

What is a checking account?

A checking account is the main account that you will use to access money that you need for day to day expenses. While it's called a checking account, there are many ways to access money in this account - a check is just one of them. You can also withdraw money from an ATM machine. You can draw on this account using a CheckCard or you can write a check. In the old days - before ATM machines and check cards were invented - checks were the primary way in which people accessed money in their checking account.

How to fill out a check

The image shows a sample check form with the following details:

- Header:** JAMES C. MORRISON, 1763 SHERIDAN DRIVE, YOUR CITY, STATE 12345. MICR line: ① 8795498790001 123456789
- Top Right:** 560, 00-1188-0000
- Date Line:** ① Today, Date
- Payee Line:** ② Home Car Rental
- Amount Field:** ③ \$ 85.00
- Dollars Line:** ④ Eighty-Five and 00/100 DOLLARS
- Memo Line:** ⑥ rental car
- Signature Line:** ⑤ James C. Morrison
- Other Text:** DELUXE CHECK PRINTERS, YOUR CITY, STATE 12345; NOT NEGOTIABLE, SAMPLE-VOID, DO NOT CASH

1. Date line: Record the date that you write the check.
2. Payee line: Record the name of the person or business to whom the check is written.
3. Amount field: Starting at the far left of the box, write the amount of the check in figures. Placing the figures at the far left will prevent anyone from adding a digit in front of the amount you've indicated.
4. Dollars line: Starting at the far left, write the dollar amount of the check in words and the cents as a fraction of 100. Draw a wavy line in the remaining space.
5. Signature line: Sign your name as it is printed on your checks. Do not sign a check until it is ready to be used. When you sign a check, you become responsible for paying the amount indicated on the check.
6. Memo line: Record what the payment is for.

Note: 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 give it to can go ahead and deposit it. If you don't have enough funds in your account, it will result in an overdraft and you will be charged fees.

How do you maintain your check register?

In the back of your checkbook you will find a check register. You should start with your initial deposit. This is your starting balance. You should record all future withdrawals from and deposits to your account. As you write checks, make other withdrawals, and as you make additional deposits, you should record these transactions and calculate your new balance each time. This will tell you how much you have in your account.

RECORD ALL CHARGES OR CREDITS THAT AFFECT YOUR ACCOUNT							
NUMBER	DATE	DESCRIPTION OF TRANSACTION	PAYMENT/DEBIT (\$)	✓ FEE IF ANY (\$)	DEPOSIT/CREDIT (\$)	BALANCE	
560	8/25	Acme Car Rental	85.00			100.00	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)

1. Number: The number in the upper right corner of the check.
2. Date: The date you write the check, use the ATM, or make a Visa CheckCard purchase.
3. Description of transaction: The person or business to whom the check is written.
4. Payment/Debit: The amount of the check.
5. When your processed checks are returned with your monthly statement, record a checkmark here. This means your check has cleared the bank, been paid, and subtracted by the financial institution from your account. It's call a "cancelled check." In some cases, checks are not returned with your monthly statement. Checks are listed on the front of the statement.
6. Fee: If your financial institution charges a fee per check, or ATM usage, enter that here.
7. Deposit/Credit: When you deposit money in your account, enter that amount.
8. Balance: Subtract your check amount from or add your deposit to your previous balance. The result is your current balance.

How do you balance a checkbook?

Once a month you will receive a monthly bank statement. You can also obtain a bank statement from a U.S. Bank ATM machine or from Internet Banking. And you can find out what items have posted to your account by calling 1-800-USBANKS. At least once a month you should reconcile your register to your U.S. Bank statement.

So what does reconciling your statement mean? It means checking to make sure that the balance you think you have in your account is the same as the balance U.S. Bank is reporting. However, you may have written checks or initiated other transactions that have not posted to your account. The steps to reconciling your account are:

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1. Record the balance in your checkbook \$ _____
2. Subtract any bank charges \$ _____
3. This is your register balance \$ _____
4. Start with the ending balance on your statement \$ _____
5. Add recent deposits not on the statement \$ _____
6. Subtract all withdrawals that have not posted on the statement, including all checks that have not posted \$ _____
7. This is your bank balance. It should match your register balance. \$ _____

Tips for using a checking account

Do

- Record every check
- Record every ATM withdrawal
- Record every CheckCard withdrawal
- Record every deposit
- Balance your checkbook register every time you make a deposit or write a check

Don't

- Don't write a check for an amount greater than your balance. This results in a "bounced" check. The check is returned stamped "insufficient funds". U.S. Bank will charge your account for every returned check. And the vendor to whom you wrote the check will also charge you a fee.
- 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 give it to can go ahead and deposit it. If you don't have enough funds in your account, it will result in an overdraft and you will be charged fees.
- Don't endorse a check until you are ready to deposit it. Endorsing a check means that you sign your name on the back of a check that is made payable to you. Once you have endorsed the check, you can deposit it in your account or cash it.

Step-by-Step Instructions for Balancing a Checkbook

1. Enter the bank balance from the bank statement on the first line of the form.
2. Determine if there are deposits in transit. Compare the deposits listed in your checkbook with the deposits listed on the bank statement. Make a checkmark by each item as you match them from checkbook to bank statement. When you finish checking all the deposits, the ones without a check mark are what the form calls "deposits in transit." List them in the blanks under "deposits in transit" on the form.
3. Figure the total deposits in transit, and write it on the total line.
4. Figure your outstanding checks. Outstanding checks are those you have written and recorded in your checkbook that have not yet come through the bank. Compare the checks listed in your checkbook with the ones shown on the bank statement. Make a check mark by each item that has cleared the bank as you match them up. When you finish going through the checks, the ones without a check mark are your outstanding checks. List them in the blanks under "outstanding checks" on the form.
5. Figure the total outstanding checks, and write it on the total line.
6. Add the balance shown on the bank statement (the first line on the form) to the total deposits in transit, then subtract the outstanding checks. Write this on the line for the adjusted bank balance. (If you can't remember which one to add and which to subtract, the form tells you. When it says "plus," add it. "Less" means to subtract.) The result goes on the last line of that part of the form: "Adjusted bank balance." This represents what the bank balance would be if the bank knew of all your checks and deposits, not just the ones that have already come through.

That's the hard part; the remaining steps are easy.

7. Write your checkbook balance on the line that calls for it.
8. Check to see if the bank statement shows additions to your account that you don't have in your checkbook, such as interest earned. List them under "corrections and interest."
9. Figure the total additions, and write it on the total line.

10. Check to see if the bank statement shows any deductions from your account that you don't have in your checkbook, such as service charges or check printing charges. List them under "Charges, fees, and corrections."

11. Figure the total deductions, and write it on the total line.

12. Just as we did in step 6 above, add the balance on the first line of this side of the form (checkbook balance) to the total additions (the first subtotal), then subtract the total deductions (the second subtotal) to arrive at the adjusted bank balance. Write that on the last line.

13. Now for the moment of truth. Do the two adjusted balance lines agree? If so--and they usually will--you have successfully reconciled your bank account. You have balanced your checkbook. You now know that you haven't left anything off your checkbook and the bank hasn't goofed up any of your transactions. And you know how much money you really have.

14. Write any additions and deductions in your checkbook.

15. If the two balances do not agree, you've missed something. Go back and check it all out again. Be sure as you compare the deposits and checks from your checkbook to the bank statement that the amounts agree exactly. Sometimes the bank will misread your handwriting or make some other error. Go back and check your math on the form. The most likely problem, however, is that you've made a math error in your checkbook. You can go back and re-add it all to find the error, or you can simply believe the bank is right and adjust your checkbook balance to match the bank. If the amount is large, go find it. If the amount is small, it may not be worth your time to track it down.