

GOOD



BAD



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CHECK INTO
CASH[®]

 **ADVANCE AMERICA**[®]
CASH ADVANCE

Checks

- **Checking accounts** are *demand deposit*
- **Check** - a written order to a bank to pay the **stated amount** to the person or business named on the check from an **account**.

YOUR COMPANY NAME HERE
www.yourcompany.com
123 MAIN STREET
ANYWHERE, US 12345
PH: 555-555-5555
FAX: 555-555-5555

YOUR FINANCIAL INSTITUTION
555 BRANCH STREET
ANYWHERE, US 12345
12-3456789

3537

PAY TO THE ORDER OF _____ \$ _____

_____ DOLLARS

YOUR COMPANY NAME HERE

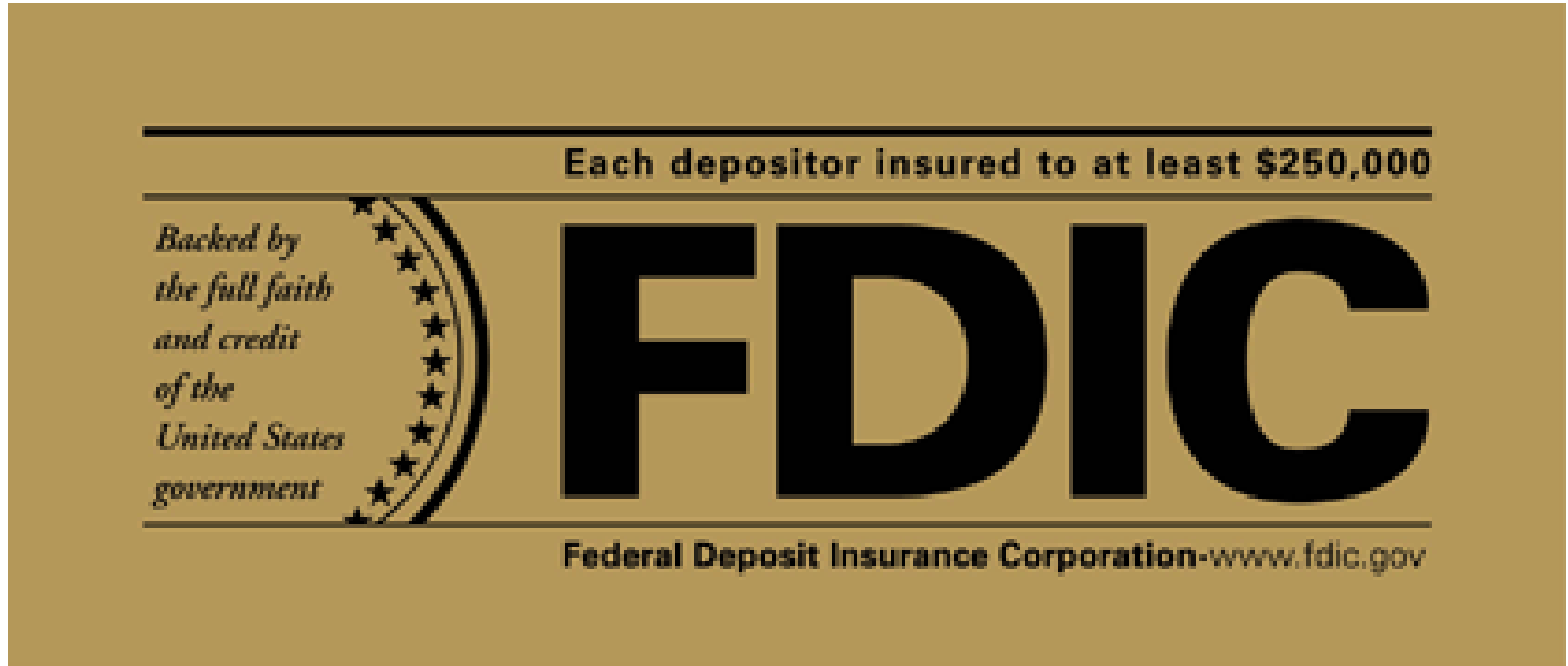
MEMO _____

AUTHORIZED SIGNATURE _____

⑈003537⑈ ⑆000000000⑆ 00000000⑈

Secure features included. Details on back.

Federal Deposit Insurance Corporation



- You're covered up to **\$250,000** per **depositor** per **bank**.
(different branch locations don't count)

- Account holders may be charged **monthly** fees for the **account** or for each check **written**. – becoming more popular and more expensive because of new government regulations that restrict other ways banks can make money – like overdraft fees, etc.

I REFUSE to pay to have access to my own money and encourage you to adopt the same philosophy!!!



Signature Card

FROM <i>Warren E. Smith,</i>	ADDRESS <i>422 Main St.</i>
TO INTERNATIONAL CORRESPONDENCE SCHOOLS BANK, OF SCRANTON, PA.	
Below please find duly authorized signature, which you will recognize in the payment of funds or the transaction of other business on my account.	
Yours truly, <i>Warren E. Smith</i>	
BUSINESS <i>Painting, etc.</i>	INTRODUCED BY <i>Conrad Schroeder</i>
DATE <i>Jan. 1, 1904</i>	

- Account holders must sign **signature cards** (formality)
- Every person **authorized** to write checks must have a **signature card** on file

Checkbook Register

Transfer = T Direct Deposit = DD ATM Deposit = AD ATM Withdrawal = AW Automatic Payment = AP Loan Payment = LP Expense = E Tax Deductible = TD

ITEM NO. Núm. de cheque	DATE Fecha	DESCRIPTION OF TRANSACTION Descripción de la transacción	PAYMENT, WITHDRAWAL, OR FEE AMOUNT Monto del pago, retiro o cargo		✓	CODE Código	PAYMENT, DEPOSIT, OR INTEREST Pago, depósito o interés		BALANCE	
									8771	75
208	4/20	Board Shack	6	20	✓				8765	20
		Sales tax on ck 189 purchase							8765	55
272	4/23	Next level clothes	78	78	✓				8686	77
		April wk #3 purchase							8686	77
273	4/23	le Grain de Cafe	14	95	✓				8671	95
		April wk #3 purchase							8671	82
274	4/29	Virtu Gasoline	20	83	✓				8650	83
		April wk #4 Gasoline							8650	99
275	4/29	Virtu food	75	00	✓				8575	99
		April wk #4 food							8575	99
276	4/29	Virtu Supply	20	00	✓				8555	99
		April wk #4 Supply							8555	99
277	4/29	Hot N tasty Subs	80	00	✓				8475	99
		April wk #4 purchase							8475	99
278	4/29	843 C.H.O.P	51	13	✓				8424	86
		April wk #4 purchase							8424	86
Fee	5/2	Account Fee	9	00					8415	86
		For for May							8415	86
Dep	4/29	Payment from U.C.			✓		1,130	16	1,130	16
		Pay period 4/1-4/15							9546	02
279	5/4	Bryne's Bazaar	265	44					265	44
		May wk #1 purchase/SC							9280	58
280	5/4	Entertaining you	50	00					50	00
		May wk #1 purchase/VA							9230	58
281	5/4	Audio Star	599	98					599	98
		May wk #1 purchase							8630	60
282	5/4	Next level clothes	191	94					191	94
		May wk #1 purchase							8438	66
283	5/5	Virtu Property Manage.	325	00					325	00
		May Rent							8113	66

Transferecia = T Depósito directo = DD Depósito en cajero automático (ATM) = DA Retiro de cajero automático (ATM) = RA Pago automático = PA Pago de préstamo = PP
Cajero = G Exención de impuestos = E

For _____

...provides a record of payments made for bills or purchases

A deposit is money added to your account.

Don't TRUST your BANK – they can and do screw up.

Pancho's vs. Payday Loans

Payday loans are ridiculously awful, terrible things. Worse than credit card debt, way worse, like 300% interest worse!



Pancho's vs. Payday Loans

You can say what you want about Chipotle, Qdoba, and Freebirds, but Pancho's is where it's at.



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Focus on...

- A **check cashing** service is a business that charges a fee to cash a check
- An individual is given an advance, called a **payday loan**, based on proof of employment (previous paycheck)
- The borrower writes a check to the lender for the amount borrowed plus a **fee** – which can equate to an interest rate in the 100%'s or even topping 1,000%
- Getting payday loans leads to a cycle of borrowing money at a **high cost**



ATM and Stuff



- Bank customers can use an **ATM card** to withdraw money from a checking account (usually the same as your debit card)

- With an **automatic withdrawal**, money is deducted from your account and **transferred** to another party.

Writing Checks

- When you write a check, you are telling the **bank** to pay **money** to the person or company named on the check. This person or company is the **payee** (fancy word for person RECEIVING the money)
- A **postdated check** is a check written with a **date** that will occur in the future (usually not accepted by banks until that date – so getting your paycheck early isn't all it's cracked up to be)

Using Debit Cards and ATM Cards

- A **debit card** allows the account holder to withdraw **cash** at an ATM.
- The account holder must enter a **personal identification number**, or PIN, to access the account or pass the card through a reader of some type.
- It's a PIN not a PIN NUMBER – that's like saying Personal Identification Number Number, same thing with ATM MACHINE

Protecting Your Account Data

- When someone alters a check to get money from another person's account, that crime is called **check fraud** – shame on you criminals!
- When someone signs another person's name on a check, the crime is **forgery**. – kind of like signing your parent's name on field trip release form when you were a kid.

Blank Endorsement

- An **endorsement** is a signature or instructions written on the back of a check.
- For a **blank endorsement**, the signature of the payee is written on the back of the check. **Anyone** who has the check can cash it. (Legally, possession is all that matters).



Restrictive Endorsement

In a **restrictive endorsement**, the purpose of the transfer of the check is given. For example, **For Deposit Only** may be written on the check.

Diagram illustrating a restrictive endorsement on a check. The area is labeled "ENDORSE CHECK HERE" at the top. A green "X" is marked on the left side. The handwritten text "For Deposit Only" is written in blue ink across the top line. Below this, the signature "John Doe" is written in blue ink across the middle lines. A horizontal line is drawn below the signature, and the text "DO NOT WRITE, STAMP, OR SIGN BELOW THIS LINE" is printed below the line. The bottom edge of the check area is scalloped.

Special Endorsement

In a **special endorsement**, the words **Pay to the Order of** and the name of the person or company to which the check is being **transferred** are placed before the **signature** of the payee.



Diagram illustrating a special endorsement on a check. The endorsement area is highlighted in light green and contains the following text:

ENDORSE CHECK HERE

X Pay to the order of

Jane Doe

John Doe

DO NOT WRITE, STAMP, OR SIGN BELOW THIS LINE

Making Deposits (continued)

- **Deposits** can be made at one of your bank's ATMs.
- When checks are deposited in **person**, by **mail**, or at an **ATM**, it can take a few **days** for the deposit to be processed (but who does this anymore)
- With **automatic deposit**, money is electronically placed in an account. (easy come, easy go)

Reconciling a Bank Statement

- Once a **month**, you will receive a **statement** from the bank. It will show the account **beginning** balance and **ending** balance.

Banks are run by computers that are run and programmed by humans. Humans screw up, so never have 100% absolute trust in your bank – mistakes happen.



Checking Account Fees

- Some checking accounts **do not** have monthly service fees (these I would recommend)
- You may be required to keep a **minimum balance** in the account (certain amount of \$)
- Some checking accounts pay **interest** to you on the money you keep in the account. (again I would recommend these accounts)

REMEMBER

PANCHOS = GOOD

PAYDAY LOANS = BAD