

Section 2—Financial Basics

Title of Lesson/Subject: *Manage Your Checking Account*

Prepared by: LaRee Misek

Contact Information:

E-mail address: laree.misek@sendit.nodak.edu

Time Allotment: 2 weeks

Grade: 8, 9 or 10

Key Economic Concepts: Manage your checking account

Brief Description:

Complete set of instructional materials designed to develop the skills needed to maintain a personal checking account. Students learn the complete checking account cycle – from opening an account to making deposits, writing checks and reconciling bank statements.

Objectives

- To understand terminology associated with a checking account
- To understand how to open a checking account
- To record data in your check register
- To write checks correctly
- To reconcile your bank statement
- To understand how to endorse a check
- To understand other banking services provided by the bank

Introduction

One of the safest and easiest ways to manage your money is through a checking account. When you begin work you will have a regular source of income, but you will also have bills and other expenses. With a checking account you can write checks for the exact amount of your bills and pay them by mail. This simulation will help you learn the complete checking account cycle. You will learn how to open an account, make deposits, write checks, reconcile your statement and other banking services such as ATM, debit card, and electronic bill payment.

Materials needed

“Your Checking Account” simulation which can be seen at www.finlitproject.com/index.htm.

This simulation can be ordered from Internal Training Services.

(Local banks will provide the funds for this)

Pen, pencil, calculator

AV Equipment:

Overhead projector with overheads of a blank check register and a bank reconciliation form.

Lesson Outline:

Day 1

Question to ask:

What are the advantages of having a checking account?

What are some of the responsibilities associated with having a checking account
What are some other ways of playing bills instead of using a personal check?
Advantages/disadvantages of each?
What is a signature card?
What is a deposit slip/ticket?
What is the difference between coin and currency?

Study Sheet

Opening a checking account – signature card
Making a deposit
Routing number on a check

Questions to ask:

Why should you never leave any lines blank on a check that you write?
Review spelling of numbers.
Why should you sign your checks in the same style of handwriting?
Why should checks always be written in ink?

Study Sheet

Writing Checks
Proper penmanship of numbers

Day 2

Questions to ask:

What are some problems that might happen when you don't fill out your check register properly?
Are deposits added or subtracted from the balance?
Are checks written added or subtracted from the balance?

Study Sheet

Keeping checkbook records

Questions to ask:

What does it mean to endorse a check?
What are the three most common endorsements?
What should you do if your checkbook is lost or stolen?
When should a blank endorsement not be used?

Study sheet

Endorsing checks

Day 3

Questions to ask?

What is the purpose of the bank statement?
What is a service charge?
Why isn't the checkbook balance the same as the balance on the bank statement
What is an outstanding check?
What is a cancelled check?

How often should the checkbook be reconciled?
Talk about errors which cause a checkbook not to balance.

Study Sheet

Reconciling the bank statement.

Day 4

Start Simulation

Record the transactions for January.
Work step by step through the bank reconciliation.

* You may not go on to the next months transactions until your reconciliation is correct.

Day 5

Information

Go over an ATM withdrawal.

Simulation

Record transactions for February
Answer questions on February reconciliation.

Day 6

Information

Go over insufficient funds.

Simulation

Record transactions for March
Reconcile your bank statement.

Record transactions for April
Reconcile your bank statement.

Day 7

Information

- *You will not write any more checks or fill out deposit tickets.
- *For the next 4 months you will continue to record each transaction in your check register.
- *Go over loan payment that is automatically deducted from your account at the beginning of each month.

Simulation

Record transactions for May
Reconcile your bank statement.

Information for June

- * Remember to deduct your car loan.
- Go over pay by phone
Go over stop payment

Simulation

Record transactions for June
Reconcile your bank statement.

Day 8

Information

Go over a debit card
Talk about a wire transfer.
Go over web account

Simulation

Record transactions for July
Reconcile your bank statement.

Record transactions for August
Reconcile your bank statement.

Day 9

Simulation

Finish any transactions that are not completed.

Check Sheet

Complete the check sheet and put everything in your packet and hand in to your instructor.

Review

Day 10

Test – Check your Checkbook Skills (included in the simulation)

Day 11

Practical Evaluation (checks to see if they can find the information)

CHECKSHEET

_____ Highlight each balance that agrees with your reconciliation balance.

_____ Make sure each check is written properly.

_____ Make sure each memo on the check is filled in

_____ Check to see if your check register has the second line filled in.

_____ Did you include the word AND when you wrote the amount of your check in words?

PRACTICAL EVALUATION

1. Check 120 was written to whom?
2. How many outstanding checks did you have in May?
3. What was check 110 written for?
4. What checks were outstanding at the end of August?
5. How much money did you get for your birthday through a wire transfer?
6. How much did you deposit on April 25?
7. How much did you spend on Amtrak tickets?
8. How much was the stop payment fee for stopping the payment on check 141?
9. How much is your preauthorized car payment each month?
10. What is the balance in your checkbook on June 15?
11. How much was the deposit on April 30?
12. List the checks that were outstanding on the May bank statement.
13. Check #123 was used to pay what type of bill?
14. How much cash did you take with you from your deposit on January 31?
15. What was the amount of check 130?
16. What is the balance in your checkbook on August 22?