

# How to Use Your Bank

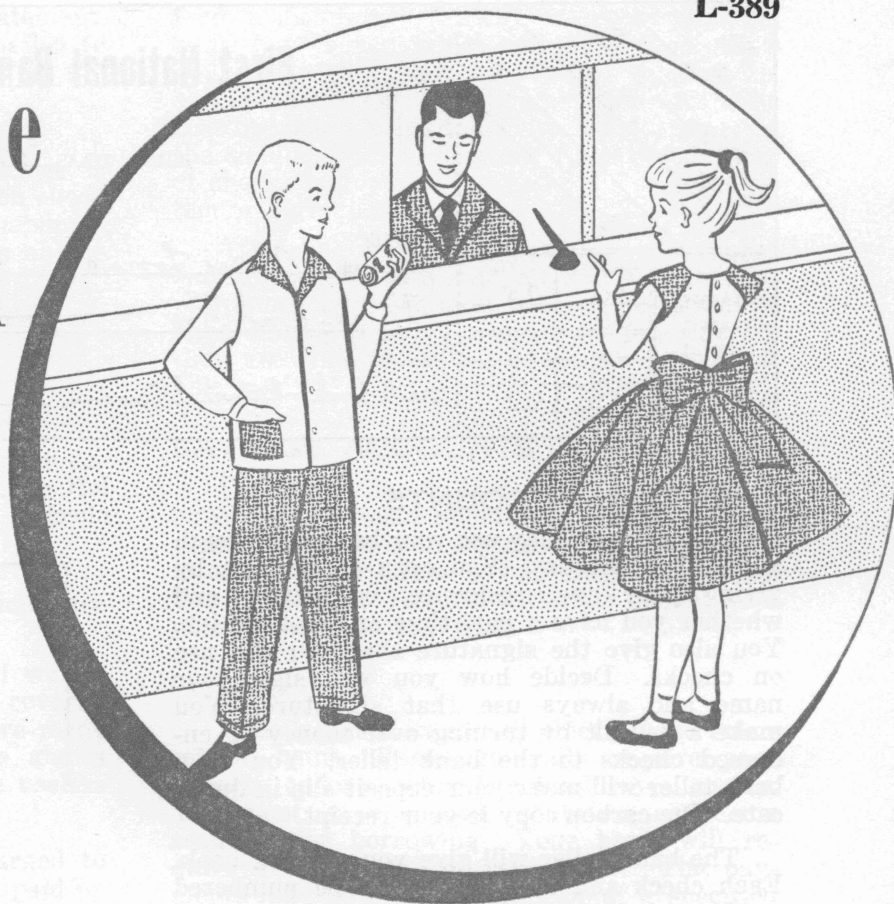
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**Y**OUR BANK is one of the most useful businesses in your community. Find out the services it offers and how to use them in handling your financial affairs.

Your demonstration may be one which takes or brings in money. You will want a safe way to handle the money you spend on it or get from it.

TEXAS AGRICULTURAL EXTENSION SERVICE

J. E. Hutchison, Director, College Station, Texas

<b>First National Bank &amp; Trust Company</b>																			
NO. <u>3</u> <u>May 2 1958</u> To <u>Mary Jones</u> <u>\$ 3 75</u>	BLANK, TEXAS <u>May 2</u> 195 <u>8</u> NO. <u>3</u>  PAY TO THE ORDER OF <u>Mary Jones</u> \$ <u>3 75</u> <u>Three and <math>\frac{75}{100}</math></u> DOLLARS <u>used book - Princ. of Economics</u> <u>Sue Morgan</u>																		
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: center;">DOLLARS</th> <th style="text-align: center;">CENTS</th> </tr> </thead> <tbody> <tr> <td>Balance</td> <td style="text-align: center;">36</td> <td style="text-align: center;">75</td> </tr> <tr> <td>Deposit</td> <td style="text-align: center;">00</td> <td style="text-align: center;">00</td> </tr> <tr> <td>Total</td> <td style="text-align: center;">36</td> <td style="text-align: center;">75</td> </tr> <tr> <td>This Chk.</td> <td style="text-align: center;">3</td> <td style="text-align: center;">75</td> </tr> <tr> <td>Balance</td> <td style="text-align: center;">33</td> <td style="text-align: center;">00</td> </tr> </tbody> </table>		DOLLARS	CENTS	Balance	36	75	Deposit	00	00	Total	36	75	This Chk.	3	75	Balance	33	00	
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### CHECKING ACCOUNTS

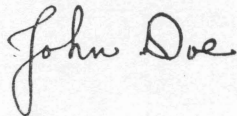
One way you may use your bank is through a checking account. You open an account by giving your age, residence, occupation and whether you have a part-time or full-time job. You also give the signature that you will use on checks. Decide how you will sign your name and always use that signature. You make a deposit by turning over money or endorsed checks to the bank teller. You or a bank teller will make your deposit slip in duplicate. The carbon copy is your receipt.

The bank teller will give you a check book. Each check and its stub should be numbered as shown below. Some suggestions for writing checks are:

1. A check should be written in ink.
2. Date each check.
3. Number checks in order (1-2-3).
4. Begin writing at the extreme left of each line. If entire line is not used, draw a bold line in each space.
5. Do not make corrections on checks. Destroy the soiled check and make a new one.
6. Be sure that the amount written in words is the same as the amount in figures.
7. To draw money out of your account, make the check out to "self" and sign.
8. Never sign a blank check. If lost, the finder can fill in any amount and the signer would be responsible.
9. Sign your check exactly as you signed your signature card.
10. Indicate in the lower left corner for what purpose the check was written.

If you have checks to deposit, endorse them by signing your name on the back across the

left end. There are several ways to endorse a check.



Blank endorsement

A check endorsed like this can be cashed by the rightful owner or by anyone who finds it.

Pay to the order of  
of Jane Jones

Mary Smith

Special endorsement

Only Jane Jones can cash this check.

Do not endorse any check until you are ready to cash or deposit it.

Keep a careful record of the deposits and checks on the stubs of the check book so you

will know your balance. A monthly statement, along with cancelled checks, will be mailed to you by request. Compare your record with the bank statement.

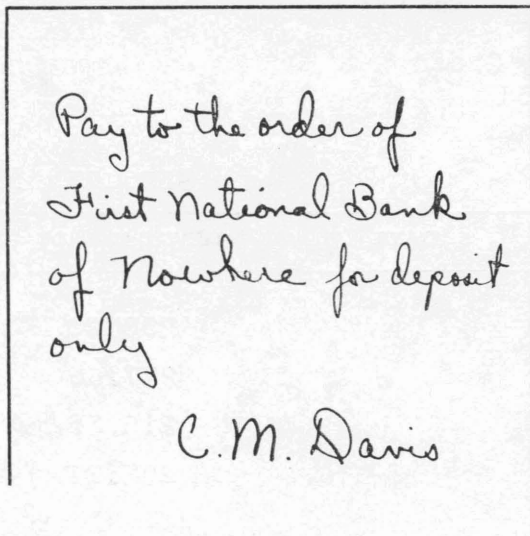
The bank usually charges a fee each month for a small checking account. The charge is usually 50 cents plus a few cents for each check exceeding a certain number. The number of checks allowed without charge depends on the amount of money on deposit.

A checking account offers you these advantages:

1. Provides a safe place for your money.
2. Helps keep account of your money.
3. Collects checks payable to you after deposit.
4. Makes payments to others easy.
5. Shows your credit rating.
6. Provides cancelled checks which are good receipts for payments.

Most checks are printed on special water-marked paper. The white paper is covered with a water color. If any erasures are made or if ink remover is used the white shows through. That causes the check to be useless (void).

The checks that you write are charged to your account only after they have been paid by



Pay to the order of  
First National Bank  
of Nowhere for deposit  
only  
C.M. Davis

Correct endorsement  
for deposit by mail

the bank. If a check is lost or stolen you may ask the bank to refuse to honor the check when it is presented.

After checks have been cashed they are returned to the bank that issued them. This is done through a clearing house where a clerk

from a member bank delivers checks that his bank has cashed which are drawn on other banks. He gets the checks drawn against his bank from the other bank representatives. The clearing house helps to balance the accounts of the member banks. Between cities the clearing of checks is done by the Federal Reserve System or by mail.

After the bank has paid the checks the date and word "paid" are marked by punching with a special machine in a way that is almost impossible to alter. They cannot be used after they are thus cancelled except for receipt of bills paid.

## SAVINGS ACCOUNTS

You might like to keep only enough money on deposit to meet short-time needs, and put your excess funds in savings accounts to draw interest. Many banks pay interest on savings. The rates vary. You can withdraw money from your account at any time.

## LOANS

A bank makes its money chiefly from interest on loans. Banks generally require your parents' endorsement when lending you money. You must have a good reputation and some security for borrowing. Your bank will require a sound plan of repayment. The payments may be made monthly or at a specified date. The interest rates depend upon a number of factors.

## PAYING OUT-OF-TOWN BILLS

You may need to make a payment when your personal check is not acceptable. If you want to pay a bill to someone you do not know or in another city there are several ways of doing this:

**Certified Checks:** You would have your check certified by your bank. The check is made out to the person or company whom you wish to pay. The bank certifies it for a small charge. This check is kept by the bank. You would not have it as a canceled check. Your bank will give you a slip as your receipt for the amount paid.

**Cashier's Checks:** You may buy a cashier's check for about the same cost. The cashier's check does not show your name; therefore, it must have a letter of explanation to give you proper credit.

If you need to make a payment when your personal check could not be used, you may buy a cashier's check from your bank for a small fee. Usually the fee is less than any other type of money order. The cashier's check is then drawn on the bank rather than on your account.

## TRAVELERS' CHECKS

It is unwise to carry large amounts of money when you travel. And often it is difficult to get personal checks cashed. Your bank will sell you travelers' checks for a small fee. American Express checks are acceptable all over the world.

## GOVERNMENT BONDS

Most banks handle various types of government savings bonds for their customers. You can buy or cash bonds in a bank.

## SAFE DEPOSIT BOXES

Banks usually have safe deposit boxes for rent. These are fire-proof and are the safest place to put bonds, deeds, insurance policies, birth certificates and other valuable papers. Your key and the one kept by the bank are required to open the box. They are insured by a reputable bonding company and rented by the year by one or two persons.

## COUNSEL AND ADVICE

A banker is one of the best informed persons in the community on business matters and is willing to discuss business problems with you.

Bill and Mary Green have a poultry demonstration. They have a special joint account at the First National and Trust Bank for their poultry business. They write checks on the account just for baby chicks, feed and supplies. They deposit all money received from it in this account until all expenses are paid. At the beginning of the second year their new balance was \$325.75. The first bank statement looked like this:

### THE FIRST NATIONAL BANK AND TRUST

of

Nowhere, Texas

Bill and/or Mary Green

Rt. 2, Box 31

Nowhere, Texas

\$325.75

DATE	CHECKS IN DETAIL	DEPOSIT	DATE	NEW BALANCE
April 1	\$75.00-12.50			238.25
April 7	6.50- 4.10			227.65
April 14	8.35			219.35
April 21	9.75- 2.36			207.24

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