date you write the check, use the ATM, make a check card purchase, or make an online bill payment.
- ③ Description of Transaction: The person or business to whom the check is written, the merchant location where the check card is used, or an ATM withdrawal.
- ④ Payment/Debit: The amount of the check or transaction.
- ⑤ Processed Transactions: When your checks, ATM transactions and check card purchases are processed and you’ve reviewed them online, record a checkmark here. This means your transaction has cleared the bank, been paid, and subtracted by the financial institution from your account.
- ⑥ Fee: If your financial institution charges a fee per check, or for ATM usage, enter that here.
- ⑦ Deposit/Credit: When you deposit money in your account, enter that amount.
- ⑧ Balance: Subtract your transaction amount from or add your deposit to your previous balance. The result is your current balance.

Internet & Mobile Banking

Most banks offer convenient ways to manage your finances on the go, including online or Internet banking and mobile banking. Here are some of the ways Internet and mobile banking can make things easier for you.

- See if you have enough money in your account to go out this weekend, by checking your available balance and deducting checks or automated bills that are pending.
- Find out if your paycheck has been direct deposited into your account.
- View online statements instead of having them mailed to you. It's quicker and you can save paper! Plus it means you won't have to have your statement forwarded to you if you move.
- Set up account alerts that can notify you of low balances and more via text messaging or email.

Many financial institutions allow you to perform various customer service functions on the go as well, including:

- Change your address
- Request checks
- Change your PIN
- Place a stop payment on a check
- Dispute an unauthorized charge
- Transfer funds between your accounts
- Report a lost or stolen debit card or to someone else
- or ATM card

The screenshot shows the US Bank Internet Banking interface. At the top, there are links for Customer Service, Contact Us, and Locations. The main header says "Internet Banking". Below that, it shows a welcome message for "Angela M Counce" and the email "angela@test.com", along with the date "Tuesday, August 31, 2010" and a note about the last visit. On the right side, there are "Log Out" and "Investment Login" buttons. The left sidebar contains links for "Your Accounts", "Funds Transfer", "Make a Payment", "Make a Deposit (New)", "Cash Advance", "Download Transaction Data", "Online Statements", "Alerts >>", "Bill Pay (Free)", and "Mobile Banking". The main content area is divided into sections: "Deposit Accounts", "Check Cards & ATM Cards", and "Credit Accounts". Each section lists accounts with details like account number, ending in, account type, and balance. For example, under "Deposit Accounts", there are two entries: "Checking" (Account 9229, Ending In 9229, Checking, \$1,786.40) and "Savings" (Account 4908, Ending In 4908, Savings, \$10,128.43). The total balance shown is \$11,914.83. Under "Check Cards & ATM Cards", there is one entry for a "FlexPerks Cash Rewards Visa® Check Card" (Ending In 2334, Check Card). Under "Credit Accounts", there are two entries: "Credit Card" (Account 8100, Ending In 8100, Credit Card, \$828.08) and "Reserve Line/Bus Res Line" (Account 9229, Ending In 9229, Reserve Line/Bus Res Line, \$0.00). The total credit available is \$5,000.00.

Account Statement

Your checking account statement will be mailed monthly to the address your bank has on record. A better alternative for many people is to ask for electronic statements, or online statements. If you move frequently or share accommodations with others, electronic statements are the quickest way to see your account information, and provide a high level of privacy.

How To Read Your Statement

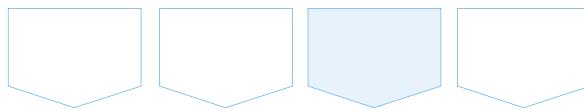
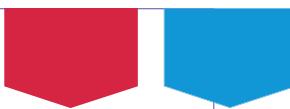
With a little basic knowledge, reading your checking account statement is easy. Just use this tip sheet as a guide!

- ① Primary Account Number
- ② Statement Period. Indicates the exact date that your statement covers.
- ③ Account Name & Summary. Specific product names are clearly identified and a detailed summary is provided.
- ④ Deposits/Credits. All deposits made to your account including automatic deposits and deposits made at the ATM are shown here.
- ⑤ Card/Other Withdrawals. Details any other withdrawal that is not made by a check. In this section, you'll find ATM withdrawals, check card purchases and online bill payments. Any service charges on your account will also appear in this section.
- ⑥ Check Activity. A complete list of checks posted to your account during the statement period. An (*) indicates that preceding check numbers are missing. If you have a question about a specific check, the reference number will help your bank's representative locate the item in question.

The image shows a sample monthly bank statement from U.S. Bank. The statement is titled "Uni-Statement" and includes the account number 1 123 4567 8901. It features several sections with numbered callouts:

- ① CHECKING**: Shows the account number 1-123-4567-8901 and the U.S. Bank National Association logo.
- ② Uni-Statement**: Shows the account number 1 123 4567 8901.
- ③ Deposits / Credits**: Lists a deposit on May 15 for \$146.79.
- ④ Card Withdrawals**: Lists purchases and ATM withdrawals across various dates.
- ⑤ Other Withdrawals**: Lists electronic withdrawals and payment fees.
- ⑥ Checks Presented Conventionally**: Lists checks presented on April 30 and May 4.

Date	Description of Transaction	Reference Number	Amount
May 15	Deposit		\$ 146.79
			Total Deposits/Credits
			\$ 146.79
Apr 30	Purchase GAP	8220065632	\$ 27.55-
May 1	Purchase BP OIL	9293475993	\$ 13.76-
May 3	Purchase FOLLETT'S	64788246538	\$ 98.97-
May 7	ATM Withdrawal	4TH & MAIN CINCINNATIOH	\$ 50.00-
May 15	ATM Withdrawal	7763 MONTGOMERY CINCINNATI OH	\$ 20.00-
			Total Card Withdrawals
			\$ 210.28-
May 15	Electronic Withdrawal GREAT LAKES Payment	580360574	\$ 264.22-
May 20	OD Protection Fee	1200004160	\$ 19.00-
			Total Other Withdrawals
			\$ 283.22-
Check	Date	Ref Number	Amount
0197	Apr. 30	4543598648	\$45.47
0198	May 4	6024965452	\$13.06
Check	Date	Ref Number	Amount
0199	May 23	6107794592	\$12.50
0200	May 30	6505425400	\$50.00



Understanding Overdrafts

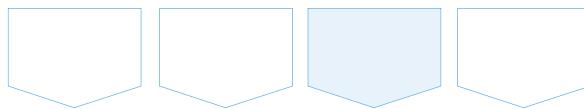
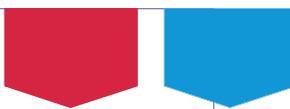
If you attempt to spend more money than you have available in your checking account, one or more negative consequences will occur. Spend some time understanding your choices and ways to protect yourself!

Overview

- An overdraft occurs when you make a purchase (with your check card, bill pay or check) or a cash withdrawal and you don't have enough money to pay for it.
- A transaction that brings your account to a negative balance and is paid by the bank is called an overdraft (OD).
- A transaction that would bring your account negative but the bank returns and does not pay is called non sufficient funds (NSF).
- You will be charged a fee for either an overdraft paid or returned transaction. Fees vary by bank, and may depend on the amount of the negative balance created, or the number of OD or NSF transactions you have had previously.
- If you do not bring your account to a positive balance, you may also be charged additional negative balance fees, your account may be closed, and you may be reported to a collections agency, which can hurt your long-term credit.

Ways to Avoid Overdrafting

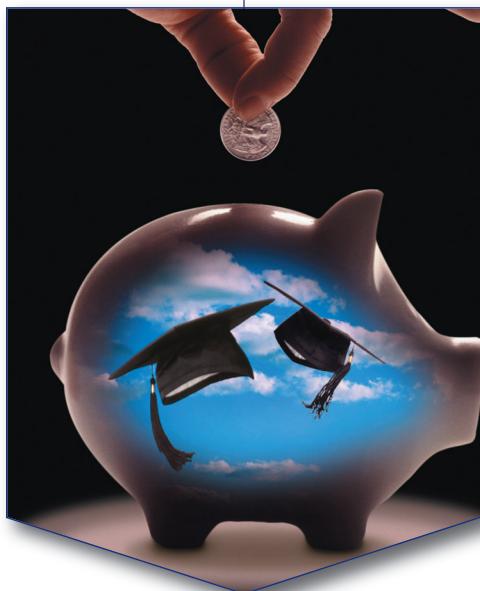
- When you open your account, your banker will ask you to choose if you would like standard overdraft coverage. If you say yes, your check card purchases or ATM withdrawals may be covered, likely for a fee. If you say no to standard overdraft coverage, your transaction will be denied if your account balance is or would be negative, but there would not be a fee.
- Standard overdraft coverage can be expensive, and you should try to use this only for emergencies.
- A better option is to develop an overdraft protection plan. This is a separate account, like a savings account, that is linked to your checking account and can be used to transfer funds automatically if a transaction will overdraw your checking account. Some overdraft protection options are free or have small fees; discuss options with your banker.
- To avoid overdraft fees completely, keep track of your withdrawals and deposits by using online banking service and record your transaction in your checkbook register. Also set up account alerts via your email, cell phone or smart phone to notify you when your checking account balance is low or becomes negative.



Savings Account Basics

What Is A Savings Account?

- A type of account designed to hold money to which you don't need immediate access, and when compared to checking accounts, tend to pay a slightly higher rate of interest. Savings accounts have certain transactions limitations and are not intended to work like a checking account that allows you an unlimited number of withdrawals.
- A source for saving discretionary income for either short-term or long-term savings needs.
- Can typically be accessed through a branch visit with the appropriate identification, an ATM or other methods established by the financial institution.



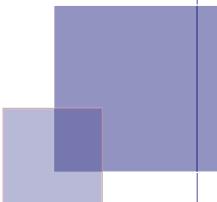
Benefits Of Savings Accounts

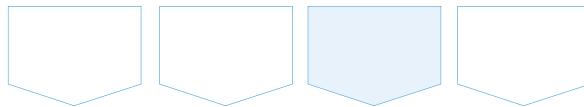
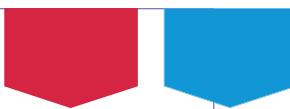
Savings accounts are typically a safe and convenient way for you to save money. It's much safer than keeping a large amount of cash in your home. While your money is in a savings account, it continues to earn interest. The more money you put in the account, the more interest you earn.

It might also be possible to link your savings account to your checking account. If you have money saved, this could be used to provide overdraft protection to your checking account if your balance becomes overdrawn.

Other Savings Opportunities

- Certificates of Deposit (CD) - This type of account earns a higher interest rate than a regular savings account, but you also are required to have a larger minimum deposit (usually between \$1,000 and \$5,000). Also, you have to keep your money in for a certain period of time (such as a one-year term) in order to reap the benefits of the account. If you take your money out early, you most likely will have to pay a penalty.
- Money Market Accounts - Like a CD, money market accounts earn higher interest rates, but they also require a larger minimum deposit (usually between \$500 and \$2,500).





Summary

Account Comparison

Checking

- The account in which you deposit money to have on hand for day-to-day expenses and for paying bills.
- Access funds through check cards, checks, online bill payment and branch transactions

Savings

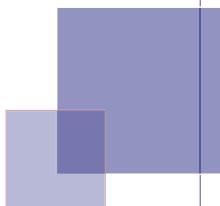
- Account in which you can save money for short or long term needs.

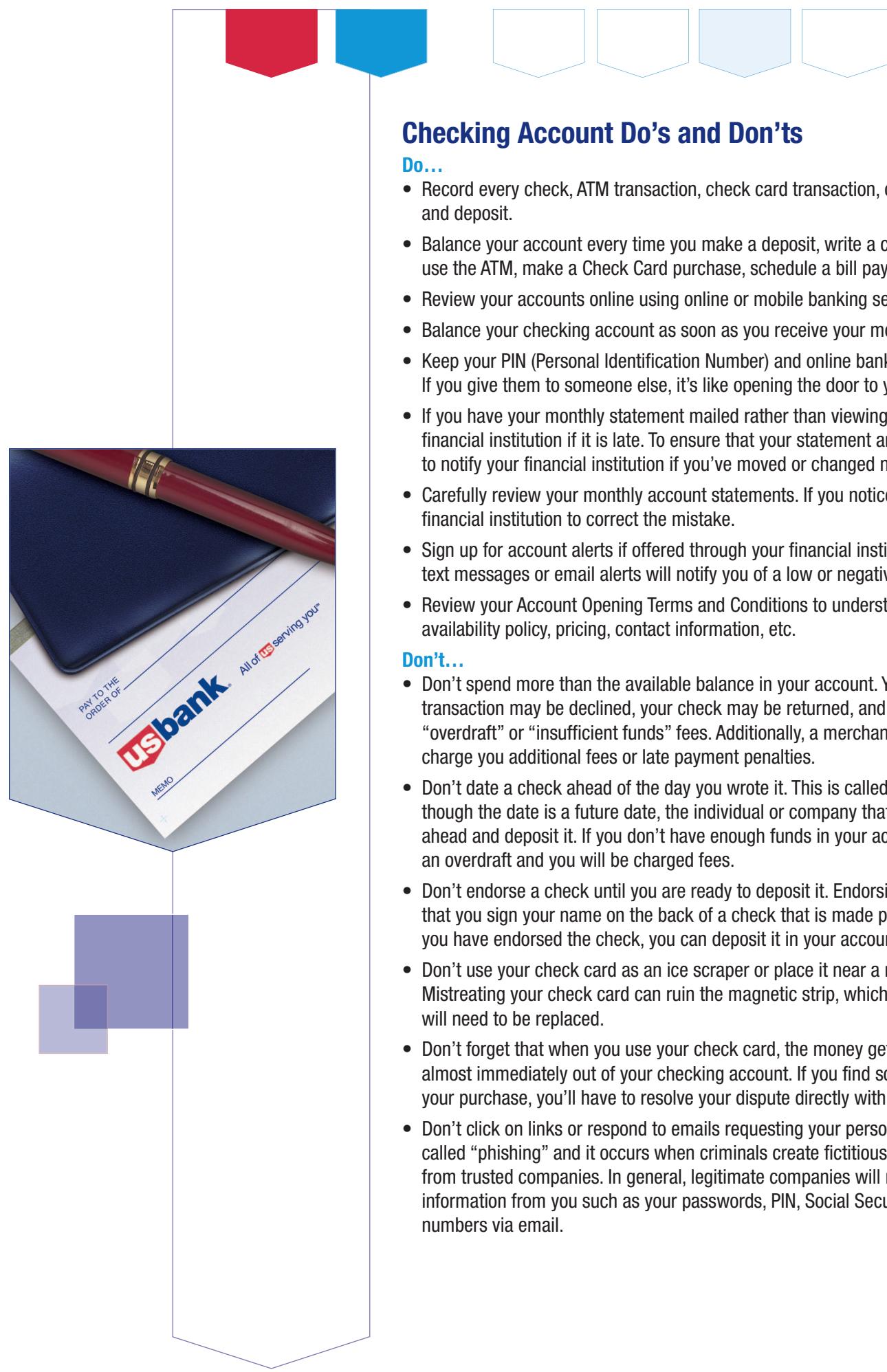
Money Market

- Account in which you can save money for short or long term needs.
- Typically earns a higher interest rate than a standard savings account, but requires a higher balance to earn the higher interest.

Certificate of Deposit

- Account in which you can save money for longer term needs.
- Provides a guaranteed fixed interest rate during a specific period of time.
- Penalties are incurred if you take out funds prior to the CD term coming due.





Checking Account Do's and Don'ts

Do...

- Record every check, ATM transaction, check card transaction, online bill payment and deposit.
- Balance your account every time you make a deposit, write a check, use the ATM, make a Check Card purchase, schedule a bill pay or incur a fee
- Review your accounts online using online or mobile banking services.
- Balance your checking account as soon as you receive your monthly statement.
- Keep your PIN (Personal Identification Number) and online banking password safe. If you give them to someone else, it's like opening the door to your finances.
- If you have your monthly statement mailed rather than viewing it online, contact your financial institution if it is late. To ensure that your statement arrives on time, be sure to notify your financial institution if you've moved or changed names.
- Carefully review your monthly account statements. If you notice an error, call your financial institution to correct the mistake.
- Sign up for account alerts if offered through your financial institution. These automatic text messages or email alerts will notify you of a low or negative balance.
- Review your Account Opening Terms and Conditions to understand the bank's funds availability policy, pricing, contact information, etc.

Don't...

- Don't spend more than the available balance in your account. Your check card transaction may be declined, your check may be returned, and you may generate "overdraft" or "insufficient funds" fees. Additionally, a merchant or landlord may charge you additional fees or late payment penalties.
- Don't date a check ahead of the day you wrote it. This is called "post-dating." Even though the date is a future date, the individual or company that you gave it to can go ahead and deposit it. If you don't have enough funds in your account, it will result in an overdraft and you will be charged fees.
- Don't endorse a check until you are ready to deposit it. Endorsing the check means that you sign your name on the back of a check that is made payable to you. Once you have endorsed the check, you can deposit it in your account or cash it.
- Don't use your check card as an ice scraper or place it near a magnetized area. Mistreating your check card can ruin the magnetic strip, which means your card will need to be replaced.
- Don't forget that when you use your check card, the money gets paid to the merchant almost immediately out of your checking account. If you find something wrong with your purchase, you'll have to resolve your dispute directly with the merchant.
- Don't click on links or respond to emails requesting your personal information. This is called "phishing" and it occurs when criminals create fictitious emails that seem to be from trusted companies. In general, legitimate companies will never request sensitive information from you such as your passwords, PIN, Social Security number, or account numbers via email.



Banking Terms

ATM (Automated Teller Machines)

Otherwise known as money machines or cash machines. These machines allow you to access funds from your account even when your bank is not open.

Balance

The amount of money you have in your account.

Check Card

Plastic card similar to a credit card, but draws funds directly from a checking account. Also known as a debit card.

Checkbook Register

Used by the account holder to record all activity involving the account (such as, checks written, deposits, ATM withdrawals, check card purchases). When accurately maintained, the checkbook register will be one of the best methods of tracking the account's balance.

Credit Card

Basically a loan from a financial institution. A pre-determined credit limit is assigned, and you can pay back whatever you charge either in full or in monthly installments. If you don't pay back the entire amount owned each month, you'll owe interest on the outstanding balance.

Debit

Any transaction that removes money from your account.

Deposit

Adding money into your account.

Direct Deposit

Payroll, government or other regularly scheduled deposits made electronically to your account.

Discretionary Income

The amount of income left to an individual after taxes and other monetary obligations are paid. Discretionary income is generally deposited into a savings account or used for additional spending by the individual.

Insufficient Funds/Non-sufficient Funds

You don't have enough money in your account available to pay the withdrawal you are attempting from that account. Your bank will typically charge you a fee for insufficient funds.

Interest

The resulting amount of money credited to an account holder's account based upon a designated percent rate set by the financial institution.

Internet (online) Banking

Online tool for managing your bank account; typically allows you to transfer funds, check balances, complete customer service requests, and more.

Internet (online) Bill Payment

Online tool for paying bills.

Online Statements

Electronic copy of your account statement that can be viewed online; replaces a paper statement delivered via the mail.

Overdraft

When your account goes below zero, and there are no funds to cover a withdrawal or payment. Your bank will typically charge you a fee to cover an overdraft.

Payee

Name of the person or business to whom you write a check or make an online bill payment.

PIN (Personal Identification Number)

Your ATM passcode; can also be used for PIN-based transactions at retailers.

PIN-based transaction

Check card transaction that requires you to enter your PIN to be completed.

POS (point of sale) terminal

Machine used at retailers that allows you to complete PIN-based check card transactions by selecting "debit" and entering your PIN.

Post-dating

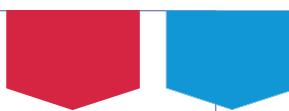
Dating a check ahead of the day you wrote it.

Service fee

Cost associated with non-routine checking account transactions, such as overdrafts, PIN-based transactions, etc. Service fees vary by financial institution.

Signature-based transaction

Check card transaction that requires your signature to be completed.



Notes

