

Financial Record Keeping Basics

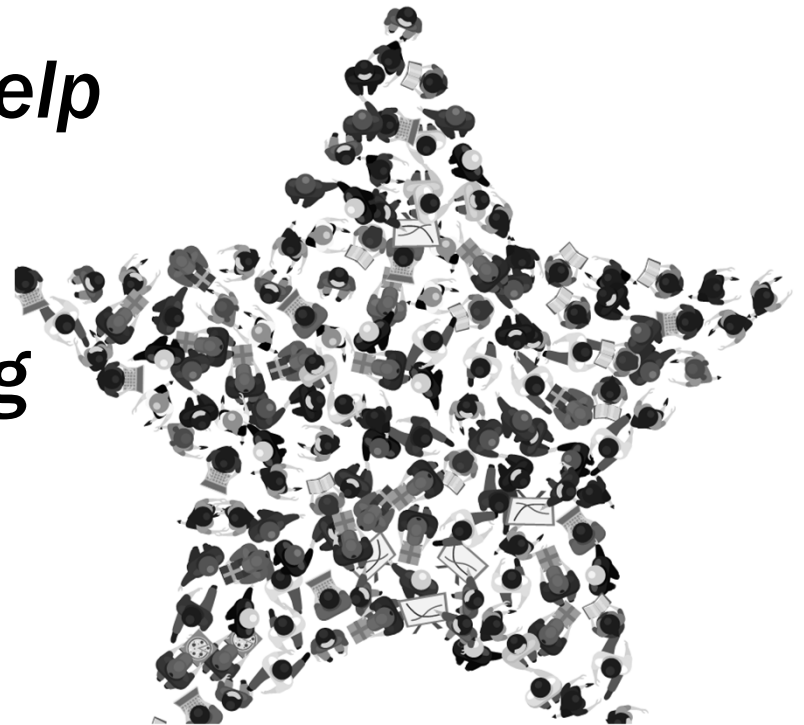
# Managing an Account



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## Section 3: Key Takeaway

*Learn the rules of your account and keep track of how you use it. This can help you keep costs down and develop a positive banking relationship.*



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# Using a Savings Account

- **Build savings by depositing money and keeping it there to earn interest**
- **Designed to save money for the future**
- **Often offer higher interest rates than checking accounts that earn interest**
- **Not designed for high numbers of transactions**

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# Managing My Savings Account

- Read the rules of your account
- Keep track of your deposits and withdrawals
- Review your account statements
- Set up email or text alerts, if possible
- Stay safe online

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# Using a Checking Account

- **For frequent use and multiple transactions – deposit money, pay bills, make purchases, access cash**
- **ATM cards and debit cards**
  - Not the same thing
  - Money is taken out of your account
- **Checks**
  - Tell your financial institution to pay money to someone else, the payee
  - Some checking accounts don't use checks

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# Overdrafts

- **Transaction goes through but there's not enough money in the account to cover it**
- **Programs to cover overdrafts for ATM card and debit card transactions**
  - Opt-in: Certain transactions processed for a fee
  - Do not opt-in: Certain transactions declined
- **Financial institutions decide if they will cover checks and other payments that would cause an overdraft if processed**
  - Covered: expect to be charged an overdraft fee
  - Not covered: expect to be charged a non-sufficient funds fee and possibly a returned check fee

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# Direct Deposit

- **Deposit money safely and securely into your account electronically**
- **No need to make deposits in person**
- **Many employers offer direct deposit for paychecks**
  - Might be able to have part of your paycheck directly deposited into your savings account

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# Automatic Bill Payment / Automatic Debit

## ■ Automatic Bill Payment

- Schedule and send payments through your financial institution
- One-time or recurring payments

## ■ Automatic Debit

- Give permission to merchant or lender to take payments from your account

**Make sure you have enough money  
in your account to cover these payments**



# Try It: Learning the Parts of a Check

See page 27 in your Participant Guide

SECTION 3: Managing an Account

PARTICIPANT GUIDE



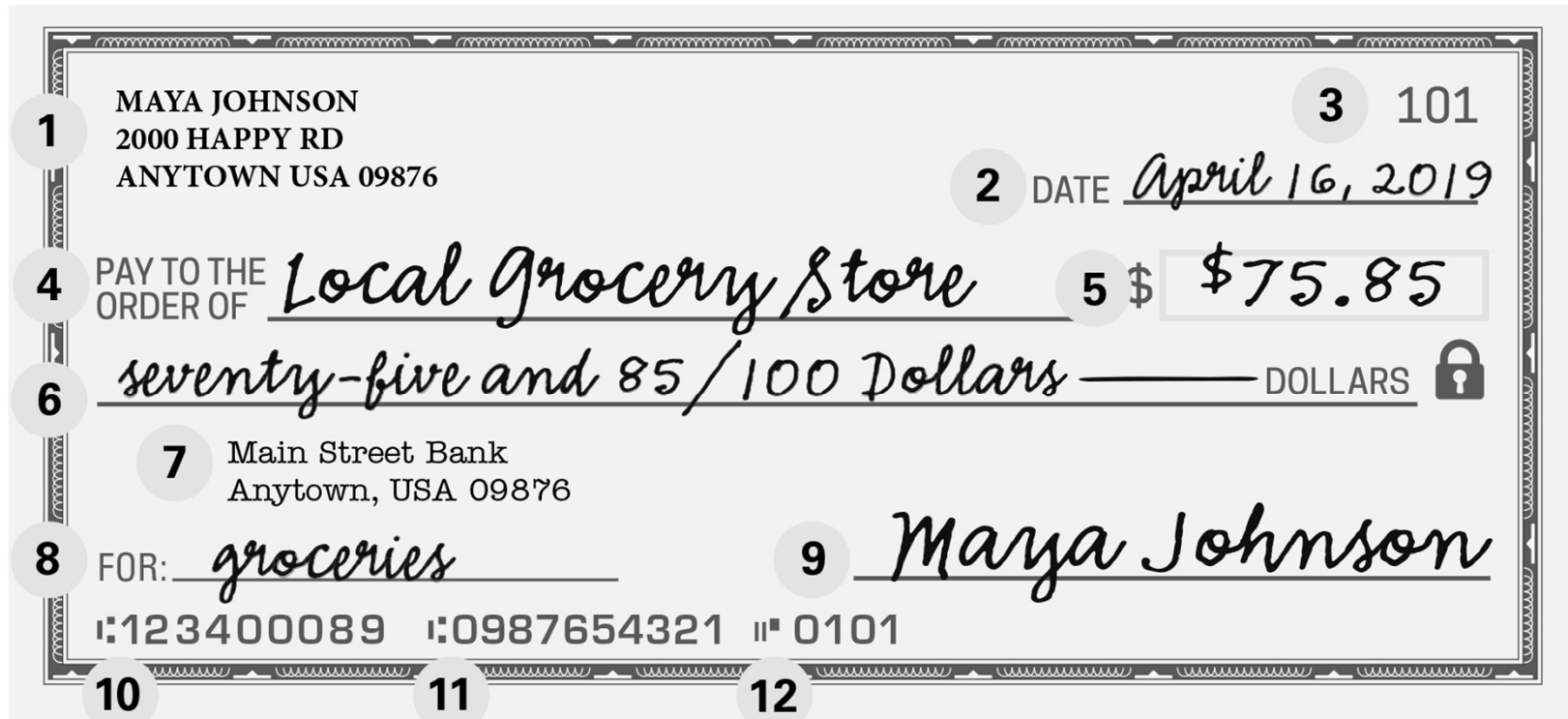
## Try It: Learning the Parts of a Check

Name and describe each part of a check.



Part Number on Check	What Goes Here?
1	

# Example Check



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# Managing a Checking Account

- **Read the rules of your account**
- **Keep track of your deposits and withdrawals**
- **You can use:**
  - A mobile app
  - Your financial institution's online banking system
  - Another program
  - A transaction register

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# More Ways to Manage a Checking Account

- Review your account statements
- Keep track of holds on your debit card
- Set up email or text alerts
- Consider linking your checking account to your savings account or line of credit
- Protect your debit card
- Stay safe online

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# Automated Teller Machine (ATM) Cards

- Use an ATM for a variety of account transactions
- Ask your financial institution about purchases with an ATM card
- Money comes out of your financial institution account
- There are various accessibility features
- Keep safety in mind

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# Debit Cards

- **Do what ATM cards do, plus more**
- **Look like credit cards because they have a card network logo on them**
  - But they are **not** credit cards
  - Can be processed on credit network, but still not using credit
- **Money is taken out of your checking account**

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## **“Person to Person” Payments (P2P)**

- **Money transfers to another person**
- **Help with everyday money transactions, such as paying babysitter or reimbursing lunch**
- **Different P2P systems – each work differently**
- **Rapidly changing area**
- **Keep in mind federal deposit insurance, fees, privacy, funds availability, and more**

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# Mobile Wallet Apps

- **Make point-of-sale purchases with your mobile device instead of a debit, credit, or prepaid card**
- **Keep your device and information secure**
  - Visit [OnGuardOnline.gov](https://www.OnGuardOnline.gov)