

Checking Account

Welcome!

Welcome to Young Americans Bank, the only bank in the world designed specifically for young people!

Mr. Bill Daniels started Young Americans Bank in 1987 because he thought it was important that young people learn how to be financially responsible—and what better way than with your own account at your own bank.

There is a lot of responsibility that comes with owning a checking account, so please read this information.



What Is a Checking Account?

A checking account is an account at the bank where you can easily withdraw your money by writing checks or using an ATM or debit card. When you write a check or use an ATM or debit card to pay a person or business you are promising that you have the money in your checking account at the bank.

Why Is a Checking Account So Great?

Safety: Carrying a checkbook is safer than carrying a lot of cash, and the bank has only authorized certain people (usually only you) to use those checks. A checking account is also convenient for bill paying, since you don't ever want to send cash in the mail.

Tracking Your Money: Keeping track of your money is easier with a checking account because you write down all your withdrawals and deposit amounts in your check register.

What Else Should I Know?

Charges and Fees: A checking account is not necessarily free. Some banks may charge a small monthly fee if you do not keep a minimal amount of money in your account at all times. Your checking account at Young Americans Bank does not have a monthly fee and you can choose to get your first year debit card free or your first order of checks free. See the "Rates and Fees" sheet.


ATM Cards: With an Automated Teller Machine card you can withdraw money from your checking account at ATMs across the country. But ATM cards have fees too. At Young Americans you will pay an annual fee to have the card, plus a fee to use it at most ATMs. See the "Rates and Fees" sheet.

Debit Cards: A debit card withdraws money directly from your checking account when you use it to purchase an item. A debit card can also withdraw money from an ATM. Again, there are fees to watch out for. At Young Americans Bank you will pay an annual fee to have the card. See the "Rates and Fees" sheet.

Money Smarts for Kids. Money Skills for Life.

Writing a Check

Writing a check allows you to pay a store or person by deducting the funds from your checking account. It is important to complete the check correctly. Here is how you do that.

SALLY V. URICHMAN 12345 SE PALMER CT. BELLVUE, CO 87654		23-501/1020	266
		① Date <u>August 30, 2013</u>	
② Pay to the order of <u>Mike Muniz</u>	③ \$ <u>43.00</u>		
④ <u>Forty-three dollars and xx/100</u>			Dollars
 Young Americans Bank.			
⑤ For <u>Lawn Care</u>		⑥ <u>Sally V. Urichman</u>	
⑦ :102006012: 012 99 333333 0266			

- ① Write today's date here.
- ② Write the name of the person or business you are making payment to neatly after, "Pay to the order of." When you just want cash from your account at the bank, simply write the check to yourself or to "cash." Remember to make sure you have money in your account before you do this!
- ③ Write the amount of the check in numbers here.
- ④ Write the amount of the check in words on this line. If there are no cents, write the cents as xx/100. However, if your check is for \$43.15 you would write 15/100. Fill in the unused space after the amount with a line so no one can increase the amount of your check.
- ⑤ Use this space to write a note about what you paid for with your check.
- ⑥ Sign the check legibly after you have completed it. Sign it just like you signed your signature card when you opened your account.
- ⑦ The numbers across the bottom of the check are printed with magnetic ink so special machines can read them. They include the bank's routing and transit number, your account number and the number of the check.

Tip:

Never sign a blank check. If you lose it someone can fill in the check and cash it!

Tip:

Always write the actual date on the check. Writing a later date is known as post-dating. Some people do this in hopes that the check will not clear until the date that is written. This is **unwise** as the bank is not obligated to hold your check until the date written on it. If the bank chooses to clear it and you do not have money to cover the check, **it will bounce** and you will be responsible for resulting fees.

Endorsing A Check

Endorsing a check written to you means that you are legally transferring the check in return for money as indicated on the front of the check. You endorse a check by signing your name and account number on the back of the check. See the sample below.

Important Things to Know About Endorsing Checks

- 1 You must endorse a check before it can be cashed or deposited.
- 2 Sign your name exactly as it is on the front of the check. If your full name is Michael Allen Muniz, but your check is made out to Mike Muniz, sign Mike Muniz on the back.
- 3 Do not endorse a check until you are in the bank, ready to cash or deposit it.
- 4 If you must endorse a check away from the bank (for example, if you are mailing us your deposit or sending it with your mom to deposit), be sure to print on the back **"for deposit only"** and write your account number underneath. That way no one else can cash your check—it can only be deposited into your account.

<p>ENDORSE HERE:</p> <p><u>Mike Muniz</u></p> <p><u>For Deposit Only</u></p> <p><u>1234567</u></p> <p>DO NOT SIGN / WRITE / STAMP BELOW THIS LINE</p>	<p>23-501/1020 266</p> <p>Date <u>March 30, 2013</u></p> <p>\$ <u>43.00</u></p> <p>~~~~~ Dollars</p> <p><u>Sally V. Ullrich</u></p> <p>0266</p>
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Stop Payments

You can request your bank to not pay a specific check. You may want to do this if you lose a check you have written. If requested soon enough, the check will not be debited from your account. Banks charge a fee for this service.

Photo Identification

You will need a government-issued ID when you open a checking account. Also, when you write checks at the store or withdraw money from your account at the bank, you'll almost always be asked for a government-issued identification card with your photo on it. You can get a state issued ID at the same place people get their driver's licenses.

Debit / ATM Cards

Debit/ATM cards give you 24/7 access to your bank account, while allowing you to budget carefully and keep track of your money. The debit feature of your card allows you to withdraw funds from your bank account and pay for a product immediately. Using an ATM card is like withdrawing cash from the bank, but instead of one location with limited hours, an ATM card allows you to withdraw money from many different places at any time of the day.

About Young Americans Bank Debit/ATM Cards

Three-Year Card Term

ATM Features

- The ATM feature of your Debit/ATM card can be linked to both your savings and checking accounts.
- \$100 daily cash withdrawal limit (midnight to midnight the next business day and/or Saturday, Sunday, Monday equals 1 business day).
- Balance must be at least \$20 dollars more than amount to be withdrawn.

Debit Features

- The debit feature is only linked to your checking account.
- The card is accepted at all merchants that accept VISA.
- A \$500 open-to-buy limit, based on transaction processing time. If the funds are present in the account, only \$500 can be spent in multiple transactions until the purchases are deducted from the account. After such time, additional purchases can be made under the \$500 limit.
- When using your debit card with signature based point-of-sale transactions, always choose the "CREDIT" button.

When You Get Your Debit Card

- ☐ Activate the card using the 1-800 phone number on the front of the card before attempting to use the Debit/ATM card.
- ☐ Write down the 1-800 phone number from the back of the card and keep it in a safe place to reference if the card is ever stolen (1-800-554- 8969).
- ☐ Your PIN will arrive after the card. Never write the PIN on the card or keep the PIN in your wallet.
- ☐ When purchasing an item online, input the billing address as it is on file at the bank.

Pros and Cons of Debit/ATM Cards

Pros

- ... Debit cards allow you to carry less cash in your pocket.
- ... Debit cards are more readily accepted than checks.
- ... Debit cards only allow you to spend what is in your account.

Cons

- ... Debit cards can incur excessive fees to your account if used irresponsibly.
- ... Debit cards do not always replace cash—if bank networks are down, the transaction may not process.

Tip:

Be sure to record your transactions in your register immediately after making a purchase and keep your receipts in case you need them later. Ask us about our pocket registers.

Keeping Track of My Money

It is VERY important to keep track of how much money you put **in** to your account (deposit) and how much you take **out** of your account (withdraw) by writing checks or through ATM/debit transactions. To help you keep track of your money, we have given you a "register."

How To Use a Register

Trans. Type or Check No.	Date	Description of Transaction	Payment/Debit (-)	Fee (if any) (-)	Deposit/Credit (+)	Balance
						① \$75. 00
② 266	③ 3/30	④ Mike Muniz	⑤ \$43. 00			⑤ -\$43. 00
		lawn care				⑥ \$32. 00
Debit	4/09	Giantplex Cinema 6	\$18. 50			\$18. 50
		movie tickets				\$13. 50
⑦ Deposit	⑧ 4/20	⑨ Birthday Money			⑩ \$30. 00	⑩ \$30. 00
						⑪ \$43. 50

It's OK to use a pencil in your register, so if you make a mistake you can erase it!

Writing a Check or Using a Debit or ATM Card:

- Enter how much you started with in your account at the top. That is your beginning balance.
- Enter the type of transaction (number of the check you wrote or whether you used an ATM or debit card.)
- Enter the date of the transaction here.
- Write who you wrote the check to or the location where the transaction occurred. Underneath write a description of your purchase. This will help you later when you receive your bank statement.
- Write the amount being withdrawn in the "Payment/Debit" column and again in the balance column.
- Write the new balance here by **subtracting** the amount of withdrawal ⑤ from the previous balance ①. $\$75.00 - \$43.00 = \$32.00$. The "balance" column tells you how much money is in your account.

Making a Deposit:

- Write "deposit" in this column.
- Enter the date of the deposit here.
- Describe the deposit in this space. An example might be "deposit to open account" or "birthday money."
- Enter the amount of the deposit in the "deposit" column. Then enter the deposit again in the balance column.
- Write the new balance here by **adding** the amount of the deposit ⑩ to the previous balance. $\$13.50 + \$30.00 = \$43.50$.

Tip:


When you withdraw money, you **subtract** that amount from your balance. When you deposit you **add** that amount to your balance.

Overdraft

If you withdraw or write a check for more money than you have in your account, that is called an overdraft. Other terms for overdraft are *overdrawn*, *insufficient funds*, or *"bouncing a check."* Banks and merchants will charge you penalty fees if you do this.

Understanding My Bank Statement

A statement is a notice that the bank mails you every month or that you can check online. You can get information about online banking from your teller. Your bank statement shows what has been going on in your account—your deposits, your withdrawals and any fees you have been charged during the month. Let's look at this sample of a bank statement and pretend that it is yours.



**Young
Americans
Bank.**

Statement

3550 East First Avenue
Denver, Colorado 80206
303-321-BANK (2265) Fax: 303-321-5085
www.yacenter.org

YOUR NAME
YOUR ADDRESS
CITY, STATE, ZIP

1 SUMMARY OF YOUR ACTIVITY

STATEMENT DATE:	APRIL 28
STATEMENT NUMBER:	1234567
BEGINNING BALANCE:	\$75.00
DEPOSIT AMOUNT:	+ \$30.00
WITHDRAWAL AMOUNT:	- \$61.50
SERVICE CHARGE:	\$0.00
ENDING BALANCE:	= \$43.50

DEBITS ENCLOSED 3
CREDITS ENCLOSED 1

2 VISIT OUR WEBSITE AT WWW.YACENTER.ORG

BUSINESS				BALANCE SUMMARY	
ACTIVITY BEGINNING	3 MAR 28 09	WITHDRAWALS	DEPOSITS		\$ 75.00 4
5 MAR 30 CHECK NUMBER 266		43.00		MAR 30	\$ 32.00
5 APR 09 Debit Card		18.50		APR 09	\$ 13.50
6 APR 20 DEPOSIT			30.00	APR 17	\$ 43.50 7

8 CHECKS PAID ON YOUR ACCOUNT

CHECK	DATE	AMOUNT
266	03/30	43.00

- 1** This is the last day of account activity that will be shown on your statement. Also known as the "statement cut-off date."
- 2** Always check what this box says—this is where we make important announcements to customers.
- 3** This is the first day of activity (deposits or withdrawals) that will show on this statement. This sample statement shows everything that happened in your account from March 28 to April 28.
- 4** The first amount in this column is how much you had in your account at the beginning of a one month period, which was March 28.
- 5** This is how check, debit, and ATM transactions (withdrawals) will appear on your statement. Example: March 30th shows a withdrawal because you wrote a check. It tells you how much the check was (\$43.00) and your new balance after it cleared (\$32.00). April 9th shows a withdrawal made with a debit card. You see how much the transaction was for (\$18.50) and your balance after (\$13.50).
- 6** This is how a deposit will look on your statement. It shows the date you made the deposit (April 20), how much it was (\$30.00), and the new balance after it was made (\$43.50).
- 7** This column keeps track of your balance after every transaction. The last number is what the bank shows as your final balance on the statement date **1**.
- 8** Here is where your statement will list all the checks you have written during the month.

Balancing My Checking Account

It is important to be able to “balance” your account with the bank—that is, compare the bank statement to your register to be sure they agree. This is why it is important to save all your receipts. If you think the statement is wrong, your receipts are proof of your deposits and withdrawals. So, get your bank statement, your checking register and your receipts from the last month and we’ll show you step-by-step how to balance your register.

Step 1: Check your register against your statement

In your check register, check off each withdrawal (check, ATM or debit transactions) or deposit listed on the bank statement. On your bank statement, check off each deposit or check recorded in your check register. Any entries that are not checked off in your checkbook register have not yet cleared with the bank.

Step 2: Subtract additional fees or transactions

If there are any fees, charges or other transactions that appear on your bank statement that you have not entered into your checking register, record them now and find your new balance.

Step 3: Calculate new balance

Write the ending balance from your bank statement here.

➡ \$ _____ (3)

Step 4: Total “outstanding” withdrawals

On the lines below list any withdrawals (checks, ATM, or debit transactions) you made after the statement cutoff date that did not appear on the bank statement. (Checks that you have written that are not listed on the bank statement are referred to as “outstanding.”)

_____ + _____ + _____ + _____

Add outstanding withdrawals and write the total here

➡ - _____ (4)

Step 5: Total “outstanding” deposits

On the lines below list deposits you made after the statement cutoff date that did not appear on the bank statement. (Deposits you have made that are not listed on the bank statement are referred to as “outstanding.”)

_____ + _____ + _____ + _____

Add outstanding deposits and write the total here

➡ + _____ (5)

Step 6: Calculate new bank balance

Write the new (adjusted) bank statement amount here.

➡ \$ _____ (6)

(To find this amount, use a calculator and enter the amount on line 3, subtract the amount on line 4, and then add the amount on line 5.)

Step 7: Matching your bank and check register balances

Write the ending balance from your checking account register here.

➡ \$ _____ (7)

If lines 6 and 7 match, you have balanced the bank statement with your check register!

If they do not match, do the following:

- Double-check the addition and subtraction on the worksheet.
- Double-check the addition and subtraction in your check register.
- Look for forgotten checks or deposits not entered in the register.
- Repeat each step of the process, checking for errors.
- Call Young Americans Bank if you need help: 303-321-2265

Tip:

Balance your account as soon as you get your statement in the mail—or you can view it online.

Budgeting Tips

Budgeting your money is an important part of using your checking account responsibly. Where does your money come from? Where does it go? What do you spend it on? By budgeting your money, you can make sure that you are saving your money and not spending too much.

Pay Yourself First

From the money you make or earn, always put some in your savings account **first**—its the best way of saving towards goals. Talk to your bank about having money automatically transferred into your savings account when you receive your paycheck, so you don't have to think about it!

Track Income

Write down how much money you earn every month. That is called income.

Track Expenses

List what you buy every month and how much you spend on each item. These are called expenses. You never want your expenses to be more than your income.

Needs vs. Wants

Needs are things you need to have, like gas or insurance for your car. Wants are things you don't have to have, like a cd or a movie ticket. For one month track all your income and expenses. Under expenses put 'wants' in one column and 'needs' in another. Could some of the wants have been saved toward one of your goals?

Helpful Banking Services

Night Deposits

We have a night deposit box right by the front door if you need to leave a deposit when we are closed.

Bank-by-Mail

You can mail deposits to the bank. Be sure to include your completed deposit slip and endorse your checks "for deposit only." NEVER mail cash!

Direct Deposits

You can authorize the issuers of your paycheck to send your paychecks directly to the bank for deposit in your account. See your employer for more information.

Online Banking

Young Americans Bank provides secure online access to all of your bank accounts. You have the ability to view pertinent information such as your current account balance and past account activity. You can also make transfers between your Young Americans Bank accounts, download account information or make payments on a Young Americans Bank loan.

This information is accurate as of December 2012.
Rates and fees are subject to change.



Young
Americans
Bank®
Member FDIC

3550 East First Avenue | Denver, Colorado 80206
P 303 321 2265 | www.yacenter.org

Bank Hours:
Monday - Friday, 10am - 5pm; Saturday, 10am - 3pm