## **Presentation Slides**

# Lesson Six Banking Services





# beware of these high-cost financial services

**pawn shops** charge very high interest for loans based on the value of tangible assets (such as jewelry or other valuable items).

**rent-to-own programs** offer an opportunity to obtain home entertainment systems or appliances for a small weekly fee. However, the amount paid for the item usually far exceeds the cost if the item were bought on credit.

**check-cashing outlets** charge high fees (sometimes 2 or 3 percent) just to have a paycheck or government check cashed.

**rapid-refund tax services** provide "instant refunds" when you pay to have your federal tax return prepared. However, this "instant refund" is a loan with interest rates as high as 120 percent.

**check-deferral services** allow consumers to get a cash advance on their next paycheck. However, these short-term loans are very expensive. A \$200, two-week advance may cost over \$30.



# comparing checking accounts

#### location

branch offices; hours of operation; availability of ATMs

#### fees

monthly fees; per-check fees; printing of checks; balance inquiry fees; ATM fees

## other charges

overdraft charge; stop-payment fees; certified check fees; fee charged for falling below necessary balance

## interest

rate earned; minimum deposit to earn interest; compounding method

#### interest

minimum balance; deposit insurance; holding period for deposited checks

## special features

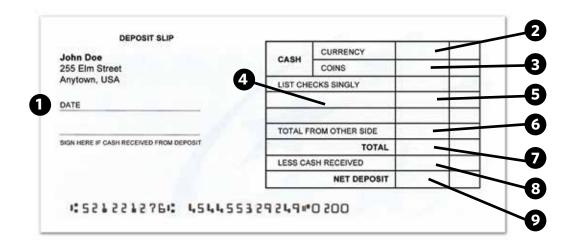
direct deposit; automatic payments; overdraft protection; online banking; discounts or free checking for students, seniors, or employees of certain companies



# opening a checking account

	ACCOUNT NUMBER  DATE				
SIGNATURE AUTHORIZATION CARD					
NAME	TYPE OF AC				
PHONE SOCIAL SECURIT	Y NO.	☐ Business ☐ Partnership			
SUBSCRIBED HER BUSINESS FOR TH BETWEEN THE BA	AUTHORIZED TO RECOGNIZE AN E IN THE PAYMENT OF FUNDS OR IS ACCOUNT. IT IS AGREED THAT ANK AND THE DEPOSITOR SHALL ON THE REVERSE SIDE OF THIS	THE TRANSACTION OF ANY ALL TRANSACTIONS BE GOVERNED BY THE			
	NATURE AUTHORIZEI				

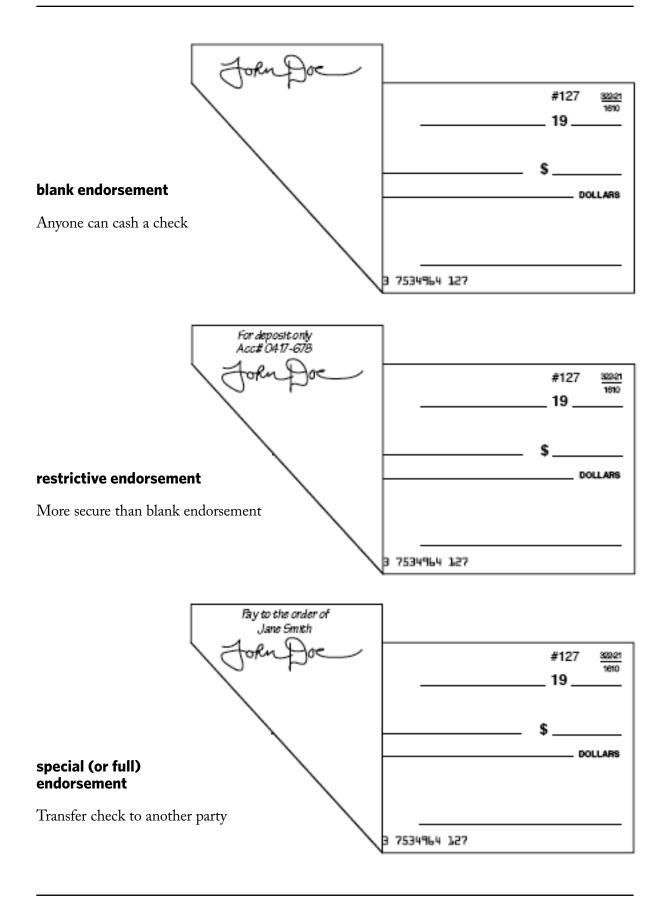
## making a deposit



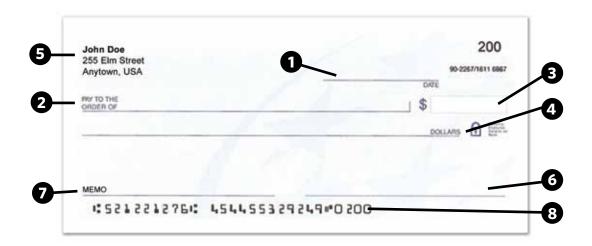
- **1.** Write the date of the deposit in this field.
- **2.** If you are depositing currency (paper bills), write the total amount here.
- **3.** If you are depositing coins, write the total amount here.
- **4.** If you are depositing a check, write the bank transit number here, which is the top portion of the two-part number printed in the upper corner of the check.
- **5.** Write the amount of the check here.

- **6.** If you are depositing more checks than can be listed on the front, continue to list them on the back, and write the total amount of the checks on back here.
- **7** Write the total amount you are depositing here.
- **8.** If you are making a deposit inside a bank with a teller and you want to receive cash back from your deposit, write the amount you want in this field.
- **9.** Write the total amount (less cash back) of your deposit in this field.

# endorsing a check







- **1. Date** Enter the date on which you are writing the check.
- **2. Payee** Enter the name of the person or the company you are going to give the check to.
- **3. Amount of check in numerals** Enter the amount of the check, in numbers. Don't leave any space between the preprinted dollar symbol (\$) and the numbers indicating the amount of the check; there should be no room for someone to add in extra numbers.

## 4. Amount of check in words

Enter the amount of the check in words. Start writing at the far left side of the line. Follow the dollar amount by the word "and," then write the amount of cents over the number 100. Draw a line from the end of the 100 to the end of the line.

- **5. Name** Your personal information is printed here. Never list your Social Security number on your printed check.
- **6. Signature** Sign your check exactly the way you signed your name on the signature card you filled out when you opened your account.
- **7. Memo** Use this space to note why you wrote the check. If you are paying a bill, this is a good place to put information requested by the company.

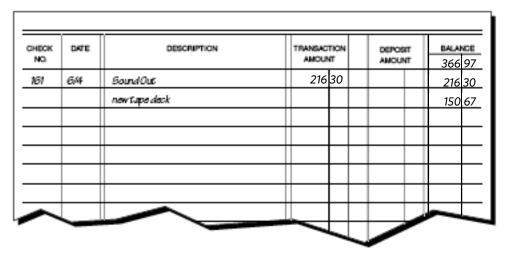
### 8. Identification numbers

These numbers are used to identify the bank, your account number, and the check number. They are printed in a special magnetic ink that machines can read.

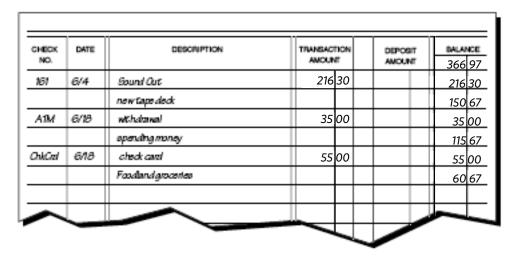


# keeping a running balance

## (a) Keeping a Running Balance: Check Transaction



## **(b) Keeping a Running Balance:** Check Cards





# reading a bank statement

CHECKING ACCOUNT 0471-678	i	Previous Statement Balance On 6/1/18 Total of 3 Deposits For Total of 10 Withdrawals For		\$612.04 \$3,421.18 \$1,754.59 \$2,278.63		
		New Balance				
TRANSACTION HISTORY   CHECKS & OTHER DEBITS						
D	OUEOU :	PERCENTION	B 11 - 10 111		Ending Daily	
6/4	161	DESCRIPTION	Deposits/Credits	Withdrawls/Debits	Balance	
6/5	164			\$216.30	\$395.74	
6/9	164	Withdrawal #29848 at ATM		\$26.31 \$200.00	\$369.43 \$169.43	
6/14	165	Withdrawai #29848 at ATM		\$200.00	\$159.43 \$159.43	
6/15	100	Mobile Deposit	\$1,235.18	\$10.00	\$1,394,61	
6/18		DebitCrd	\$1,235.10	\$55.00	\$1,339.61	
6/18		Withdrawal #00281 at ATM #423A		\$35.00	\$1,304.61	
6/19		Transfer from 4039-557 at ATM #423C	\$1,200.00	\$35.00	\$2,504.61	
6/24	162	Transier Troff 4000-007 at ATM #4200	Ψ1,200.00	\$82.87	\$2,421.74	
6/26	163			\$1,000.00	\$1,421.74	
6/26		DebitCrd		\$54.11	\$1,367.63	
6/27		Withdrawal #08744 at ATM #430E		\$20.00	\$1,347.63	
6/27	166	Lawn Wranglers		\$55.00	\$1,292.63	
0/2/		ACH Deposit	\$986.00		\$2,278.63	
6/30						



# reconciling a checking account

- **step 1:** Obtain the current balance from your bank statement.
- **step 2:** Add any deposits that you have recorded in your check register or spreadsheet but that are not on this statement.
- **step 3:** Subtract any outstanding checks (checks you have written but that have not yet cleared the banking system).
- **step 4:** Compare the result with the current balance in your check register.

#### Note:

The balance in your check register should be adjusted to include: (a) deductions for service fees or other charges; (b) additions for direct deposits and interest earned.



## electronic banking services

**direct deposit...** earnings (or government payments) automatically deposited into bank accounts, saving time, effort, and money.

**automatic payments...** utility companies, loan payments, and other businesses use an automatic payment system with bills paid through direct withdrawal from a bank account.

**automatic teller machines...** allow customers to obtain cash and conduct banking transactions; some ATMs sell bus passes, postage stamps, gift certificates, and mutual funds.

**point-of-sale transactions...** acceptance of ATM/debit card at retail stores and restaurants for payment of goods and services.

**stored-value cards...** prepaid cards for telephone service, transit fares, highway tolls, laundry service, library fees, and school lunches.

**electronic cash...** companies are developing electronic replicas of all existing payment systems—cash, check, credit cards, and coins.

**online banking...** banking through online services. Bank websites allow customers to check balances, pay bills, transfer funds, compare savings plans, and apply for loans on the internet.



## cashless transactions

**cashless transactions,** include those made via digital wallets, payment-enabled phone, smart card, wearable like a smart watch and online payment systems for transactions. They serve as an electronic alternative to checks and cash.

- convenient, safe and fast way to pay
- you tap your card or device at a checkout terminal, your card is scanned and you get confirmation the transaction is complete via a beep, checkmark or green light
- more and more stores are beginning to accept cashless forms of payment
- smart technology and its uses for banking are constantly expanding