

Managing

YOUR BANK ACCOUNT



TEXAS AGRICULTURAL EXTENSION SERVICE

G. G. Gibson, Director, College Station, Texas

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JUL 10 1958

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YOUR BANK ACCOUNT

Extension Home Management Specialists
Texas A. & M. College System

CHECKING ACCOUNTS

MONEY THAT IS NEEDED for current operating expenses may be placed in a checking account. Many banks make a monthly service charge for taking care of the account unless a certain monthly average is maintained. The service charge differs with the bank. All banks publish a list of their service charges, which may be obtained from your banker.

Advantages of Checking Accounts

1. Less cash has to be kept on hand.
2. A cancelled check is a receipt.
3. Cancelled checks and stubs show how money was spent.
4. Checking accounts help establish credit ratings.
5. Checks can be sent safely through the mail.
6. Bills can be paid by mail.

To Open a Checking Account

You may open a checking account at a bank by depositing a sum of money. When the account is opened, you sign a signature card. If you open a joint account, the two names appear on the same card. A book of blank checks will be furnished for your use.

Joint Checking Accounts

The checking account can be of greater use to your family if it is carried in the name of both husband and wife, or any other two people. With a joint account, either person can use the money when needed. Either will have access to the funds in the case of death to the other. The joint checking account signature card should be signed to read, "Mary Smith Brown or John Brown, either or the survivor to draw." A joint account should be managed by working together. One person should be in charge of it. Each person who checks on

the account needs to report to the one in charge when a check is written.

Deposits for Checking Accounts

When making a deposit, fill out a deposit slip furnished by the bank. State what is being deposited—currency, silver or checks. Give amounts of each and the total amount. List checks separately and name of writer for your record. The duplicate copy of the deposit slip is your record of the deposit.

A bank book may be used for a receipted record of deposits.

THE NOWHERE BANK & TRUST CO. NOWHERE, TEXAS			
<i>John Roe</i> <hr style="width: 80%; margin: 0 auto;"/> <i>Extension Service</i> <hr style="width: 80%; margin: 0 auto;"/> <i>College Station, Texas</i>			
Nowhere, Texas, <i>July 31</i> 19 <i>51</i>			
		Dollars	Cents
Currency		<i>15</i>	<i>00</i>
Silver			
Checks	<i>Jim Smith</i>	<i>50</i>	<i>00</i>
	<i>Bob Brown</i>	<i>4</i>	<i>50</i>
Original	Total	\$ <i>69</i>	<i>50</i>

Example of a correctly made deposit slip

To Write a Check

A check is a notice to the bank to pay a certain sum of money to the person named. Keep an accurate record of all checks written on the stubs in the check book. It is a good habit to fill in the stub completely before writing the check.

Each individual using a checking account should know at all times how much money he has in the bank.

The bank offers these suggestions for writing checks:

1. A check should be written in ink.
2. Date each check.
3. Number checks consecutively. Carry numbers from one check book to the next.
4. Begin writing at the extreme left of each line. If the entire line is not used, draw a bold line in the blank space.
5. Do not make corrections on checks. Destroy the check and make a new one.
6. Be sure that the amount written in words is the same as the amount written in figures. If these differ, the amount in words is the one considered legal by the bank.
7. Avoid writing checks for less than a dollar. If this must be done, write "no dollars" and state the cents as a fractional part of a dollar.
8. To draw money out of your checking account, make the check out to "Self" and sign your name at the bottom. This check need not be endorsed. If a check made out to "Cash" is lost, anyone can cash it.

Nowhere, Texas, July 31 19 51 No. 17

THE NOWHERE BANK & TRUST CO. OF NOWHERE

(No space here)

(No space here)

Pay to the order of John Doe \$ 5 ⁶⁷/₁₀₀

Five and ⁶⁷/₁₀₀ Dollars

(No space here)

Helen Smith

Example of a correctly written check

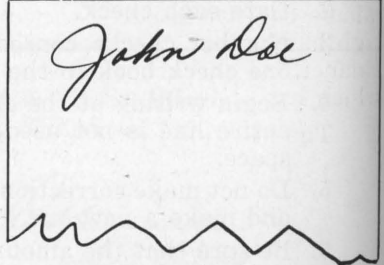
9. Never sign a blank check. If lost, the finder could fill in any amount, and the signer would be liable.
10. A statement may be written in the lower left corner of a check to tell for what the amount is paid.
11. Sign each check exactly as you signed your original signature card.

ENDORISING CHECKS

A check must be signed or endorsed on the back by the person to whom it is payable before it can be cashed or deposited.

Blank Endorsement

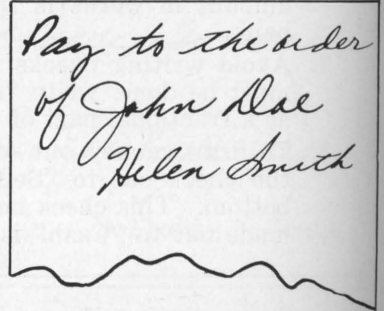
The person to whom the check was made writes his name on the back of the check. Do not endorse a check in this way until you are ready to cash it. Anyone can cash a check with a blank endorsement.



Example of a Blank Endorsement

Full or Special Endorsement

If a check is passed on to someone else, it is better to endorse it over to the person who is to get the money. Write "Pay to the order of John Doe," and then sign your name. Only John Doe can cash the check unless he endorses it to someone else and signs his name.

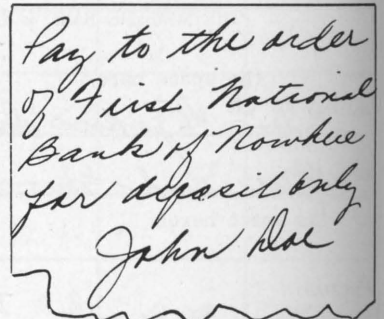


Example of a Special Endorsement

Endorsement for Deposit

If you are sending or mailing a check to the bank for deposit, write on the back over your signature, "Pay to the order of First National Bank of Nowhere for deposit only."

If your name is misspelled on a check, write your name the way it is on the face of the check. Then underneath put your correct signature.



Example of an Endorsement for Deposit by Mail

Lost Checks

If a personal check is lost or stolen, notify the bank immediately. The bank will stop payment on the check.

Checking the Bank Statement

A bank statement is prepared by the bank each month for its depositors. It may be obtained at the bank or will be mailed each month upon request. There are three columns on the bank statement. The one at the left is the space for recording all checks which have cleared on a given date. The middle column contains a space for recording deposits. The righthand column is used by the bank for recording the daily balance. With the statement will be found all cancelled checks which have been cleared.

The steps in checking the bank statement are:

1. Compare the bank's records of deposits with your records of deposits.
2. Compare cancelled checks with those shown on the statement.
3. Arrange checks in numerical order.
4. Check off the stubs for which there are cancelled checks.
5. Total the checks shown on stubs which have not yet cleared the bank.
6. Add this amount to the sum which your last stub shows in the bank.
7. If a bank service charge has been made, subtract that amount.
8. Compare your balance with the bank balance. The result should be the same.

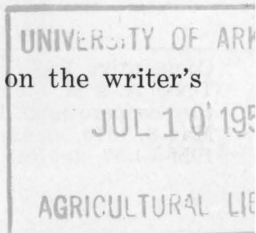
Some people prefer to check their records only as far as the bank statement shows. This can be done by following steps one through four and deducting any service charge the bank may have made to that date.

Cancelled checks that are needed as receipts should be kept in a safe place.

KINDS OF BANK CHECKS

Personal Checks

Those written by one person to another on the writer's account at a bank.



Counter or Desk Checks

Those found at business places which do not have stubs or spaces for numbering. Note must be made in your bank record of counter checks written to keep a correct bank balance.

Traveler's Checks

These checks may be bought for a small fee in various denominations at banks, express companies and other agencies. At the time of purchase the buyer signs each at the top. As he cashes them, he signs each at the bottom while the person taking the check looks on.

Keep a record of the serial numbers of the traveler's checks. If one is lost, notify the bank or company from which it was purchased. Give the number and the amount of the check.

Identification is usually required to cash any of these kinds of checks.

SAVINGS ACCOUNTS

Money may be deposited with some banks in a savings account. The bank usually pays a small rate of interest. Savings accounts are useful when money is being saved in small amounts.

A joint savings account like a joint checking account can be taken out by two persons.

The depositor is given a bank book in which deposits are recorded. The bank book must be presented whenever deposits and withdrawals are made. It serves as a complete record of the savings account.

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