

Lesson Description

Students participate in an activity to learn about checking accounts, savings accounts and check-cashing services. Students learn the components of a check, and they organize and enter information into a bank account register in order to determine the balance. Students learn why maintaining account records is important. Students balance a monthly account statement.

Concepts

Bank account register
Checking account
Check-cashing services
Savings account

Objectives

Students will:

- Compare checking accounts, savings accounts and check-cashing services.
 - Explain the importance of maintaining records of deposits, withdrawals and payments from bank accounts.
 - Explain the importance of balancing bank accounts.
 - Demonstrate filling out and balancing a bank account register.
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Content Standards

National Standards in K-12 Personal Finance

Planning and Money Management: Organize and plan personal finances and use a budget to manage cash flow.

- **Standard 3:** Describe how to use different payment methods.
 - Eighth-grade expectation 3: Compare the costs of cashing a third-party check at various local financial institutions, including check-cashing services.
 - High school expectation 1: Demonstrate skill in basic financial tasks including scheduling bill payments, writing a check, reconciling a checking/debit account statement, and monitoring printed and/or online account statements for accuracy.
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Time Required

60-75 minutes

Materials

- A copy of Handout 3.1 cut apart
- A copy of Handout 3.2, Handout 3.5 and Visual 3.3 for each student
- Copies of Handout 3.3 and 3.4 for each pair of students
- A copy of Handout 3.4—Answer Key for each pair of students
- Visual of Handout 3.4 for the teacher
- Visuals 3.1, 3.2 and 3.3
- A calculator for each pair of students
- Copies of Handout 3.3—Answer Key and Handout 3.5—Answer Key for the teacher

Procedures

1. Distribute to two students the cards from *Handout 3.1: How To Turn a Paycheck into Cash*. Have the student with card number 1 read the card. Discuss the following.
 - How many of you have a savings or checking account? (*Answers will vary.*)
 - Why do you have savings and/or checking accounts? (*Answers will vary, but may include: My parents made me open a savings account, banks are a safe place to keep my money or I deposit my weekly paycheck into a bank account.*)
 - A **checking account** is an account held at a bank, credit union or other financial institution in which account owners deposit funds. Account owners have the privilege of writing checks on their accounts and are able to use ATM cards and debit cards to access funds.
 - A **savings account** is an account at a bank, credit union or other financial institution in which account owners deposit funds. Account owners are paid interest on the amount deposited in the account. Account owners have the ability to withdraw funds but do not write checks on these accounts. The number of withdrawals in a given period of time may be limited.

2. Have the student with card number 2 read the card. Discuss the following.
 - How many of you have heard of or used (or had a family member use) a check-cashing service? (*Answers will vary.*)
 - Why do people use check-cashing services? (*don't have checking or savings accounts, services are quick and convenient*)

3. Distribute a copy of *Handout 3.2: What Do You Know?* to each student. Divide the class into pairs. Tell each pair to read each statement and decide whether the statement is true or false. Explain that they should be prepared to share their answers.
4. Allow time for pairs to work and then ask each question. Have pairs of students indicate with a “thumbs up” if they think the statement is true and a “thumbs down” if they think the statement is false. Discuss the following.
 - a. People are able to make deposits to and withdrawals from both savings accounts and checking accounts. This statement is true.
 - b. Check-cashing services charge minimal fees for cashing checks. This statement is false. The fees for check-cashing services vary, but these companies charge either a percentage of the check amount or a minimum fee to cash a check—typically up to \$10 each time a check is cashed. If your check is for \$100 and you have to pay a \$10 fee, you are paying 10 percent of your earnings in fees.
 - c. Usually people are able to cash checks for free or for a much reduced fee (less than a few dollars a month) at the bank where they have a savings or checking account. This statement is true. Often students can take advantage of the low or no monthly fees that many banks and credit unions offer to students. A student who has a no-fee student checking account would not pay a fee to cash a check. If savings or checking accounts do have fees, they rarely add up to more than a few dollars a month. Therefore, the monthly fees, if any, for a basic savings or checking account are usually less than the fee charged by a check-cashing service to cash just one check.
 - d. There are fees or costs associated with checking accounts. This statement is true. There are fees associated with checking accounts. For example, there are fees for ordering checks and fees if you bounce a check, i.e., have an “overdraft,” or use a debit card when there isn’t enough money in the account. There may also be fees if you are required to keep a certain amount (a “minimum balance”) in your account and you don’t. If you lose a check and ask the bank to issue a “stop-payment order” for the check so that someone doesn’t find it and then forge your name and cash it, you’ll also be charged a fee.
 - e. Savings accounts pay interest on the balance in the account. This statement is true. Keeping your savings in an account that earns interest is a way to make your savings grow.
 - f. It isn’t legal for companies to require employees to use “direct deposit.” This statement is false. It is legal and many companies do have this requirement. Businesses actually consider direct deposit to be an employee benefit because direct deposit is considered to be more convenient, safer and more efficient than cashing paper checks.
 - g. With a checking account, you can write checks to pay for many types of goods and services. This statement is true. If you want to write a check to

pay for your school yearbook, you can do so if you have a checking account. If you have to pay your own car insurance, you can write a check.

- h. There are no fees associated with savings accounts. This statement is false. There may be fees associated with a savings account. You may be required to have a minimum balance. If the amount in your account falls below that amount, you may be charged a fee. There may be a limit on how often you may make a withdrawal from a savings account. If you make a withdrawal more often, you may be charged a fee.
 - i. You may use an ATM or debit card with both savings and checking accounts. This statement is true. You can make arrangements with your bank to have a debit card that you can use to make withdrawals and deposits from both checking and/or savings accounts.
 - j. Banks are a safe place to keep your money. This statement is true. The Federal Deposit Insurance Corporation (FDIC) insures deposits in bank accounts up to \$250,000 per person per institution. This limit is temporary and is expected to revert to the old limit of \$100,000.
5. Discuss the following:
- How well did you answer the questions on Handout 3.2? (*Answers will vary.*)
 - What would you do if your employer didn't require direct deposit? Would you open a bank account or would you use a check-cashing service, and why? (*Answers will vary.*)
 - Suppose your company requires direct deposit and you open a checking account. How will you know how much money is in the account, particularly as you begin to withdraw, spend and make additional deposits? (*Answers will vary.*)
6. Explain that it is really important to know how much money is available in an account to avoid "overdrawing" the account—that is, taking out more money than is in the account. When a person overdraws an account, the bank charges the account holder a fee. The fee can be quite high—as much as \$35 per overdraft. Discuss the following:
- If you want to keep track of the money in your account, what information do you need? (*Answers will vary, but some students may suggest that you need a list of all your withdrawals and expenditures as well as all your deposits.*)
 - To keep track of the money in your bank account, you need to know the amount of each deposit to your account, the amount of each withdrawal from your account and the amount for each check that you write or purchase you make with a debit card.
 - How could you keep track of the money in your account, i.e., your financial transactions? (*computer spreadsheet, computer program, a notepad*)
 - Banks provide **bank account registers** in which account holders are able to record information in order to keep track of their money. A bank account register is essentially a table in which the account holder records important information.

- When people bank online, they can view an online table that indicates deposits that the bank has received, withdrawals that the bank has recorded, checks that the bank has paid and debit card transactions.
7. Explain that students will complete bank account registers. To do that, however, it is important to understand the various parts of a check. Display *Visual 3.1: Check Out Checks*, and discuss the following:
- Each check has a unique number. When you write a check, you should record the check number in the bank account register. The check number is also shown as the final set of digits along the bottom of the check.
 - Each check has a place to enter the date the check was written. You should also enter the date in the bank account register.
 - Each check has a section to enter the name of the person or company to which the check is being written. You should enter the name in the bank account register, too.
 - Each check has a place to record the amount of the check and to write out the amount of the check. It is important that your written description of the check amount matches the numerical amount. The written description is the legally binding amount. You should also enter the amount of the check in the bank account register.
 - Each check has a signature line. By signing the check, you give your bank permission to transfer money from your account to the account of the person or company to which you have written the check.
 - Each check shows the routing number. This is the first nine digits at the bottom of the check and indicates the financial institution responsible for payment. It is an address for your bank. If you use direct deposit or wish to allow automatic payments from your account, such as a payment for your car insurance, you will have to include this number on the payment instructions.
 - Each check displays the account number. This is the second set of numbers along the bottom of the check. You will have to include this number when arranging direct deposit or automatic payments from your account.
8. Display *Visual 3.2: Bank Account Register*. Remind students that a check register is a tool for keeping track of the money in their account. Discuss the following:
- The first entry records John Dough's first paycheck, which was automatically deposited into his account. It was deposited on Jan. 2, 2010, and it is a deposit or a "credit"; the dollar amount is added to John's balance. Because this was the first deposit, John's balance is now \$125.18.
 - The second entry is a check that John wrote to a clothing store. He has entered the check number, the date the check was written and the amount for which the check was written. This is a payment or a "debit" from his account. The amount is subtracted from his balance. His new balance is \$88.03.

- The next transaction is an ATM (automatic teller machine) withdrawal. Banks offer automatic teller cards to account holders. This allows account holders to deposit and withdraw money from ATMs. In this case, John used an ATM that wasn't one of his bank's ATMs. As a result, he had to pay a fee—also a deduction from his account. His new balance is \$66.53.
 - The next transaction is a debit card transaction. Banks also offer account holders the opportunity to use a debit card, which allows them to have money automatically transferred from their account to pay for a purchase. In this case, John bought dinner at a hamburger shop and paid with his debit card. The purchase amount is subtracted from his balance. The new balance is \$54.81.
 - The next transaction is the automatic deposit of John's second paycheck. This amount is added to his balance. The new balance is \$163.08.
 - The next transaction is a check that John wrote to pay his car insurance. This amount is subtracted from his balance. The new balance is \$73.58.
9. Explain that students will now practice recording transactions in order to track account balances. Divide students into pairs. Distribute a copy of *Handout 3.3: What's the Balance?*, a copy of *Handout 3.4: Bank Account Register* and a calculator to each pair of students. Continue to project Visual 3.2 as a guide.
10. Explain that Andrew Anakoia has not been entering information into a bank account register or an online spreadsheet. He has kept receipts, but he doesn't know his current balance. Tell pairs to reorder chronologically the transactions on Handout 3.3 and to enter them into the bank account register on Handout 3.4 in order to determine Andrew's balance. Allow time for students to work.
11. Display a transparency of *Handout 3.4: Bank Account Register—Answer Key* and distribute a copy to each pair of students. Discuss the following:
- What are fees that Andrew paid? (*\$1.50 for use of an out-of-network ATM*)
 - What was Andrew's balance on June 8? (*\$17.33*)
 - What would happen if Andrew tried to withdraw \$40, make a debit purchase for \$40 or write a check for \$40? (*He wouldn't have enough money in the account.*)
 - Although Andrew could go ahead and write a check, and the bank might allow him to use his debit card, he wouldn't have enough money in the account to cover the expense. The bank would charge him an overdraft fee, and that fee can be very high—as much as \$35.00 for each overdraft.
 - Why is it important for people to keep records of deposits to and withdrawals and expenditures from an account? (*to be certain that they do not spend money that isn't in the account, to avoid overdrafts, to know what they have, to manage their spending*)
 - It is very important to know that the bank has recorded account transactions accurately. It's also important to make sure that you recorded your transactions correctly.

12. Explain that when people have bank accounts, they receive bank statements every month or quarter via mail, and/or the bank provides the account information online for customers to view. The statement or online information keeps people informed of all transactions they made during the statement period and allows them to determine if their records match the bank records. Display a copy of *Visual 3.3: Balancing Andrew's Checking Account* and distribute a copy to each student. Refer students to *Handout 3.4: Bank Account Register—Answer Key*. Discuss the following and refer to *Visual 3.3: Balancing Andrew's Bank Account—Answer Key* as you go through the process of balancing Andrew's checking account with the students:
 - The first step in balancing an account is to put a checkmark by all checks that have cleared and all deposits that have been credited to the account.
 - What is the first item listed on the bank statement? (*a deposit on May 1*) Find that item on the check register and put a check next to the item. It is important to place a checkmark next to the item on the bank statement, too.

13. Tell students to continue placing checkmarks in the bank account register by items listed on the bank statement until reaching the bottom of the bank statement. When students have completed this process, explain that the next step is to enter the ending balance shown on the bank statement in the box on the bank statement worksheet. Ask the students what the ending balance is on the bank statement. (*\$128.22*) Enter the ending balance in the worksheet on the visual and tell students to enter it on their handout. Discuss the following:
 - Are there any deposits listed in the bank account register that do not appear on the bank statement—that is, deposits that do not have a checkmark by them? (*No.*)
 - If there were additional deposits, they would be added to the balance on the statement because the bank has not recorded those transactions on this bank statement. Because there are no additional deposits, the total is equal to the ending balance—*\$128.22*. Demonstrate this procedure by entering the total on *Visual 3.3* and ask students to do the same.
 - Are there any checks, ATM withdrawals or debit purchases which have no checkmarks in the bank account register? (*Yes.*) Are there any fee amounts that do not have a checkmark by them? (*Yes.*) If so, these items must be listed in the "Items Outstanding" area of the worksheet.
 - These items must be subtracted from the balance on the worksheet.

14. As students name expense transactions that are not listed on the statement, write them in the "Items Outstanding" section of the worksheet and have students enter the information on their handout. (Refer to *Visual 3.3: Balancing Andrew's Bank Account—Answer Key*) Discuss the following:
 - Items outstanding must be added together, and the total should be recorded on the line labeled "Total Items Outstanding." (*\$110.89*)

- The total amount outstanding is subtracted from the balance listed on the Total line above. ($\$128.22 - \$110.89 = \$17.33$)
- The resulting amount is the total balance for this time period. It should match the amount shown as the balance in the bank account register. ($\$17.33$)
- If the statement balance and the bank account register balance do not match, you have made an error. It could be a small entry error—for example, entering \$18.67 when the debit amount was actually \$19.67. It could also be that you failed to enter a debit or ATM withdrawal or service fee in your bank account register. And, there is always the possibility that the bank has made an error.

Closure

15. Review the key concepts in the lesson by asking the following questions.
 - What are some advantages of having a checking or savings account? (*money is safe, your money may earn interest depending on the type of account, low or no fees for cashing checks, record of transactions*)
 - What are some disadvantages of using check-cashing services? (*The fees are very high.*)
 - Why is it important to maintain account records and keep track of bank account balances? (*to avoid paying fees for overdrafts, to make certain the records are accurate and show the correct balance, to know where your money is going*)

Assessment

16. Distribute a copy of *Handout 3.5: Assessment* to each student. Review the instructions and allow time for students to work.
17. Review student answers using *Handout 3.5: Assessment—Answer Key*.

Visual 3.1: Check Out Checks


0/10

Andrew Anakoia
1234 Kingsway
Our Town, USA 23456

No. 155

PAY _____ \$

_____ Dollars

 Million Dollar Bank
100 Dollar Lane
Our Town, USA 23456

Memo _____

Card Check

0/10

•• 098765432 1234567890 •• 155

Visual 3.2: Bank Account Register

John Dough's Bank Account Register							
Check Number	Date	Transaction	Payment (Debit)	√	Fee (Debit)	Deposit (Credit)	Balance
	01/02/10	Paycheck				\$125.18	\$125.18
100	01/15/10	Old Blue (clothing)	\$37.15				\$88.03
ATM	01/16/10	Cash (out-of-network ATM)	\$20.00		\$1.50		\$66.53
Debit	01/25/10	Hamburger Haven	\$11.72				\$54.81
	01/30/10	Paycheck				\$108.27	\$163.08
101	02/08/10	Safe Gecko Car Insurance	\$89.50				\$73.58

Visual 3.3: Balancing Andrew’s Bank Account

Bank Statement				
Andrew Anako 1234 Kingsway Our Town, USA		Million Dollar Bank 100 Dollar Lane Our Town, USA	Statement Period: 5/1/10-5/31/10 Account Number: 10-5245	
Date	Item	Withdrawal Amount	Deposit Amount	Balance
1-May	Opening balance/ deposit			\$155.76
2-May	ATM withdrawal	\$40.00		\$115.76
5-May	Debit card	\$47.30		\$68.46
16-May	Deposit		\$95.30	\$163.76
17-May	Check #96	\$95.00		\$68.76
18-May	Debit card	\$34.80		\$33.96
31-May	Deposit		\$155.76	\$189.72
31-May	ATM	\$60.00		\$129.72
31-May	Service charge	\$1.50		\$128.22
31-May ENDING BALANCE				\$128.22
Check #	Amount			
#96	\$95.00			
In your bank account register, mark with a check all checks paid, ATM and debit withdrawals made and certified, and deposits credited.				
Enter the ending balance shown on the bank statement				
Add + (deposit(s) that do not appear on the statement for this period)				\$
				\$
				\$
TOTAL				\$
Enter Items Outstanding: (withdrawals that have been entered in the bank account register, but do not appear on this statement)				
				\$
				\$
				\$
				\$
				\$
TOTAL ITEMS OUTSTANDING:				\$
Subtract total items outstanding from the amount listed on the TOTAL line above and record new amount on TOTAL BALANCE line.				
TOTAL BALANCE This amount should equal the balance in your bank account register. If it does not, then your account does not balance, and there is an error.				\$

Visual 3.3: Balancing Andrew’s Bank Account—Answer Key

Bank Statement				
Andrew Anakoia 1234 Kingsway Our Town, USA		Million Dollar Bank 100 Dollar Lane Our Town, USA	Statement Period: 5/1/10-5/31/10 Account Number: 10-5245	
Date	Item	Withdrawal Amount	Deposit Amount	Balance
1-May	Opening balance/ deposit			\$155.76
2-May	ATM withdrawal	\$40.00		\$115.76
5-May	Debit card	\$47.30		\$68.46
16-May	Deposit		\$95.30	\$163.76
17-May	Check #96	\$95.00		\$68.76
18-May	Debit card	\$34.80		\$33.96
31-May	Deposit		\$155.76	\$189.72
31-May	ATM	\$60.00		\$129.72
31-May	Service charge	\$1.50		\$128.22
31-May ENDING BALANCE				\$128.22
Check #	Amount			
#96	\$95.00			
In your bank account register, mark with a check all checks paid, ATM and debit withdrawals made and certified, and deposits credited.				
Enter the ending balance shown on the bank statement				\$128.22
Add + (deposit(s) that do not appear on the statement for this period)				\$0.00
TOTAL				\$128.22
Enter Items Outstanding: (withdrawals that have been entered in the bank account register, but do not appear on this statement)				
Check #97				\$69.00
Debit				\$15.67
Debit				\$9.97
Check #98				\$16.25
TOTAL ITEMS OUTSTANDING:				\$110.89
Subtract total items outstanding from the amount listed on the TOTAL line above and record new amount on TOTAL BALANCE line.				
TOTAL BALANCE This amount should equal the balance in your bank account register. If it does not, then your account does not balance, and there is an error.				\$17.33

Handout 3.1: How to Turn a Paycheck into Cash

1. John Dough got his first job. He thought he had done everything he needed to do, but then there was a surprise. His employer, ABC Mart, doesn't issue paper paychecks. Employees must have a savings or checking account at a bank or credit union. The company automatically deposits the employees' pay into their accounts. John doesn't have a bank account and isn't so sure that he wants one. ABC Mart gave him the forms he must complete for the automatic deposit. Now, John is going to talk with his mom about opening a bank account.
2. Alesandra Monter has a summer job at *62 Flavors and Counting* ice cream shop. She received her first paycheck and took it to the *Check 'n Cash* store down the street. She had to pay a \$7 fee to have her check cashed, but now she has lots of cash in her wallet.

Handout 3.2: What Do You Know?

Read each statement and discuss with your partner to decide whether the statement is true or false. Indicate true or false by writing T or F in the blank for each statement. Be prepared to share your answers with the class.

- _____ a. People are able to make deposits to and withdrawals from both savings accounts and checking accounts.
- _____ b. Check-cashing services charge minimal fees for cashing checks.
- _____ c. Usually, people are able to cash checks for free or for a much reduced fee (less than a few dollars a month) at the bank where they have a savings or checking account.
- _____ d. There are fees or costs associated with checking accounts.
- _____ e. Savings accounts pay interest on the balance in the account.
- _____ f. It isn't legal for companies to require employees to use "direct deposit."
- _____ g. With a checking account, you can write checks to pay for many types of goods and services.
- _____ h. There are no fees associated with savings accounts.
- _____ i. You may use an ATM or debit card with both savings and checking accounts.
- _____ j. Banks are a safe place to keep your money.

Handout 3.3: What's the Balance?

Andrew Anako's Transactions			
Check Number	Date	Transaction	Amount
98	6/8/10	Books Galore	\$16.25
	5/01/10	Paycheck	\$155.76
	5/2/10	ATM withdrawal	\$40.00
	5/5/10	Debit-Grocery Gallery	\$47.30
96	5/17/10	Safety First Insurance (car insurance)	\$95.00
97	5/31/10	Picture Posers (senior pictures deposit)	\$69.00
	5/16/10	Paycheck	\$95.30
	5/30/10	Paycheck	\$155.76
	6/2/10	Debit-Music Markers	\$15.67
	6/4/10	Debit-Hamburger Haven	\$9.97
	5/31/10	ATM withdrawal (non-network fee 1.50)	\$60.00
	5/18/10	Debit-BP gasoline	\$34.80

Handout 3.4: Bank Account Register—Answer Key

Andrew Anako'a's Bank Account Register							
Check Number	Date	Transaction	Payment (Debit)	√	Fee (Debit)	Deposit (Credit)	Balance
	5/1/10	Paycheck				\$155.76	\$155.76
ATM	5/2/10	Cash	\$40.00				\$115.76
Debit	5/5/10	Grocery Gallery	\$47.30				\$68.46
	5/16/10	Paycheck				\$95.30	\$163.76
96	5/17/10	Safety First Insurance (car insurance)	\$95.00				\$68.76
Debit	5/18/10	BP gasoline	\$34.80				\$33.96
	5/30/10	Paycheck				\$155.76	\$189.72
ATM	5/31/10	Cash (out-of-network ATM)	\$60.00		\$1.50		\$128.22
97	5/31/10	Picture Posers (senior pictures deposit)	\$69.00				\$59.22
Debit	6/2/10	Music Markers	\$15.67				\$43.55
Debit	6/4/10	Hamburger Haven	\$9.97				\$33.58
98	6/8/10	Books Galore	\$16.25				\$17.33

Handout 3.5: Assessment—cont.

Directions: Use the bank account register that you completed for Sandra Sherril and her bank statement below to balance her account.

Bank Statement				
Sandra Sherril 1234 Broad Street Our Town, USA		Million Dollar Bank 100 Dollar Lane Our Town, USA	Statement Period: 5/15/10-6/14/10 Account Number: 10-5245	
Date	Item	Check Amount	Deposit Amount	Balance
31-May	Opening balance/ deposit			\$167.00
1-June	ATM withdrawal	\$40.00		\$127.00
2-June	ATM withdrawal	\$20.00		\$107.00
2-June	Service charge	\$1.50		\$105.50
5-June	Debit	\$47.30		\$58.20
8-June	Check #117	\$28.13		\$30.07
12-June	ATM withdrawal	\$20.00		\$10.07
12-June	Service charge	\$1.50		\$8.57
31-May ENDING BALANCE				\$8.57
Check #	Amount			
#117	\$28.13			
In your bank account register, mark with a check all checks paid, ATM and debit withdrawals made and certified, and deposits credited.				
Enter the ending balance shown on the bank statement				
Add + (deposit(s) that do not appear on the statement for this period)				
TOTAL				
Enter Items Outstanding: (withdrawals that have been entered in the bank account register, but do not appear on this statement)				
TOTAL ITEMS OUTSTANDING:				
Subtract total items outstanding from the amount listed on the TOTAL line above and record new amount on TOTAL BALANCE line.				
TOTAL BALANCE This amount should equal the balance in your bank account register. If it does not, then your account does not balance, and there is an error.				

Handout 3.5: Assessment—Answer Key—cont.

Sandra Sherril's Bank Account Register							
Check Number	Date	Transaction	Payment (Debit)	√	Fee (Debit)	Deposit (Credit)	Balance
	5/31/10	Paycheck		√		\$167.00	\$167.00
ATM	6/1/10	Cash	\$40.00	√			\$127.00
ATM	6/2/10	Cash (out-of-network ATM)	\$20.00	√	\$1.50		\$105.50
Debit	6/5/10	BP (gasoline)	\$47.30	√			\$58.20
117	6/8/10	Buy the Notes	\$28.13	√			\$30.07
ATM	6/12/10	Cash (out-of-network ATM)	\$20.00	√	1.50		\$8.57
	6/15/10	Paycheck				\$150.80	\$159.37
118	6/16/10	Insurance Geek (car insurance)	\$95.00				\$64.37
Debit	6/16/10	Vending Venues	\$15.26				\$49.11
Debit	6/25/10	Hamburgers To Go	\$8.68				\$40.43
Debit	6/26/10	Clothes Rack	\$18.72				\$21.71
Debit	6/28/10	Ice Cold Cream	\$5.87				\$15.84

Handout 3.5: Assessment—Answer Key—cont.

Bank Statement					
Sandra Sherril 1234 Broad Street Our Town, USA		√	Million Dollar Bank 100 Dollar Lane Our Town, USA	Statement Period: 5/15/10-6/14/10 Account Number: 10-5245	
Date	Item		Check Amount	Deposit Amount	Balance
31-May	Opening balance/ deposit	√			\$167.00
1-June	ATM withdrawal	√	\$40.00		\$127.00
2-June	ATM withdrawal	√	\$20.00		\$107.00
2-June	Service charge	√	\$1.50		\$105.50
5-June	Debit	√	\$47.30		\$58.20
8-June	Check #117	√	\$28.13		\$30.07
12-June	ATM withdrawal	√	\$20.00		\$10.07
12-June	Service charge	√	\$1.50		\$8.57
31-May ENDING BALANCE					\$8.57
Check #	Amount				
#117	\$28.13				
In your bank account register, mark with a check all checks paid, ATM and debit withdrawals made and certified, and deposits credited.					
Enter the ending balance shown on the bank statement					\$8.57
Add + (deposit(s) that do not appear on the statement for this period)					\$150.80
TOTAL					\$159.37
Enter Items Outstanding: (withdrawals that have been entered in the bank account register, but do not appear on this statement)					
Check #118					\$95.00
Debit					\$15.26
Debit					\$8.68
Debit					\$18.72
Debit					\$5.87
TOTAL ITEMS OUTSTANDING:					\$143.53
Subtract total items outstanding from the amount listed on the TOTAL line above and record new amount on TOTAL BALANCE line.					
TOTAL BALANCE This amount should equal the balance in your bank account register. If it does not, then your account does not balance, and there is an error.					\$15.84