**Checking Accounts & Bank Statements***Key Terms:*

|  |  |
| --- | --- |
| Checking Account |  |
| Electronic Funds Transfer |  |
| Check Clearing |  |
| Insufficient Funds |  |
| Maintenance Fee |  |
| Bank Statement |  |
| Outstanding Transactions |  |
| Reconciling |  |

Banks vs. Credit Unions

Types of Checking Accounts

Importance of Reconciling Accounts

**Example 1:** Nick has a checking account with the Park Slope Savings Bank. He writes both paper and electronic checks. For each transaction, Nick enters the necessary information: check number, date, type of transaction, and amount. Determine the balance in his account.



**Example 2:** Jacob has an account at Timberwolf National Bank. His balance at the beginning of January was $5,195.65. During the month, he made deposits of $6,873.22, wrote checks totaling $4,871.90, paid a maintenance fee of $12, and earned $11.15 in interest on the account. What was the balance at the end of the month?

**Example 3:** (page 121, #13)

Create a check register for the transactions listed. There is a $2.25 fee for each ATM use.

a. Your balance on 10/29 is $237.47

b. You write check # 115 on 10/29 for $18.00 to El Camino High School.

c. You deposit a paycheck for $162.75 on 10/30.

d. You deposit a $25 check for your birthday on 11/4.

e. On 11/5, you go to a sporting event and run out of money. You use the ATM in the lobby to get $20 for snacks.

f. Your credit card bill is due on 11/10, so on 11/7 you write a check to Credit USA for $51.16.

g. Your sister repays you $20 on 11/10. You deposit it.

h. You withdraw $25 from the ATM to buy flowers on 11/12.

i. You deposit your paycheck for $165.65 on 11/16.

j. You deposit a late birthday check for $35 on 11/17.



**Example 4:**

Use Tina Weaver’s monthly statement and check register to reconcile her account.

1. What is the ending balance on the statement?
2. What is the total of the outstanding deposits?
3. What is the total of the outstanding withdrawals?
4. What is the revised statement balance?
5. What is the balance of the check register?
6. Does the account reconcile?



