



Elkhorn Federal Credit Union

First and foremost – the number one principle to managing your checking account is to make sure there is enough money in your account to cover the transactions that you make.

Sounds simple, right?

With checks, debit cards, automatic payments, and withdrawals, it can get tricky. This course will help you to keep it all straight, keep you account in line, and help build your relationship with Elkhorn FCU.

Here's a preview of what this course will cover:

- Understanding Elkhorn FCU's Share Draft (Checking) accounts
- Writing and Depositing Checks
- Managing Your Account
 - Keeping a Register
 - Reading Your Statement
 - Reconciling Your Statement

If you are taking this course as a requirement for your account, please bring the completed assessment to the credit union, or complete the online version.

Let's get started!

Chapter 1

Understanding Your Account

By understanding the features, benefits, requirements, and fees associated with your account, you will know what to expect.

Which Elkhorn FCU checking account do you have?

Regular Share Draft (Checking)

Features

- No minimum balance
- No monthly maintenance fee

Overdraft Protection

- If a transaction tries to clear your checking account and there are insufficient funds, money will automatically transfer from your Regular Savings (#1) in \$50 increments. You need to sign up to have money transferred from any other savings or checking account. There will be a \$5 per item fee for this service.

Other Fees

- You will be charged a \$28 overdraft fee for each transaction that tries to clear when there are insufficient funds to cover it, and there is no money available in your other accounts to transfer.
- If you have a debit card, your checking account will be assessed a \$1 fee on the last business day of the month if you used your card during that month. For example, if you used the card during May, you will be charged \$1 on the last day of the month. If you didn't use your card at all during May, there will be no fee.

Fresh Start Checking

Features

- Designed to help you re-establish your checking account status with Elkhorn FCU.
- \$100 minimum balance for 12 months. You can apply for the regular share draft account after 12 months if your account is in good standing and you have completed this course.
- No monthly maintenance fees.
- An ATM or debit card may be applied for after 6 months of positive account activity.

Chapter 1

Understanding Your Account

Overdraft Protection

- If a transaction tries to clear your checking account and there are insufficient funds, money will automatically transfer from your Regular Savings (#1) in \$50 increments. You need to sign up to have money transferred from any other savings or checking account. There will be a \$5 per item fee for this service.

Other Fees

- You will be charged a \$28 overdraft fee for each transaction that tries to clear when there are insufficient funds to cover it, or there is no money available in your other accounts to transfer.

Because this account is a ***Fresh Start***, it is of utmost importance that your account remain in good standing. It may be closed by the Credit Union if there is **any negative account activity**.

Check Holds & Funds Availability

The money you deposit is not always available to you immediately. If there are not funds in the account on which the check was written (it bounces), the check is returned to us, and the money is in turn taken from your account.

To protect you from having the money taken out of your account after you have spent it (and incurring more fees and a negative balance), we sometimes put a hold on the money for the number of days it usually takes for the funds to be collected (Elkhorn FCU receives the money for the check). Here is a breakdown of when your funds will generally be available:

Same Day Availability – Electronic Direct Deposits & Wires, Cashier's Checks Drawn on Local Institutions (if they can be verified).

Next Business Day Availability – Cash deposits, U.S. and state government checks

Three Business Day Availability – Checks drawn on Montana Institutions

Longer Holds Will Apply – All two-party checks, out-of-state personal and payroll checks, credit card convenience checks, and all checks that cannot be verified by the paying institution (including Cashier's Checks).

The teller will let you know at the time of deposit if a hold will be applied.

Chapter 2

The Basics

Writing A Check

To make sure there are no delays in processing your check (which might mean late payments or returned checks), make sure you fill out the check completely:

- A. The current date (**Be cautious if post-dating a check. It can still be cashed before that date when you may not have the funds to cover it.**)
- B. The payee (person or company receiving the check)
- C. The amount of the check in numerals
- D. The amount of the check in words
- E. Your signature

John Public 123 Main St. Anytown, MT 59555		#1058
	_____ A	20_____
PAY TO THE ORDER OF _____ B	\$ _____ C	
_____ D		DOLLARS
Elkhorn FCU Helena, MT 59601		
MEMO _____	_____ E	
⑆290012345⑆158 "709260123456"		

If you make a mistake when writing a check, either fix it and initial by the change, or write VOID across the check and write a new one.

Depositing A Check

You do not need a deposit slip to deposit your money at Elkhorn FCU. Simply endorse the back with your signature and your account number when you arrive at the credit union (Do not endorse it before you arrive at the Credit Union. If you lose it, somebody else could deposit it into their account once you endorse it).

<i>John Public</i> <i>Account 12345</i>	_____

Chapter 3

Managing Your Account

The key to a successful checking account is to manage it correctly.

Easier said than done, right? Just stick to the steps below and it should get easier and easier to keep your account running smoothly.

Your Transaction Register

1	2	3	4	5	6		7		8	
Date	Number	Transaction Detail	Code	√	(-) Withdrawals		(+) Deposits		Balance	
8/29	1056	Verizon Wireless Cell Phone Bill	E		51	00			180	71
									231.71	

1. Enter the date of the transaction.
2. Enter the number of the check if you write a check. Leave it blank if it is another type of transaction (such as a debit card purchase, deposit, or cash withdrawal).
3. Write to whom the transaction was made. It is also helpful to write *what* it was for in case you need a reminder later.
4. Enter the code to identify the transaction. The codes are listed in your register.
5. Use this column when reconciling your account to identify which transactions have cleared (see Reconciling Your Statement below).
6. Record the amount of a debit (checks, debit card purchases, automatic payments, cash withdrawals, etc.).
7. Record the amount of a credit (deposit).
8. Subtract/Add the amount of the transaction from the previous balance, and record your updated balance here.

Record each transaction immediately after completing it, especially debit card purchases. It may take you a few extra seconds, but it will save you a lot of time and money that would be wasted if you missed a transaction and bounced a check. Checks and debit card transactions can take anywhere from minutes to weeks to clear your account, so relying on your current account history at the credit union may not reflect transactions that are still "out there" and could get you into trouble.

-Hint-

Balancing Your Statement

Each month you will receive your statement in the mail (or online if you have signed up for e-statements). It is very important to review your statement immediately to make sure it is accurate and to reconcile (or balance) your checkbook. It should only take about 15 minutes and can save you much time and money in the future.

Here's what you'll need:

Your statement

Your checkbook register

Your duplicate copy of checks

A calculator & pencil

Reading Your Statement

At first glance, reading the statement can be overwhelming, but it really is quite simple. Take a look at the following statement:

- A. Statement Period – The date range in which the transactions are included. You will get a checking account statement monthly. The quarterly statement below covers a 3-month period for the member's savings account, but only the most recent month for the checking account.
- B. YTD (Year to Date) Taxable Interest – The amount of interest your accounts have accrued since January 1st.
- C. TD Finance Charges – The amount of finance charges (interest on loans and other fees) your accounts have accrued since January 1st.
- D. The savings account information will be listed first.
- E. Your checking account (Share Draft) information will be listed below.
- F. Previous Balance – The ending balance from your last statement.
- G. Each transaction is listed in a similar format as your register. Debits show with a (-) after the amount in the Tran Amount column.
- H. New Balance – The new balance after the month's transactions have been added/subtracted from the previous balance.
- I. Cleared Items This Period – This lists each check that has cleared your account.
- J. Share Draft Summary – This summarizes your checking transactions by category.

Always verify that the name and address on the statement is correct. Call the credit union if it is not.

Do not round your transactions to the nearest dollar. You may think you are tricking yourself into having extra money in your account, but in the end, it makes it extremely difficult to balance your checkbook. You can always transfer the extra cents to your savings account.

-Hint-



Elkhorn Federal Credit Union

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Helena Office: 2037 North Last Chance Gulch • P.O. Box 5508, Helena, MT 59604 • 406-449-8690 • Fax 406-449-8988

A STATEMENT PERIOD
7/01/2008 - 9/30/2008 (92 Days)

JOHN PUBLIC

B YTD Taxable Interest: \$1.11
TD Finance Charges: \$0.00 **C**

Eff Date	Tran Date	Transaction Description	Tran Amount	Fee Amount	FINANCE CHARGE	Loan Principal	Balance
	7/01	MAIN REGULAR SHARES D				PREVIOUS BALANCE	205.14
7/02	7/02	DEPOSIT D	100.00				305.14
7/31	7/31	Dividend Posting	.03				305.17
		31 days Avg. Daily Bal: \$74.08 Annual Percentage Yield Earned: 0.48%					
8/02	8/02	DEPOSIT D	100.00				405.17
8/12	8/12	Transfer - Debit	50.00-				355.17
8/31	8/31	Dividend Posting	.17				355.34
		31 days Avg. Daily Bal: \$369.69 Annual Percentage Yield Earned: 0.54%					
9/02	9/02	DEPOSIT D	100.00				455.34
9/30	9/30	Dividend Posting	.21				455.55
		30 days Avg. Daily Bal: \$452.01 Annual Percentage Yield Earned: 0.56%					
9/30	9/30					NEW BALANCE	455.55
G	9/01	SHARE DRAFTS E			F	PREVIOUS BALANCE	231.71
9/02	9/02	ST OF MONTANA - DIR DEPOSIT	530.00				761.71
9/05	9/05	ITEM# - 1056	51.00-				710.71
9/05	9/05	EXXONMOBIL HELENA, MT PURCHASE	28.86-				681.85
9/06	9/06	ITEM# - 1058	6.32-				675.53
9/07	9/07	CASH WITHDRAWAL CSW	100.00-				575.53
9/11	9/11	NORTHWESTERN - NWE BILL	125.00-				450.53
9/12	9/12	ITEM# - 1057	13.87-				436.66
9/16	9/16	DEPOSIT D	50.00				486.66
9/19	9/19	MCDONALD'S HELENA, MT PURCHASE	4.99-				481.67
9/25	9/25	ITEM# - 1059	260.00-				221.67
9/25	9/25	ITEM# - 1061	38.55-				183.12
9/25	9/25	2037 N LAST CHANCE GULCH - ATM	20.00-				163.12
9/30	9/30	Monthly Fees: ATM Activity Fee	1.00-				162.12
	9/30					NEW BALANCE H	162.12

I Cleared Items This Period

NOTE: An ** indicates a skip in sequence.

Item#	Amount	Item#	Amount	Item #	Amount	Item #	Amount
1056	51.00	1057	13.87	1058	6.32	**1059	260.00
**1061	38.55						

Share Draft Summary

Description	Count	Debits	Credits
J Cleared Items	5	369.74	.00
ATM Transactions	3	53.85	.00
EFT Transactions	2	125.00	530.00
Voice Transactions	0	.00	.00
Other Withdrawals	2	101.00	.00
Other Deposits	1	.00	50.00
Balance Forward:			231.71
Net Change:			69.59-
New Balance:			162.12

Chapter 3

Managing Your Account

Reconciling Your Statement

- A. Compare your register with your statement. Check off each transaction in your register as it is listed on your statement. Double check to be sure each transaction is for the correct amount. Call the credit union or change the amount in your register if there is a discrepancy.
- B. There is a simple reconciling worksheet on the back of your statement (see the following worksheet). Simply follow the steps listed there:
 1. Be sure to subtract from your register any fees that you haven't deducted already (fees from non-Elkhorn ATMs, monthly debit card fee, overdraft fees, etc.).
 2. Enter the ending balance from your statement.
 3. Enter any deposits you made that were not on your statement and add the ending balance and your deposits together.
 4. List all of the debits (checks, automatic withdrawals, debit card purchases, etc.) you have made that are not on the statement.
 5. Subtract that amount from the total in number 3.
 6. This number should match the amount you show in your register.

Review the register, statement, and worksheet to see how John Public's account is balanced.

What do I do if it doesn't balance?

- ❑ Double check the math in your register. A transaction may have been added or subtracted incorrectly.
- ❑ Take the difference between the two amounts, and divide by nine. If the answer is a whole number (not a decimal), then you may have transposed the numbers in an amount somewhere in the register (for example, you wrote \$32 rather than \$23).
- ❑ Double check that you are not missing a transaction or counting a transaction twice.

If you still can't see why you don't balance, we suggest that you use cash and do not use your debit card or checks for a couple of weeks until all of your transactions clear your account. Once everything has cleared, you can use that balance as a fresh start to your account. If you need a check, you can always use a corporate check, which is similar to a money order and it is immediately debited from your account.

Your account balance is not immediately updated when you use your debit card; therefore, the balance we show in your account may not be accurate. As a result, it is possible for you to become overdrawn using your card. Be sure to log all transactions in your register and rely on that balance rather than the current balance at Elkhorn FCU.

-Hint-

Date	Number	Transaction Detail	Code	√	(-) Withdrawal		(+) Deposit		Balance	
8/29	1056	Verizon Wireless Cell Phone Bill	E		51	00			180	71
9/02		State of MT Paycheck	DD				530	00	710	71
9/03	1057	Boy Scouts of America Donation / Popcorn	E		13	87			696	84
9/03	1058	A & W Dinner	E		6	32			690	52
9/04		Town Pump Fuel	DC		28	86			661	66
9/07		Cash Withdrawal Road Trip Money			100	00			561	66
9/11		NorthWestern Energy Power Bill	AP		125	00			436	66
9/15	1059	Aspen Properties Rent	E		260	00			176	66
9/16		Deposit Check from Jim					50	00	226	66
9/19		McD's Snack	DC		4	99			221	67
9/20	1060	S.A.F. of MT Loan Payment	E		25	00			196	67
9/20	1061	Safeway Groceries	E		38	55			158	12
9/25		ATM Withdrawal Spending Cash	ATM		20	00			138	12
9/28		Walmart Batteries	DC		2	99			135	13
9/28	1062	Town Pump Fuel	E		10	50			124	63
9/30		Debit Card Fee	AP		1	00			123	63
10/1		Amazon.com Mom's Birthday Gift	DC		15	81			107	82
10/2		State of Montana Paycheck	DD				530	00	637	82
10/3		Cash Withdrawal Spending Cash			25	00			612	82
10/5		Safeway Groceries	DC		13	11			599	71

You can monitor your account easily with Elkhorn's online banking service. Simply go to www.elkhornfcu.com and sign up for E-Banking. Your account is updated daily. Even if you keep track using the website, you should still reconcile your account with your statement monthly.

-Hint-