

Balancing a Checkbook



Objective

In this lesson, you will

Write a Check



A **check** is a written _____ directing the bank to pay money to someone.

The person or business you pay is called the _____.

personal details → Your Name
Any Street, Anytown
Tel: (001) 555-0000

name of payee → PAY TO THE ORDER OF *My phone company*

bank information → Any Bank
Any Street, Anytown
Tel: (001) 555-5555

identification number → ⑆001⑆ ⑆00002⑆003⑆ 4567⑆890⑆

check number → 001

date → DATE *01/13/09*

Jim is writing a check to pay his cell phone bill of \$150.25. Jim first writes the _____, _____, and _____ next to DATE. He fills in the name of the _____ next to PAY TO THE ORDER OF.

amount in numbers → \$ *150.25*

amount in words → *One Hundred Fifty and 25/100* DOLLARS

memo → MEMO *Phone bill payment*

signature → *Jim*

Write the number amount as close to the _____ sign as you can. When you write the amount in _____, use the entire space. Also, the cents amount should be written as a _____.

The MEMO helps you make _____ of what you paid for. The signature makes a check _____.

Before a payee can cash your check, he or she must _____ it (on the back of the check).

Bank Statements



Key Term

A **bank statement** is a monthly _____ of account activity (or transactions).

A bank statement lists _____ during the statement period. It shows your account _____ on the end date of the statement. It also contains information about fees. Many statements include information about _____ checks.

	YOUR BANK Any Street, Anytown Tel: (001) 555-5555	CHECKING ACCOUNT STATEMENT Page: 1 of 1			
Your Name Any Street, Anytown Tel: (001) 555-0000	Statement 01/10/2009 to 02/09/2009	Account No. 00002-003-4567-890			
Date	Description	Ref.	Withdrawals	Deposits	Balance
01/10/09	Previous Balance				980.75
01/13/09	Check No - 001		150.25		830.50
01/20/09	ATM Withdrawal	3890	200.00		630.50
02/02/09	Payroll Deposit			650.00	1,280.50
02/04/09	Checkcard Purchase	1595	512.50		768.00
02/09/09	Fees - Monthly		5.00		763.00
Totals			867.75	650.00	

Compare a Checkbook Register with a Bank Statement

Here are two good reasons for a monthly bank statement:

1. You can _____ the entries in the bank statement against those in your check register to verify _____. If an entry is missing, you can add it.
2. You can check that the bank is keeping an accurate account of your money. If you suspect that there is a _____ in printing your statement, you can ask your bank to correct it.

This process is called _____ a checkbook or checkbook reconciliation.

Summary

If your starting balance is \$250, what is your new balance after a withdrawal of \$56.50 and a deposit of \$25.00?