

# Managing Your Checkbook

Jane Doe  
101 Anydrive  
Hometown, IN 46278

5600

DATE

PAY TO THE ORDER OF \$

DOLLARS

MEMO SIGNATURE

Nobody wants to bounce a check – it happens because the person or persons in charge of a checking account didn't know how much was in it when they wrote the check. Bounced checks aren't only embarrassing, they're expensive.

The best way to avoid it happening to you is to know how much is in your account at all times. What do you need to do this?

## Tools to Balance Your Account

- Track spending
- Balance your account
- An accurate register lets you know your exact balance
- Without it, you're going to bounce a check

### Bank Statement

Money Bank		Money Account	
ACCOUNT INFORMATION			
ACCOUNT NUMBER	123456789	ACCOUNT TYPE	Checking
BRANCH	Main	STATE	CA
CITY	San Francisco	ZIP	94102
ADDRESS	123 Main St	CITY	San Francisco, CA 94102
STATEMENT PERIOD			
STATEMENT DATE	12/31/2023	STATEMENT TYPE	Monthly Statement
ACCOUNT BALANCE			
ENDING BALANCE	\$1,234.56	STARTING BALANCE	\$1,500.00
DEPOSITS			
DATE	AMOUNT	DATE	AMOUNT
12/15/23	\$100.00	12/01/23	\$1,500.00
12/20/23	\$200.00	12/05/23	\$100.00
12/25/23	\$150.00	12/10/23	\$50.00
WITHDRAWALS			
DATE	AMOUNT	DATE	AMOUNT
12/01/23	\$50.00	12/05/23	\$20.00
12/10/23	\$30.00	12/15/23	\$10.00
12/20/23	\$20.00	12/25/23	\$10.00
TOTAL DEPOSITS			
	\$450.00		\$1,500.00
TOTAL WITHDRAWALS			
	\$100.00		\$50.00
NET CHANGE			
	\$350.00		\$1,450.00

To successfully balance your checking account, you need to have a checkbook register and use it to track your deposits and withdrawals, and you must understand the account statement your bank issues every month. Together these two tools give you a fast and accurate method to balance your account.

A checkbook register is essential to track your spending and to balance your account against your bank statement. How much information you track in your checkbook register is up to you, but the more complete and accurate it is, the easier the task of tracking and budgeting your finances becomes. Without an up-to-date register, it's difficult to know how much money you have in your account, which increases the likelihood that you will bounce checks sooner or later.

Let's look at the type of information you might track in a typical checkbook register.

What's in a typical check registry?

### Introduction

A checkbook register is like a mini-spreadsheet which you use to track your transactions and reconcile, or balance, your account. It normally comes as a small booklet that you can insert in your checkbook cover opposite your checks. Almost all registers are alike and contain the same columns for you to enter information and help you track your transactions.

Let's look at a typical register to see what kind of information you can enter in it.

Transaction Description	Payment/ Debit (-)	Fee	Code	Deposit/ Credit (+)	Balance
	+	+	+	+	+

**PROPERTIES**

Allow user to leave interaction: [After viewing all the steps](#)

Show 'Next Slide' Button: [Show upon completion](#)

Completion Button Label: [Next Slide](#)

Properties...

Edit in Engage

## Example Transactions

Number	Date	Transaction Description	Payment/Debit (-)		Code	Deposit/ Credit (+)		Balance	
	4/29/11	Paycheck			D	900 00		900 00	
100	5/30/11	Car Payment	300	00				600 00	900 - 300 = 600
	6/1/11	ATM	20	00	ATM			580 00	600 - 20 = 580
	6/2/11	iTunes Purchases	5	20	DC			574 80	580 - 5.20 = 574.80
101	6/3/11	Dominion Power (Power Bill)	85	40				489 40	574.80 - 85.40 = 489.40

Take a look at the sample transactions that have been recorded in the checkbook register here. Remember, anytime you have a deposit or credit, you add money to your balance and anytime you have a payment or debit, you subtract it.

In this example, you deposit nine hundred dollars to start, and then subtract each of the transactions that follow.

## Practice

### Transactions

7/15/11 paycheck for \$1,150.00

7/16/11 rent check # 415 to Willowbrook  
Rentals for \$450.00

7/20/11 bought new windshield wiper blades  
at Auto Zone using your debit card for \$15.20

7/25/11 withdrew \$25.00 from ATM

7/30/11 wrote check #416 to Maria Gonzalez  
for her birthday for \$30.00

Open checkbook  
register from  
Attachments menu

You give it a try! Use the following transactions and the sample checkbook register template to record the transactions and figure out your balance. Open the checkbook register from the Attachments menu.

## Practice Answer

Number	Date	Transaction Description	Payment/ Debit(-)	Fee	Code	Deposit/ Credit(+)	Balance
	7/15	Paycheck				1150.00	1150.00
415	7/16	Willowbrook Rentals (rent)	450.00				700.00
	7/20	Auto Zone (wiper blades)	15.20		DC		684.80
	7/25	Withdrawal	25.00		ATM		659.80
416	7/30	Maria Gonzalez (b'day)	30.00				629.80



So, does your check register look like this? Did you calculate correctly to get your balance?

Want more practice? Check out the U.S. Mint website.

# Reconciling Your Account

The process of matching your monthly statement to your checkbook register to see whether the balances match.

## Checkbook Register

- Deposits
- Withdrawals
- Account for Outstanding Checks/Deposits
- Balance = \$455.22

## Bank Statement

- Deposits
- Withdrawals
- Subtract Outstanding Checks/deposits
- Balance = \$522.59
- Check 145 - \$62.37
- Fees \$5.00
- Balance = \$455.22

So, you now know how to keep track of your own transactions. Rest assured, your bank is also keeping track of all of your transactions and will send you a statement (online or via mail) each month. When you receive your statement, you need to match your records to the banks. This process is called reconciling your account.

What does this involve? First, you'll check off any deposits and withdrawals. Make sure any entry in your register is listed in your statement. In your checkbook register, you may find some outstanding deposits or checks that either weren't processed in time to be listed on your monthly statement, or haven't been processed yet. How does this happen? Well maybe you wrote your friend a check and they only go to the bank every other month, but when they finally get around to it, you'll want to make sure the money is there so it doesn't bounce. Reconciling your checkbook can help you make sure it won't.

Unless you don't use your account very often, the balance in your register is going to differ from your bank statement. That's normal. Just make sure you account for any differences when you write checks or withdraw funds.

Online banking, which we'll cover in the next topic, is another tool that you can use to help reconcile your accounts.

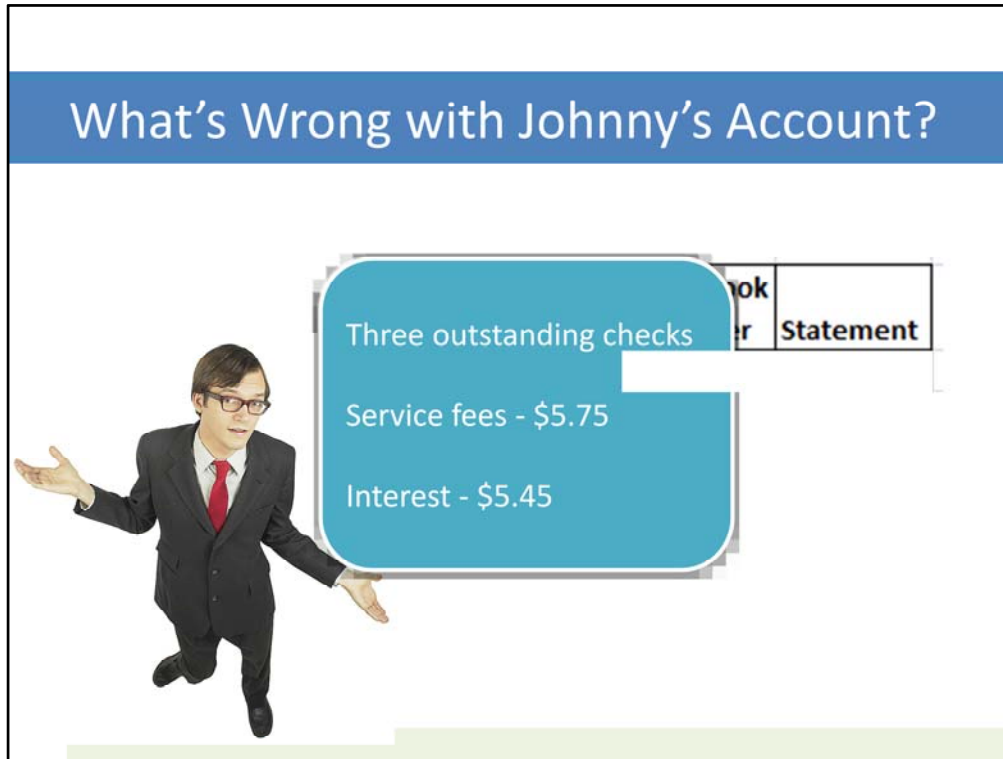
# Bank Statement Example

<b>Money Bank</b>			
<b>Money Account</b>			
CUSTOMER SERVICE 24 HOURS A DAY, 888-000-0000			
Account Information	ACCOUNT		
	John. Doe	12345-678910	
	145 Abbey St.	STATEMENT PERIOD	
	Hampton, VA 59896	January 1 TO February 1	
THANK YOU FOR BANKING WITH MEMBERS			
SUMMARY OF YOUR ACCOUNTS			
Summary of Transactions	CHECKING		SAVINGS
	BEGINNING BALANCE	500.00	
	DEPOSITS	538.68	
	WITHDRAWALS	629.73	
	SERVICE CHARGES/FEES	6.00	
	ENDING BALANCE	794.57	
	MIN BAL ON 2-1-00	54.87	
CHECKING ACTIVITY			
DEPOSITS			
POSTED	AMOUNT	DESCRIPTION	
1-05	230.66	DEPOSIT	
1-15	765.50	DEPOSIT	
WITHDRAWALS			
	PAID	AMOUNT	
106	1-19	632.75	
107	1-24	35.98	
108	1-29	72.43	
POSTED			
	AMOUNT	DESCRIPTION	
1-21	40.00	ATM WITHDRAWAL	
1-22	20.00	ATM WITHDRAWAL	
CHECKING SERVICES CHARGE AND FEE SUMMARY			
AMOUNT	DESCRIPTION		
6.00	MONTHLY SERVICE CHARGE		

So, what does a bank statement look like? Each statement will look slightly different depending on where you bank. They all contain the same types of information though about your withdrawals, deposits and any fees you were charged.



## What's Wrong with Johnny's Account?



After you've accounted for any withdrawals and deposits, you'll need to subtract any service fees from your checkbook register. These would be things like account fees, fees for using non-branch ATMs and so on. Also, if you're earning interest on your account, add that to your checkbook register as well.

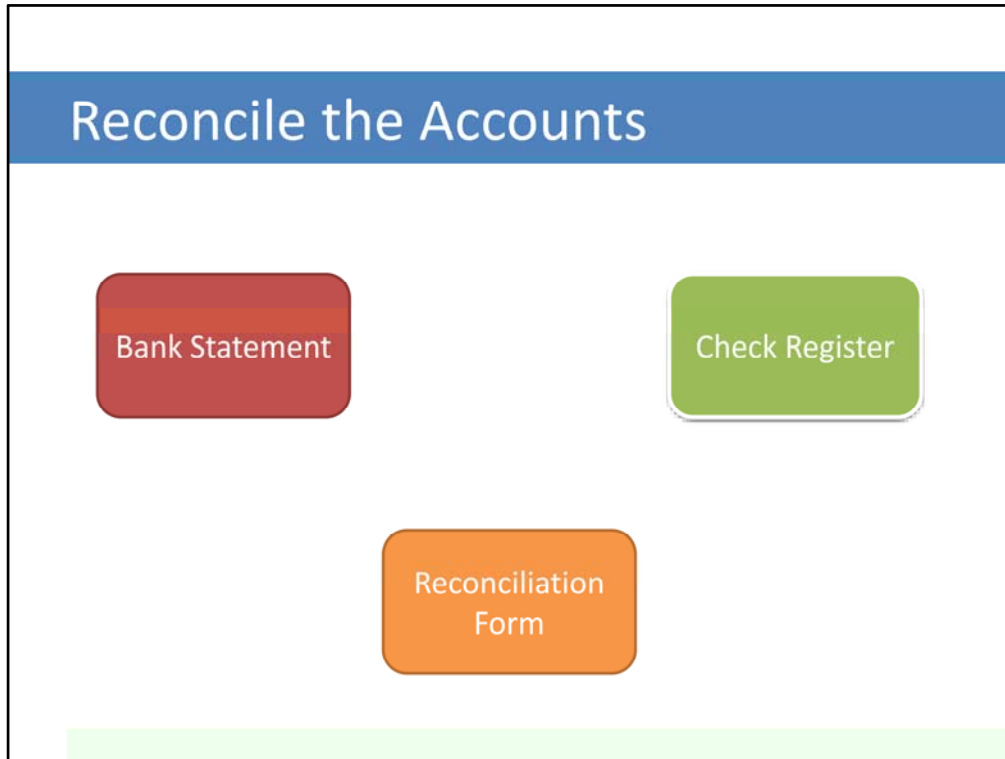
Let's look at an example of how to do this using Johnny.

Johnny's checkbook balance on May 31st was eight hundred seventy-three dollars and nine cents. His June bank statement showed a balance of one thousand three hundred seventy eight dollars and forty-nine cents. Why don't they match?

He has three outstanding checks. Service charges for the account were five dollars and seventy-five cents and the account earned five dollars and forty-five cents in interest. How do we figure out whether Johnny's register is correct? Here's an easy way using a spreadsheet.

Enter the balance for the register in column one and the statement in column two. List the checks and add them to the register and subtract them from the statement. Subtract the service charge from column one and add it to column two. Now add the interest to column one and subtract it from column two.

Total the columns and note the bottom entry in column one matches the top entry in column two and vice versa. This means the accounts are reconciled.



Access the documents from the Attachments menu and reconcile the accounts. Then answer the questions on the next screen.

**Practice Reconciling Your Account**

Question 1 of 4 Point Value: 10

What is the new balance shown on the bank statement?

**PROPERTIES**

On passing, 'Finish' button:

On failing, 'Finish' button:

Allow user to leave quiz:

User may view slides after quiz:

User may attempt quiz:

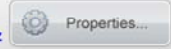
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[Goes to Next Slide](#)

[After user has completed quiz](#)

[At any time](#)

[Unlimited times](#)



## Troubleshooting Your Account

### Checkbook

1. Look in your bank statement service fees or other charges from the bank that may not be included in your check register (e.g. ATM fees, service fees, or other charges).
2. Subtract those charges from your checkbook register.
3. Remove your canceled checks (cleared from the bank) from your statement and put them in order by check number.
4. Compare canceled checks and deposits with the amounts written in your checkbook register. Be sure to check off all canceled checks and deposits in the checkbook register.

### Bank Side

1. Insert the last balance shown on your bank statement.
2. Add deposits not credited to your account.
3. Deduct all outstanding checks (checks that haven't cleared the bank aren't checked off in your checkbook register)
4. Finished! Your adjusted balance should agree with the balance in your checkbook register. If not, check your math, then check to be sure you have entered all the numbers correctly.

To sum it up, if you get stuck, here are the steps to reconcile your account. Look over your statement carefully at the end of each month.

We all make mistakes, even banks.

## Bank Errors

**Welcome to the game of life!**

Bank error not in your favor!


Please pay the bank an extra \$25!



If you think the bank made a mistake, you have only sixty days to inform the bank. The bank then has up to ten days to investigate your claim. If they need more time, they are required to put the disputed amount of money into your account and have up to forty-five days to investigate further. If they find that the money is not rightfully yours, they will withdraw the amount from your account.

To notify a bank of an error, call first, and then send a letter. In the letter, give details as to the month of the bank statement error and the amount of the error, and if you have some evidence, deposit slips, for example, you can photocopy that and send it along with the letter.

## Example Scenario



Cat Toy	\$11.23
Gas and Oil	\$45.39
Groceries	\$87.14

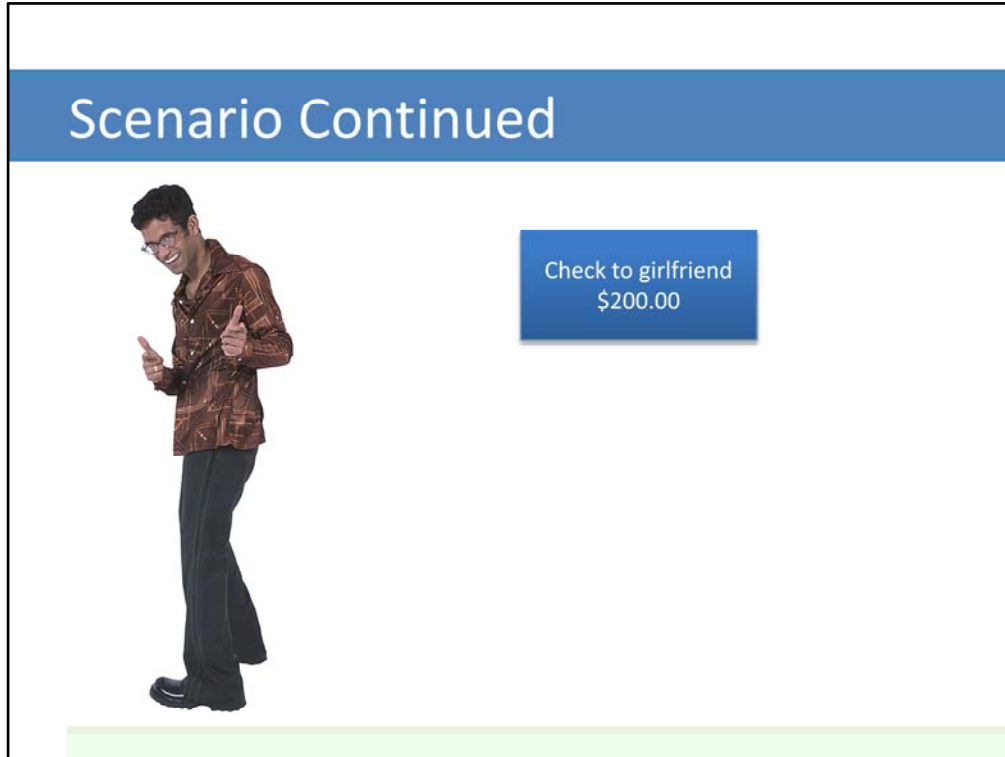
Check out this scenario. You would not want something similar to happen to you.

Robert goes to the store and buys a new toy for his cat. He writes a check. On his way home, he goes to the gas station and writes another check. Later that night, he goes to the grocery store and pays with a check. He doesn't write any of this down in his check register.

Robert is doing the wrong kind of balancing... one that involves a lot of risk. He believes that he still has over \$200 in his account, but he hasn't added up his expenses in his check register, though, so he can't be sure. There's a good chance he might actually have a negative balance and will overdraw his account.

Robert also hasn't been reconciling his checking register to his statement, so he's even less sure about how much is in this account.

## Scenario Continued



Two days later, Robert writes another check for two hundred dollars. What happens? Depending on the bank, either the person cashing the check will be told that the check has bounced and Robert will pay a fee and a lot of social embarrassment or the check will go through (if his account has overdraft protection) and Robert will have to pay a high interest rate on the amount overdrawn.

In addition, if Robert's balance falls below a certain level, many banks charge maintenance fees or annual fees. No matter what bank you are using, it is never a good idea to let your account balance get anywhere near zero.

Don't be like Robert. Reconcile your checking account.