

SECTION 4-1 Deposits

A deposit is an amount of money that you put into a bank account. You use a deposit slip to record the amounts of currency, coins, and checks that you deposit. To open a checking account, you must make a deposit.

$$\text{Total Deposit} = (\text{Currency} + \text{Coins} + \text{Checks}) - \text{Cash Received}$$

Find the subtotal and the total deposit.

1.

		DOLLARS	CENTS
Cash	Currency		
	Coins		
Checks	LIST SEPARATELY		
	117-4	\$594	44
	71-97	301	03
SUBTOTAL			
LESS CASH RECEIVED		40	00
TOTAL DEPOSIT			

2.

		DOLLARS	CENTS
Cash	Currency	\$68	00
	Coins	42	95
Checks	LIST SEPARATELY		
	712-08	129	44
SUBTOTAL			
LESS CASH RECEIVED			
TOTAL DEPOSIT			

- Margo Xavier makes a deposit at an ATM. She has a paycheck for \$375.42 and a refund check for \$24.95. She would like to receive \$45.00 in cash and deposit the remaining amount. What is her total deposit? _____
- Nabora Nagamatus deposited a check for \$299.45 and a check for \$229.52. He received \$42.00 in cash. What was his total deposit? _____
- Paul and Ann Sherwin deposited their paychecks at an ATM. Their checks were for \$375.45 and \$614.20. They also had a check from their insurance company for \$187.60. They received \$500.00 in cash. What was their total deposit? _____
- Akiba Ellis deposits the following in her checking account: 6 five-dollar bills, 5 two-dollar bills, 12 one-dollar bills, 9 half dollars, 6 quarters, 42 dimes, 10 nickels, 15 pennies, and a check for \$97.23. What is her total deposit? _____

For Problems 7 and 8, use the deposit slips below to show your total deposit.

- Randy Houck deposited his paycheck for \$385.15, a refund check from a mail order purchase for \$125.95, and \$37.20 in cash.
- You have a check for \$223.47 and a check for \$24.75. You would like to deposit the checks and receive 2 ten-dollar bills, 3 one-dollar bills, 10 quarters, and 10 dimes.

7.

		DOLLARS	CENTS
Cash	Currency		
	Coins		
Checks	LIST SEPARATELY		
	refund		
	paycheck		
SUBTOTAL			
LESS CASH RECEIVED			
TOTAL DEPOSIT			

8.

		DOLLARS	CENTS
Cash	Currency		
	Coins		
Checks	LIST SEPARATELY		
SUBTOTAL			
LESS CASH RECEIVED			
TOTAL DEPOSIT			

Student _____

Date _____

Class _____

Instructor _____

SECTION 4-2 Writing Checks

After you have opened a checking account and made a deposit, you may write checks. A check directs the bank to deduct money from your checking account to make a payment. Your account must contain as much money as the amount of the check you are writing so as to avoid overdrawing your account.

Write each amount in words as it would appear on a check.

1. \$10.91

2. \$228.00

3. \$57.81

4. \$7.62

5. \$4,030.00

6. \$8,461.00

7. Complete check #317 using today's date. Make it payable to Hartman Dental Clinic for \$86.97 for an office visit.

317
Marie Servoss _____ 20 _____
Pay to the Order of _____ \$ _____
DOLLARS
BANK OF CAMDEN
memo _____ <i>Marie Servoss</i>

8. Complete check #128 using today's date. Make it payable to First National Bank for \$84.02 for car payment #14.

128
WILLIAM DETWILER _____ 20 _____
Pay to the Order of _____ \$ _____
DOLLARS
First National Bank
memo _____ <i>William Detwiler</i>

9. Complete check #142 using today's date. Make it payable to Rural Farm Electric for \$364.90 for your monthly bill. Sign your name.

142
_____ 20 _____
Pay to the Order of _____ \$ _____
DOLLARS
THE MERCHANTS BANK
memo _____

Student _____

Date _____

Class _____

Instructor _____

SECTION 4-3 Check Registers

You use a check register to keep a record of the deposits you make and the checks that you write. The balance is the amount of money in your account. You add deposits to the balance. When you write a check, you subtract the amount of the check from the balance.

$$\text{New Balance} = \text{Previous Balance} - \text{Check Amount}$$

$$\text{New Balance} = \text{Previous Balance} + \text{Deposit Amount}$$

1. Gustava Valadez opened a new checking account by depositing her paycheck for \$347.95. The check register shows her transactions since opening her account. What should her new balance be?

CHECK NO.	DATE	CHECKS ISSUED TO OR DESCRIPTION OF DEPOSIT	AMOUNT OF CHECK	AMOUNT OF DEPOSIT	BALANCE
BALANCE BROUGHT FORWARD ↓					
101	1/7	E&H Auto Clinic	\$102 14		
102	1/11	Heising Builders	67 70		

2. Your checkbook balance was \$206.42 on March 3. The check register shows your transactions since. What should your new balance be?

CHECK NO.	DATE	CHECKS ISSUED TO OR DESCRIPTION OF DEPOSIT	AMOUNT OF CHECK	AMOUNT OF DEPOSIT	BALANCE
BALANCE BROUGHT FORWARD ↓					
284	3/9	Osborne Pharmacy	\$32 50		
	3/15	ATM Deposit		\$120 49	
AT	3/20	General Telephone	19 80		
285	3/21	Continental Foods	68 82		

3. Your checkbook balance was \$492.16 on September 3. Use the check register below to record the following transactions: On 9/5 check #442 for \$102.06 payable to Lenny's Deli; on 9/6 check #443 for \$228.00 payable to Merchant's Bank; on 9/10 a deposit of \$350.00; on 9/12 check #444 for \$35.79 payable to Home Pharmacy; on 9/15 check #445 for \$42.22 payable to Trenton Shoe Store; on 9/15 automatic transfer for \$72.60 payable to Home Gas Company.

CHECK NO.	DATE	CHECKS ISSUED TO OR DESCRIPTION OF DEPOSIT	AMOUNT OF CHECK	AMOUNT OF DEPOSIT	BALANCE
BALANCE BROUGHT FORWARD ↓					
442	9/5				
443	9/6				
	9/10				
444	9/12				
445	9/15				
AT	9/15				

SECTION 4-4 Bank Statements

When you have a checking account, you receive a statement and canceled checks from the bank each month. Canceled checks are the checks that the bank has paid by deducting money from your account. Your statement lists all your checks that the bank has paid, any automatic transfers, any ATM or debit card transactions, and any deposits that the bank has recorded since your last statement. The statement may include a service charge for handling the account.

$$\text{Present Balance} = \text{Previous Balance} + \text{Deposits Recorded} - \text{Withdrawals} - \text{Service Charge}$$

Find the present balances in the table below.

	Previous Balance	Total Deposits	Withdrawals	Service Charge	Present Balance
1.	\$ 42.30	\$ 502.00	\$ 80.60	\$ 6.75	
2.	220.72	304.50	398.63	2.80	
3.	37.09	806.51	329.77	2.85	
4.	849.83	795.14	900.62	0	
5.	19.84	1,136.22	1,108.00	48.06	

6. A portion of Edna Betahkatoch's bank statement is shown. Her previous balance was \$286.91. What is her present balance?

CHECKS AND OTHER CHARGES			DEPOSITS AND CREDIT		BALANCE
Date	Number	Amount	Date	Amount	
9/24	210	\$ 39.95	9/10	\$464.00	
9/27	211	110.27	9/18	ATM 148.90	
9/29	AT-Phone	97.58	9/30	45.21	
	Service charge	2.25			

7. A portion of your bank statement is shown. Your previous balance was \$228.73. What is your present balance?

CHECKS AND OTHER CHARGES			DEPOSITS AND CREDIT		BALANCE
Date	Number	Amount	Date	Amount	
10/13	AT-Sprint	\$ 43.60	10/5	\$146.90	
10/18	143	112.76	10/12	188.42	
10/27	144	10.64	10/19	ATM 135.65	
10/31	ATM	50.00			
	Service charge	5.14			

Student _____

Date _____

Class _____

Instructor _____

SECTION 4-5 Reconciling the Bank Statement

When you receive your bank statement, you compare the cancelled checks, the bank statement, and your check register to be sure they agree. You may find some outstanding checks and deposits that appear in your register but did not reach the bank in time to be processed and listed on your statement. You reconcile the statement to make sure that it agrees with your check register.

$$\text{Adjusted Balance} = \text{Statement Balance} - \text{Outstanding Checks/Payments/Debits} + \text{Outstanding Deposits}$$

Find the new balances and adjusted balances in the table below.

	Check Register Balance	Service Charge	NEW BALANCE	Statement Balance	Outstanding Checks/Payments/Debits	Outstanding Deposits	ADJUSTED BALANCE
1.	\$ 275.14	\$ 4.81		\$ 549.95	\$ 529.63	\$ 250.01	
2.	378.95	4.35		231.36	190.00	333.24	
3.	1,591.40	6.20		1,027.33	0	557.87	
4.	1,202.91	0		2,174.00	1,046.20	75.11	
5.	1,861.20	0		2,361.40	812.14	311.94	

Do the new and adjusted balances agree? _____

6. After comparing your bank statement, canceled checks, and checkbook register, complete the reconciliation statement shown below. What are the new and adjusted balances?

RECONCILIATION STATEMENT			
Check Register Balance	\$ <u>285.14</u>	Statement Balance	\$ <u>182.63</u>
Service Charge	- <u>8.10</u>	Outstanding Checks	
		#202 <u>\$35.92</u>	
		#203 <u>\$28.75</u>	
NEW BALANCE	\$ _____		
			-\$ _____
			\$ _____
		Outstanding Deposits	
		<u>\$129.08</u>	
		<u>\$30.00</u>	+\$ _____
**RECONCILIATION STATEMENT For Your Convenience		ADJUSTED BALANCE	\$ _____

Do the balances agree? _____

SECTION 4-6 Online Banking

Online banking, or Internet banking, allows you to do your banking from your home or business by connecting to the Internet. You may access your account(s) round-the-clock, even on weekends. When you are online, you can transfer funds from checking to savings, savings to checking, make loan payments from checking to loan accounts, and make payments to third parties such as utility companies. You may be charged a fee for these services. The table below shows some online banking charges.

Service	Fee	ATM Transaction Charges:	Fee
Basic Monthly Charge	\$ 6.95	Local Network	No Charge
Bill Payment—First 5 No Charge	0.50	Regional Network Surcharge	\$1.00
Printed Statement	4.00	National Network Surcharge	2.00
Replace Lost Card	5.00	Out of Network Surcharge	3.00
Overdraft	25.00	Cash Advance—2.00% of Amt., \$10.00 Max	

Total Fees = Basic Charge + Bill Payments + Statement + ATM Surcharge + Cash Advance Fee

1. Dale Elamuses uses online banking. He pays the basic monthly charge, 9 bills, and requests a printed statement. He also has ATM transactions that include 2 out of network transactions and a cash advance of \$200.00. What are his total fees for the month?

2. Mark Antonio uses online banking. He pays the basic charge, pays 8 bills, has a lost card replaced. He also has ATM charges that included 2 national network and 2 out of network transactions, and a \$33 cash advance. What are his total fees for the month?

When you bank online, you need to maintain a check register to keep a record of your finances. One feature of online banking is that you can download your current online transactions and put the information into a computer program such as an Excel Spreadsheet, Microsoft Money, or Quicken that contains a check register.

3. On March 15, Atsuko Nagamatus uses online banking to download the transactions on the next page so she can put them on her spreadsheet where she keeps a check register. Note that the transactions since her last logon are shown. Update the check register below the online banking account.

Student _____

Date _____

Class _____

Instructor _____

Date	Amount		Check Number	Description
03/05	\$ 200.00			ATM Withdrawal
03/05	2.00			ATM National Network Fee
03/14	1,251.60	+		Payee/Description: AT DEPOSIT Memo: MEDIVAC PAYROLL 05555
03/14	0.50			Memo: BILL PAYMENT FEE
03/14	0.50			Memo: BILL PAYMENT FEE
03/14	1,541.29			CARD PYMT TO 004:555-565 Online Payment
03/14	100.00			ISAAC WALTON PYMT TO 009:W455 Online Payment
03/14	54.55		122	CHECK Memo: Winn Dixie
03/14	198.54			AT WITHDRAWAL Memo: RO 16 INSURANCE 031202
⊙	DOWNLOAD		⊙	CUSTOMIZE

Transaction Type or Check No.	Date	Check Register			Balance
		Description of Transaction	Payment/Debit (-)	Deposit/Credit (+)	\$ 2,987.59
ATM	05-Mar	ATM withdrawal			
ATM	05-Mar	ATM fee			
AT	14-Mar	MEDIVAC Payroll			
Online	14-Mar	Bill Payment Fee			
Online	14-Mar	Bill Payment Fee			
Online	14-Mar	Card Pmt			
Online	14-Mar	Isaac Walton			
122	14-Mar	Winn Dixie			
AT	14-Mar	Insurance			

