

Fill in the check registry with the information from the checks you wrote earlier

[illegible]

When you have a checking (or savings) account, each month your bank sends you a **bank statement**.

A **bank statement** is a list of all of the activity on your account, including:

- Deposits
- Checks
- Service Charges
- ATM Transactions (deposits and withdrawals)

To check for any errors, it is important to **reconcile** your check register with the monthly bank statement.

Why is it likely that the bank statement ending balance will be different from the balance in your check register?

*Timing issues - some charges/deposits recorded by one party and not by the other.*

ACCOUNT SUMMARY												
BEGINNING BALANCE			TOTAL DEPOSITS & TRANSFERS AMOUNT			TOTAL CHECKS & PAYMENTS AMOUNT			SERVICE CHARGE		ENDING BALANCE	
		414 09		468 00	2		444 48	13	7 25		430 36	
TRANSACTION DETAIL						DAILY BALANCE SUMMARY						
CHECK NUMBER	DATE POSTED	AMOUNT		DESCRIPTION OF TRANSACTION			DATE	BALANCE				
CHECKING ACCOUNT		5763460										
				LAST STATEMENT BALANCE			11-12	414 09				
	11-14	312 00		DEPOSIT			11-14	726 09				
	11-22	156 00		DEPOSIT			11-18	724 09				
							11-19	679 09				
874	11-18	200		PERSONAL CHECK			11-20	622 09				
875	11-19	300		PERSONAL CHECK			11-21	586 10				
876	11-19	420 00		PERSONAL CHECK			11-22	742 10				
877	11-20	1500		PERSONAL CHECK			11-23	671 10				
878	11-20	4200		PERSONAL CHECK			11-25	568 14				
880	11-21	3599		PERSONAL CHECK			11-28	478 14				
881	11-23	4600		PERSONAL CHECK			12-10	430 36				
882	11-23	2500		PERSONAL CHECK								
883	11-25	2300		PERSONAL CHECK								
884	11-25	2392		PERSONAL CHECK								
885	11-25	5604		PERSONAL CHECK								
886	11-28	9000		PERSONAL CHECK								
887	12-10	4053		PERSONAL CHECK								
	12-10	725		SERVICE CHARGE								

**Example:**

Your 12/10 bank statement shows your deposits and checks for the past month and shows an ending balance of \$430.36. But, your check register shows a balance of \$350.19 on that date. Reconcile this account statement with your check register, accounting for the \$7.25 service charge and that check #879 for \$87.42 is still outstanding.

To reconcile your check register with the bank statement, think about what is missing from each listing. For example, if you have written checks that have not cleared the bank yet, they will be missing from the bank statement, but will be listed on your check register. The check register is correct because the money will eventually need to be deducted from your account. Therefore, you will need to deduct any outstanding checks from the bank balance.

**What would you do for deposits not listed on your bank statement?**

**What about for service charges missing from your check register?**

Starting with the bank statement:

Starting with your check register:

Adjusted Balance: \_\_\_\_\_

Adjusted Balance: \_\_\_\_\_

Reconciled Balance: \_\_\_\_\_

Think of reconciling the accounts as a way of correcting each listing to make up for missing information. The adjusted balance is the amount of money you **actually** have.

Bank statements are available daily by accessing the information online.

Banks sometimes send your cancelled checks (what are these?) to you with your statement. Why might you need to have your cancelled checks?

*they are your proof of payment*

Why do banks charge fees?

*To make money to cover their operating expenses and make a profit*

Do banks always charge service fees?

*No - depends on the size/type of account*

What is a "hold" on a check?



What does "Insufficient Funds" or NSF" mean?

*The check is written for more than what's in the account*

*"Bounced check"*

Practice:

- 1) Reconcile the bank statement balance with the check register balance. Find the adjusted balance.

Check register balance	\$479.70
Statement ending balance	\$582.43
Outstanding checks	\$29.83 and \$76.40
Service charge	\$3.50

Adjusted Balance: \_\_\_\_\_

- 2) Reconcile the bank statement balance with the check register balance. Find the adjusted balance.

Check register balance	\$551.38
Statement ending balance	\$556.63
Outstanding deposits	\$75.00
Outstanding checks	\$62.45 and \$18.75
Service charge	\$0.95

Adjusted Balance: \_\_\_\_\_