

How to Manage Your Checking Account

Activity: Individual

⌚ 25 MINUTES

Materials: One activity sheet and one calculator per student

Objective: The purpose of this activity is for students to demonstrate skill in writing checks and recording transactions in an account register.

STANDARD Planning and Money Management

Standard 2: Develop a system for keeping and using financial records.

- Describe recordkeeping features that financial institutions provide for online account management.
- Develop a filing system for keeping financial records, both paper and electronic

Procedure

Review the information on the student activity sheet. Be sure to explain the numbers on the bottom of the check (routing, account, check number). Review the check register information. Point students to the information listed for the three checks they need to fill out. Students need to use this information to write checks and record each transaction on the account register. Be sure to impress upon your students the importance of keeping both written and electronic financial records.

How to Manage Your Checking Account ^(1/4)

Part 1: How to Write a Check

Directions: Take a look at the check below and discuss the following steps to properly fill out a check. Then use the blank checks provided to practice writing a check.

- » **Date:** Month, Day and Year
- » **Pay to the Order of:** This is the person or business you are writing the check to.
- » **Dollar Box:** This is the numerical amount of the check you are writing.
- » **Dollars Line:** The written out amount of the check. For example: \$108.34 would be written as: One Hundred Eight Dollars and 34/100's
- » **For (or "Memo"):** Description of what the check is paying for, such as account numbers, "cable bill," "electric bill," "groceries," etc. (This is optional.)
- » **Signature:** Must match the name of the account holder listed at the top of the check

Name and Address of Account Holder points to: I AM STUDENT
123 YOUR STREET
ANYTOWN, USA 12345

Date points to: Date _____

Pay to the Order of points to: Pay to the Order of _____

Dollar Box points to: \$ _____

Bank Name and Branch Location points to: BANK OF LAMPONIA
1470 MAIN STREET
LAMPONIA, TENNESSEE

For points to: For _____

MICR Line: ⑆ 24000054 ⑆ 00 ⑆ 00000 0 ⑆ 034 ⑆

Labels below MICR line:
 - 9 Digit ABA (Routing) Number: 24000054
 - Account Number: 00 ⑆ 00000
 - Check Number: 034

Other text on check: 341, 31-5/1240 1, Dollars, FOR EDUCATIONAL USE ONLY SAMPLE-VOID, Security features are included. Details on back.

How to Manage Your Checking Account (2/4)

1 Fill out three sample checks for the following transactions:

- A Popular Pizza Place, \$22.46, Date 3/12/Year
- B Auto Insurance, \$97.25, Date 3/15/Year
- C Cell Phone Company, \$67.50, Date 3/25/Year

I AM STUDENT
123 YOUR STREET
ANYTOWN, USA 12345

341

Date _____ 31-5/1240
1

Pay to the Order of _____ \$ _____

_____ Dollars  Security Features are included. Details on back.

BANK OF LAMPONIA
1470 MAIN STREET
LAMPONIA, TENNESSEE

FOR EDUCATIONAL USE ONLY
SAMPLE-VOID

For _____ MP

⑆ 24000054⑆ 001 00000 0⑈ 0341

I AM STUDENT
123 YOUR STREET
ANYTOWN, USA 12345

342

Date _____ 31-5/1240
1

Pay to the Order of _____ \$ _____

_____ Dollars  Security Features are included. Details on back.

BANK OF LAMPONIA
1470 MAIN STREET
LAMPONIA, TENNESSEE

FOR EDUCATIONAL USE ONLY
SAMPLE-VOID

For _____ MP

⑆ 24000054⑆ 001 00000 0⑈ 0342

I AM STUDENT
123 YOUR STREET
ANYTOWN, USA 12345

343

Date _____ 31-5/1240
1

Pay to the Order of _____ \$ _____

_____ Dollars  Security Features are included. Details on back.

BANK OF LAMPONIA
1470 MAIN STREET
LAMPONIA, TENNESSEE

FOR EDUCATIONAL USE ONLY
SAMPLE-VOID

For _____ MP

⑆ 24000054⑆ 001 00000 0⑈ 0343

How to Manage Your Checking Account ^(3/4)

Part 2: Tracking Your Checking Account and Keeping Records

Directions: Staying in line with your budget is nearly impossible without tracking your spending. If a check is returned to you because you do not have enough money in your checking account, you will be faced with the cost of a bounced check, called a nonsufficient funds (NSF) fee. Not to mention the hassle and embarrassment of having to re-send the check.

The bank gives you an organizer with your checks, sometimes called a check register. You may also find general account register forms online, through personal finance software, or you could even create your own. Whichever form you decide to use, keeping a written record of your transactions is important when it comes to managing your finances.

What account activities will you want to write in your register?

Write down in your register whenever you:

- 1 Write a check
- 2 Use your debit card
- 3 Make a deposit
- 4 Have a bank fee
- 5 Withdraw money
- 6 Have money refunded to your account

The trick is to record your transaction at the moment you make it instead of trying to remember to fill it in later. It may seem like a lot of work at first, but it will be easy once you make a habit of doing it. Don't fall into the trap of just going online and checking your account. Banking online is convenient, but without a paper record you'll miss errors in transactions—and it can happen. Also, simply tracking your account online will not give you an accurate balance. Transactions that haven't posted, like outstanding debit card purchases or checks, will not have been factored into your available balance. In short, not keeping a written account register is just lazy money management, and it will catch up with you.

Note: Fill out a new account register for each month. At the end of the month, reconcile (compare for accuracy) your written record with your bank statement (either print or online version). Be sure to keep both written and electronic files of all financial records.

How to Manage Your Checking Account (4/4)

Below is a sample account register.

Number or Code	Date	Transaction Description	Payment Amount		Deposit Amount		\$ BALANCE

Number or Code: If you’ve written a check, write the check number here (found in the upper right corner of your check). If you have another type of transaction, use a code: DC for Debit Card, ATM for cash withdrawal, T for transfer, D for deposit, etc.

Date: Always record the date of all transactions.

Description of Transaction: Make a quick note about the transaction so you’ll remember at the end of the month when reconciling your account. Tracking your purchases in this way will also help when writing a budget for the next month.

- 1 Fill out the three sample checks for the following transactions:
 - A Popular Pizza Place, \$22.46, Date 3/12/Year
 - B Auto Insurance, \$97.25, Date 3/15/Year
 - C Cell Phone Company, \$67.50, Date 3/25/Year
- 2 Place \$478 in the beginning balance box.
- 3 In order of date, fill in your check transactions from #1 along with the following transactions. Update the balance of your account after each transaction.
 - A Debit Card, Clothing store, new jeans, \$56.23, Date 3/14/Year
 - B Withdrawal, Football game admission and concession, \$20.00, Date 3/19/Year
 - C ATM fee, \$2.00, Date 3/19/Year
 - D Deposit, Paycheck, \$288.00, 3/15/Year

Number or Code	Date	Transaction Description	Payment Amount		Deposit Amount		\$ BALANCE