



Personal Finance: Using a Check Register

This will help you to
not bounce checks.



Lesson Objective

Students will use a check register to track their bank account balances.



Discussion

Does the amount of a check immediately get withdrawn from your bank account as soon as you write it?



Discussion

Does the amount of a check immediately get withdrawn from your bank account as soon as you write it?

No. It does not get withdrawn until the person you wrote it to deposits the check and the bank processes it. This could be three or more months after you wrote it.



True Story

Two individuals had a joint bank account. Anytime they wanted to spend money, they would look online to see how much money was in their account. One day they got a letter from the bank saying that they had overdrawn their account and were being charged \$50 in overdraft fees. Their mistake was forgetting the loan check they had written last month and which had just been charged to their account, but they had already spent that money for other things when their online balance showed they had money in their account.



Bounced Check

If you write a check for more money than you have in your account, **you risk committing a felony crime.**

- Your bank will charge you an NSF (Non Sufficient Funds) Fee.
 - In 2015 the national average fee was \$30.47.
- The store will charge you a fee for bounced checks.
 - Average fee is \$25.00



Bounced Check

A bounced check can cost you \$50.47 in additional fees and might even cost you 6 months in jail plus additional court fees and fines.

Know how much is in your account before you write a check!



The Check Register

The purpose of a check register is to help you keep track of your money as you spend it. The register considers a check as money withdrawn from the account, even if the check has not cleared the bank yet.



Check Register Parts

Enter your starting balance here.

RECORD ALL CHARGES OR CREDITS THAT AFFECT YOUR ACCOUNT

CHECK NUMBER	DATE	DESCRIPTION OF TRANSACTION	PAYMENT/DEBIT		✓	FEE (-)	DEPOSIT/CREDIT		BALANCE	
			(-)				(+)		\$	





Check Register Parts

RECORD ALL CHARGES OR CREDITS THAT AFFECT YOUR ACCOUNT

CHECK NUMBER	DATE	DESCRIPTION OF TRANSACTION	PAYMENT/DEBIT			✓	FEE		DEPOSIT/CREDIT		BALANCE	
			(-)				(-)		(+)		\$	



The check's number.



Check Register Parts

RECORD ALL CHARGES OR CREDITS THAT AFFECT YOUR ACCOUNT

CHECK NUMBER	DATE	DESCRIPTION OF TRANSACTION	PAYMENT/DEBIT			✓	FEE		DEPOSIT/CREDIT		BALANCE	
			(-)				(-)		(+)		\$	



The date the check was written.



Check Register Parts

RECORD ALL CHARGES OR CREDITS THAT AFFECT YOUR ACCOUNT

CHECK NUMBER	DATE	DESCRIPTION OF TRANSACTION	PAYMENT/DEBIT		✓	FEE (-)	DEPOSIT/CREDIT		BALANCE	
			(-)				(+)		\$	

Who the check is written to.
If it is a deposit, then who it is from.



Check Register Parts

RECORD ALL CHARGES OR CREDITS THAT AFFECT YOUR ACCOUNT

CHECK NUMBER	DATE	DESCRIPTION OF TRANSACTION	PAYMENT/DEBIT		✓	FEE (-)	DEPOSIT/CREDIT		BALANCE	
			(-)				(+)		\$	

How much the check spent.

Or, how much the check brought in.



Check Register Parts

RECORD ALL CHARGES OR CREDITS THAT AFFECT YOUR ACCOUNT

CHECK NUMBER	DATE	DESCRIPTION OF TRANSACTION	PAYMENT/DEBIT		✓	FEE (-)	DEPOSIT/CREDIT		BALANCE	
			(-)				(+)		\$	



This is the running total. Take the previous balance and subtract (or add) the amount of the check.



Practice:

Use a Blank Check Register to record these transactions:

- Opening Balance: \$100.00
- Purchase a watch at Kallmart: \$10.00
- Deposit a paycheck (#1539): \$150.00

CHECK NUMBER	DATE	DESCRIPTION OF TRANSACTION	PAYMENT/DEBIT		✓	FEE		DEPOSIT/CREDIT		BALANCE	
			(-)			(-)		(+)		\$	



Practice:

Use a Blank Check Register to record these transactions:

- **Opening Balance: \$100.00**
- Purchase a watch at Kallmart: \$10.00
- Deposit a paycheck (#1539): \$150.00

CHECK NUMBER	DATE	DESCRIPTION OF TRANSACTION	PAYMENT/DEBIT (-)	✓	FEE (-)	DEPOSIT/CREDIT (+)	BALANCE		
							\$		
							\$	100	00



Practice:

Use a Blank Check Register to record these transactions:

- Opening Balance: \$100.00
- Purchase a watch at Kallmart: \$10.00
- Deposit a paycheck (#1539): \$150.00

CHECK NUMBER	DATE	DESCRIPTION OF TRANSACTION	PAYMENT/DEBIT		✓	FEE (-)	DEPOSIT/CREDIT (+)	BALANCE	
			(-)					\$	
101	9/1	Kallmart: watch	10	00				90	00



Practice:

Use a Blank Check Register to record these transactions:

- Opening Balance: \$100.00
- Purchase a watch at Kallmart: \$10.00
- Deposit a paycheck (#1539): \$150.00

CHECK NUMBER	DATE	DESCRIPTION OF TRANSACTION	PAYMENT/DEBIT			✓	FEE		DEPOSIT/CREDIT		BALANCE	
			(-)				(-)	(+)	\$			
											100	00
101	9/1	Kallmart: watch	10	00							90	00
1539	9/1	Paycheck						150	00		240	00



Practice:

Add these transactions:

- Birthday Gift from Grandma: \$50.00
- Repair Bill–BG Home Repair: \$200.00
- Utilities– GHE: \$30.00
- Loan Payment to Hunter Bank: \$40.00

CHECK NUMBER	DATE	DESCRIPTION OF TRANSACTION	PAYMENT/DEBIT		✓	FEE (-)	DEPOSIT/CREDIT		BALANCE	
			(-)				(+)		\$	
									100	00
101	9/1	Kallmart: watch	10	00					90	00
1539	9/1	Paycheck					150	00	240	00



Practice:

How much money is left in your account?

CHECK NUMBER	DATE	DESCRIPTION OF TRANSACTION	PAYMENT/DEBIT		✓	FEE (-)	DEPOSIT/CREDIT		BALANCE	
			(-)				(+)		\$	
101	9/1	Kallmart: watch	10	00					90	00
1539	9/1	Paycheck					150	00	240	00



Practice:

How much money is left in your account?

\$20.00

CHECK NUMBER	DATE	DESCRIPTION OF TRANSACTION	PAYMENT/DEBIT		✓	FEE (-)	DEPOSIT/CREDIT		BALANCE	
			(-)				(+)		\$	
									100	00
101	9/1	Kallmart: watch	10	00					90	00
1539	9/1	Paycheck					150	00	240	00
	9/1	Grandma					50	00	290	00
102	9/1	BG Home Repair	200	00					90	00
103	9/1	GHE: Utilities	30	00					60	00
104	9/1	Hunter Bank: Loan Payment	40	00					20	00



Review:

1. Does the amount of a check immediately get withdrawn from your bank account as soon as you write it?
2. What is the purpose of a check register?



Review:

1. Does the amount of a check immediately get withdrawn from your bank account as soon as you write it?

No

2. What is the purpose of a check register?

To help you keep track of your money as you spend it.