Banking Basics 101

Banking guide on managing your finances
**What is a checking account?**

A checking account is a transaction account where you store the money you need for day-to-day expenses and paying bills.

There are six different ways to access funds from your checking account:

- **ATM**
- **Store or merchant** (shown at right)
- **Mobile device** (shown above, left center)
- **Online**
- **Branch**
- **Paper check**
Making a deposit

Once you have a checking account, you can deposit cash or checks at your bank branch, or with your ATM or debit card at many ATMs.

When making a deposit at the branch, you will need to complete a deposit ticket. You can find blank deposit tickets at your local bank branch.

1. Date: The day you deposit the money.
2. Amount: Add the cash you deposit, and write the amount here.
3. Write out each check in your deposit on individual lines. (There are lines on the back if you need more room for all of your checks.)
4. Add up the amount of cash and the amount of checks in your deposit.
5. Subtract the amount of cash you want to keep in hand.
6. Account number field *note the number on your debit card is not your account number. If you do not have your account number available provide the teller with your debit card with the completed deposit ticket.
Debit cards
Debit cards can be used instead of paying with cash or writing a check when making purchases.

When making a purchase using a debit card you will need to either enter your PIN (Personal Identification Number) or sign for the transaction. Debit card purchases come directly from your checking account’s available funds.

Keep information secure
Keep your PIN and passwords for online banking or mobile banking safe.

Don’t click on links or respond to emails requesting personal information, even if they look like they come from a real merchant or bank. This is called “phishing” and it occurs when criminals impersonate trusted companies. Legitimate companies will never email you to ask for sensitive information like passwords, PIN, Social Security number, or account numbers.
Writing checks

When you write a check, funds will come directly from your checking account, just like a debit card purchase.

- **Routing number**
- **Account number**
- **Check number**
- **Date line**: The date you write the check.
- **“Pay to the order of” line**: The name of the person or business you are paying.
- **Amount box**: Write the amount of the check in numbers starting at the very beginning of the box. This will prevent anyone from adding a digit in front of the amount you've written, altering the dollar amount.
- **Dollars line**: Starting at the beginning of the line, write the dollar amount of the check in words, then the cents as a fraction of 100. Draw a line in the remaining space, so that no one can add more words or change the amount.
- **Signature line**: Sign your name. Do not sign a check until you are writing it to someone specific.
- **Memo line**: Write the purpose of the payment (optional, for your records only).
Internet and mobile banking

Internet and mobile banking allow you to do many things online including checking your balance, making bill payments, and receiving your statements. Your bank may also offer additional online and mobile services for your convenience.

Understanding overdrafts

An overdraft occurs when you spend more money than what you have available in your checking account.

Overdrafts may result in fees. The amount of the fees varies by bank. It’s best to deposit money in your account as soon as possible to cover the amount you overspent and any fees.
Deposit account comparison
There are other saving opportunities to keep your money. Here is a summary:

Checking
• The account where you deposit money to have on hand for day-to-day expenses and paying bills.
• You could access funds through debit cards, checks, online bill payment, mobile banking apps and branch transactions.

Savings
• The account where you save money for short or long term needs.

Money Market
• An account in which you can save money for short or long term needs or goals.
• May require a larger minimum deposit than savings accounts.
• Typically earns a higher interest rate than a savings account.
• Requires a higher balance to earn the higher interest.

Certificate of Deposit (CD)
• An account in which you can save money for longer term needs.
• Typically requires a larger minimum deposit than savings accounts.
• Provides a guaranteed fixed interest rate during a specific period of time.
• You may be charged penalties if you take out money before the CD comes due.
How to read your statement

With a little basic knowledge, reading your checking account statement is easy. Just use this tip sheet as a guide!

1. **Primary account number**: This is your account number.
2. **Statement period**: This shows the exact dates that your statement covers. Any transaction you did outside of these dates won't show on this statement.
3. **Account name & summary**: This shows which account the statement is for and the bank that is providing the account.
4. **Deposits/credits**: This shows all the deposits made to your account, including automatic deposits and deposits you made at the branch or the ATM.
5. **Card/other withdrawals**: This shows any withdrawals you made without a check. It includes ATM withdrawals, debit card purchases and online bill payments. Any service charges on your account will also appear in this section.
6. **Check activity**: This shows a list of all checks that posted to your account during the statement period. When you see a (*) by a check, that means some check numbers before or after it are missing (the bank calls it “out of sequence”). You might want to make sure that any missing checks are destroyed, in your possession, or in the mail. If you have a question about a specific check, the reference number will help your bank’s representative find it.
Not all loan programs are available in all states for all loan amounts. Interest rates and programs terms are subject to change without notice. See the Consumer Pricing Information brochure for terms and conditions that apply to U.S. Bank checking accounts. The creditor and issuer of these cards is U.S. Bank National Association, pursuant to separate licenses from Visa U.S.A. Inc. and American Express. American Express is a federally registered service mark of American Express. Credit products are offered by U.S. Bank National Association and subject to normal credit approval. Deposit products are offered by U.S. Bank National Association. Member FDIC.
Checking accounts Do’s and Don’ts

Do…
Record every check, ATM transaction, debit card transaction, online bill payment and deposit.
Balance your account every time you do anything: make a deposit, write a check, use the ATM, make a debit card purchase, schedule a bill pay, incur a fee, or use a mobile banking app.
Review your accounts regularly, using online or mobile banking services or paper statements.
Keep your PIN and online banking passwords safe.
Contact your bank if you use paper statements and your statement doesn’t arrive on time.
Notify your bank if you’ve moved or changed names.
Carefully review your monthly account statements. If you notice an error, call your bank to correct the mistake.
Sign up for account alerts if your bank offers them. You’ll get automatic text messages or emails if your balance gets low, a transaction is denied, or other events you choose take place.
Review your Account Opening Terms and Conditions to understand the bank’s funds availability policy, pricing, contact information, and other policies.
As you near graduation, meet with your bank to discuss options, particularly if you are returning to your home country.

Don’t…
Don’t spend or authorize more than the available balance in your account. Your debit card transaction may be declined, your check may be returned, and you may generate “overdraft” or “insufficient funds” fees. Plus, the merchant or landlord whose payment doesn’t go through may charge you additional fees or late payment penalties.
Don’t date a check ahead of the day you wrote it. This is called “post-dating.” Even though the date is a future date, the individual or company that you gave it to can deposit it immediately. If they do, and you don’t have enough money in your account, it will cause an overdraft and you will be charged fees.
Don’t endorse a check until you are ready to deposit it. Endorsing the check means that you sign your name on the back of the check. Once you have endorsed the check, you can deposit it in your account or cash it. But if you endorse it and lose it, someone else could try to deposit or cash it.
Don’t use your debit card as an ice scraper or place it near a magnetized area. Doing these things can ruin the magnetic strip, and then your card will need to be replaced.
Don’t forget that when you use your debit card, the amount is withheld almost immediately from your checking account’s available funds.
Banking terminology

ATM (automated teller machines): Otherwise known as money machines or cash machines. These machines allow you to access funds from your account even when your bank branch is not open.

Balance: The amount of money you have in your account. There are two different balances for the amount of money you have in your account. Current balance: the amount of money you have in your account at the beginning of the day, not including any pending deposits or withdrawals. Available balance: is your current balance minus any pending debits from your account. Your pending deposits are also taken into consideration.

Debit card: Plastic card similar to a credit card that draws funds directly from a checking account.

Checkbook register: Used by the account holder to record all activity involving the account (checks, deposits, ATM withdrawals, debit card purchases).

Credit card: A plastic card with a line of credit with a financial institution. A pre-determined credit limit is assigned, and you can pay back whatever you charge either in full or in monthly installments. If you don’t pay back the entire purchase amount owed each month, you’ll owe interest on the outstanding balance.

Debit: Any withdrawal or transaction that removes money from your account.

Deposit: A transaction which adds money to your account.

Direct deposit: Payroll, government or other regularly scheduled deposits made electronically to your account.

Insufficient funds/non-sufficient funds (NSF): An attempted transaction that is returned unpaid when you don’t have enough money in your account to cover the transaction. Your bank will typically charge you a fee for insufficient funds.

Interest: The amount of money, usually expressed as a percentage, that a lender charges to loan money. Interest also refers to monies earned on a deposit account.

Internet (online) banking: Online tool for managing your bank account that allows you to transfer funds, check balances, complete customer service requests, and more.

Internet (online) bill payment: Online tool for paying bills.

Online statements: Electronic copy of your account statement that can be viewed online; replaces a paper statement delivered in the mail.

Overdraft: When a withdrawal or purchase causes your account’s available balance to go below zero. Your bank will typically charge you a fee to cover an overdraft.

Payee: Name of the person or business to whom you write a check or make an online bill payment.

PIN (personal identification number): Your ATM or debit card passcode; can also be used for PIN-based transactions at retailers.

PIN-based transaction: Debit card transaction that requires you to enter your PIN to be completed.

POS (point of sale) terminal: Machine used at retailers that allows you to complete PIN-based debit card transactions by selecting “debit” and entering your PIN.

Post-dating: Dating a check for a day that comes later than the day you wrote it.

Service fee: Cost associated with non-routine checking account transactions, such as overdrafts, PIN-based transactions, etc. Service fees vary by financial institution.

Signature-based transaction: Debit card transaction that requires your signature to be completed.