

2-2: Make Deposits and Write Checks

Cast List

- Darryl
- Terri
- Alicia, 40-50 y.o. white female
- Cheryl, mom 45-55 y.o. white female
- Kelly, daughter 22 y.o., white female

Synopsis

- Darryl and Terri bring Alicia to help teach Cheryl - a recent college graduate - how to make deposits, write checks, and record transactions in the register

Location

- Cheryl and Kelly's rural home

- A. Making a Deposit
 - a. Filling in a deposit slip
 - b. Making a deposit with an ATM card
- B. Direct Deposit
 - a. Easy and safe
 - b. Not expensive
 - c. Quicker access to money
 - d. Can get Federal benefits via direct deposit
- C. Recording a Deposit in the Register
 - a. Definition of register
 - b. Number
 - c. Date
 - d. Amount of deposit or credit
 - e. Balance
- D. Writing a Check
 - a. Check number
 - b. Date
 - c. Name to the Order Of
 - d. Amount
 - e. Memo
 - f. Signature
- E. Recording a Check in the Register
 - a. Number
 - b. Date
 - c. Amount of payment or debit
 - d. Balance
- F. Recording Other Transactions in the Register
 - a. ATM
 - b. Debit
 - c. Credits
 - d. Fees
- G. Online Banking
 - a. Electronic bill pay
 - b. Online statement
- H. Phone Banking
 - a. Telephone banking (landline)
 - b. Mobile banking

Theme music up

DARRYL: This is the 'Money Smart Podcast Network, with Darryl and Terri.'

Cross-fade music with SFX: Outside rural ambience.

DARRYL (continues): We're answering questions about money and banking from people all across the country on this podcast series. And not long ago we got a letter from Cheryl Kingsman of Norfolk, Nebraska.

CHERYL: (*recording of her reading the letter she sent; to be read in a slightly stilted manner, as a non-actor would when reading something out loud*) “Dear Terri and Darryl—”

DARRYL: (breaking in) Of course she means, “Darryl and Terri.”

CHERYL: 'My daughter Kelly just finished state college. She's back home, and opened her first checking account. It's not so obvious how to do the basics – make deposits and write checks. Can you help?'

DARRYL: So we took a little road trip to Nebraska and brought along one of our financial experts, Alicia Bianca. It was a long drive from the hotel, but I'm here at the Kingsman home with Alicia and, of course, my co-host Terri. *(pause)* Terri?

TERRI *(startled awake)*: Hm? Yes. I'm ready!

DARRYL: Are you with us, Terri?

TERRI: Yes. Sorry. I didn't get much sleep last night.

DARRYL: What was the problem?

TERRI: You know, I'm a city girl. And it's so... *quiet* out here. Couldn't sleep a wink. I kept hoping for a couple of ambulance sirens. A shouting match over baseball teams. *Something* to help me get to sleep.

DARRYL: Well, try to keep up. We're here at the Kingsmans'. And don't step in that.

TERRI: What? *SFX: squish sound* Oh!

SFX: Porch floorboards creaking, door knock.

CHERYL: Yes?

DARRYL: Hi, Mrs. Kingsman. It's Darryl and Terri.

TERRI: *(under her breath)* Won't...come..clean.

SFX: Boots being rubbed on grass or porch steps

CHERYL: Yes, from the podcast! (*"shouting" off mic*) Kelly! *(to those at her door)* Come on in.

SFX: sounds of the door opening wider and two people entering the door; footsteps down stairs as Kelly comes to meet the guests

CHERYL: This is my daughter, Kelly.

KELLY: Uh...hi...?

CHERYL: These are the people from the radio I told you about.

DARRYL: Congratulations on your graduation, Kelly! Meet Alicia Bianca. She's one of our experts – Vice President at Second Community Bank, and she also teaches Money Smart classes as a volunteer.

ALICIA: Hello.

CHERYL: Welcome, Alicia. I hope you can help Kelly with her new account.

ALICIA: I'll certainly do my best.

CHERYL: Let's move into the dining room. We can use the big table. Are you coming, Terri?

SFX: Boots being rubbed on grass or porch steps

TERRI: (*grunting*) This stuff just doesn't come off! (*To Darryl*) I'll be right there.

SFX: Steps into house, down hallway, settling at chairs

DARRYL: Thanks for your letter, Cheryl. You know, it's funny – with all the options there are for banking these days, like ATMs, online banking, debit cards, and even mobile banking – there are still times people need to make a deposit or write a check.

CHERYL: That's what we found.

KELLY: Yeah. At school we just had cards for everything. The cafeteria, the bookstore. I never had to write a check or anything.

ALICIA: Learning the basics of writing checks and making deposits can be useful – even if, like many of us, you wind up mostly using ATMs or online banking.

DARRYL: So where do we start?

CHERYL: Well, Kelly has several checks she got as graduation presents. How about making a deposit?

ALICIA: Sure. If you're going to go to a teller or do a deposit by mail, you'll need to fill out a deposit slip. Let's start there.

KELLY: OK.

ALICIA: Did you get your personalized checks yet?

KELLY: Yeah. My checkbook came in the mail yesterday.

ALICIA: Good. You'll see at the back of each pad of checks there are deposit slips preprinted with your name, address, and account number. If you don't have your personalized slips with

you, the bank always has blanks. You just need to fill in your name and account number yourself.

KELLY: Here's one.

ALICIA: OK. Start by filling in today's date on the date line.

KELLY: All right.

ALICIA: On the right side of the slip, there are rows for writing in the deposit amounts. The first row is labeled 'cash.' If you had paper bills and coins to deposit, that's where you would write the total.

KELLY: I just have checks.

ALICIA: Fine. So just leave that first row blank. The rows below 'cash' are where you write in the amounts of any checks you want to deposit. What's the first check you have?

KELLY: A hundred and fifty dollars. From Uncle Ted.

ALICIA: OK. Write 150 dollars and zero-zero cents in the first row here. See how the decimal point is already printed for you?

DARRYL: It makes it easy to line everything up. Right, Terri?

SFX: Terri lets out a short snort sound in her sleep, waking herself up

TERRI: *(startled)* Wha—Oh, I am so sorry!

CHERYL: *(laughing)* No sleep? You must be a city girl.

TERRI: Forgive me!

CHERYL: That's ok, hon!

KELLY: So how do I deposit more than one check? Do I just list them down the slip, each in a separate row?

ALICIA: Exactly! And if you flip the deposit slip over, there are more lines if you need them.

KELLY: I wish I had that many checks to deposit!

ALICIA: Well, if you did, the front of your deposit slip has a place for you to put the total amount from the items you've written on the reverse side.

KELLY: OK. This next check is for 100 dollars. And the last one, from my grandma, is for 25.

ALICIA: Then you add all of your cash, if you had any, and checks and write the amount where it says 'subtotal.'

KELLY: That's 275 dollars. Right?

ALICIA: Yes.

KELLY: What's this space below the 'subtotal'? It says, 'less cash.'

ALICIA: That's if you wanted some cash back from your deposit. Suppose you wanted to get 40 dollars in cash for the weekend.

KELLY: So I'd really only be depositing 235 dollars.

ALICIA: Exactly. You could write 40 dollars on the 'less cash' line and then 235 dollars on the 'net deposit' line. If you're getting cash back, you'll need to sign the deposit slip on the line below the date that says 'Sign here if cash received from deposit.'

KELLY: No, I want to deposit it all.

ALICIA: Then write zero-zero on the 'less cash' line and 275 dollars next to 'net deposit.' That's it! You'd take your checks and the deposit slip to a teller. Wait, there's one more thing.

KELLY: What's that?

ALICIA: Before you give your deposit to the teller or feed it into the ATM, you need to endorse each check. Just turn each check over and sign your name on the back.

KELLY: I remember. I've done that before when I got checks for my birthday.

ALICIA: There you go! Then the teller would take your deposit and he or she would put the money into your account and give you a receipt for the transaction.

KELLY: OK. That was simple.

DARRYL: Depositing checks at an ATM is even simpler.

ALICIA: It is! Once you've put in your card and PIN number, most ATMs let you deposit checks directly into the machine. Without a deposit slip or an envelope. Many scan the checks and automatically read the amount.

KELLY: Wow!

ALICIA: There's something I strongly recommend.

KELLY: What's that?

ALICIA: It's a very good idea to record all your transactions – deposits, checks you write, debit card purchases, account fees – put them *all* in your checkbook register. If you keep it up to date, you'll always know what you have in your account. And that will help you avoid overdrafts and bounced checks.

DARRYL: Ha. I wish I'd remember to do that a little more often. Terri, do you know how much that box of beef jerky cost me last week, taking into consideration the overdraft—Terri? Terri?!

TERRI: *(startled awake)* Hm! Yes. I'm ready!

DARRYL: Never mind, 'city girl.'

CHERYL: Maybe you could show Kelly how to do the register now, Alicia.

ALICIA: Glad to, Mrs. Kingsman. In the front of your checkbook, Kelly, there's a pad with lots of blank rows and columns.

KELLY: This?

ALICIA: Yes. That's the register. Most checkbook registers have six main columns, like this one. The first column is for the check number, or code. The second is for the date. The third is where you can write the recipient of a check, or where a deposit came from. The fourth column is for recording the amount of any payment, withdrawal, or fee; the fifth column is for any deposits or credits.

KELLY: What's the last column for, all the way to the right?

ALICIA: The last column is for a running account balance. To keep that up, we need to know exactly how much is in the account now.

CHERYL: I opened it with my graduation gift to her. So there's currently \$300 dollars in it.

KELLY: Oh, Mom! Thank you!

DARRYL: *(sighing)* I love it when we bring people closer together.

SFX: Terri, in her sleep, indicates how sweet she thinks it is with an "awwww!" followed by a quick snort.

ALICIA: OK, Kelly. So you can write that opening balance up here. Each transaction then has its own row. So we'll use the first row to record your deposit. You don't need to put a number in the first column, because this is a deposit, not a check. Put today's date in the second column.

KELLY: There?

ALICIA: Yes. Then you can write 'deposit' in the third column, and in the fifth column you put the amount of your deposit.

KELLY: 275 zero-zero. And nothing in the fourth column, right?

ALICIA: Right, because this is a deposit.

KELLY: How do I do this – 'balance'?

ALICIA: Very important. In the last column, you want to add the opening balance of 300 dollars from the previous line – and the amount of your deposit from this line.

KELLY: 575 dollars.

DARRYL: (*admiringly*) She's good!

ALICIA: And that's what you write in the last column. That way, if you keep it up to date, you'll always know how much money you have in your account.

KELLY: I get it. If it was a check or some other payment, I would subtract it instead of add it.

ALICIA: Yes. Very good.

KELLY: Can I write a check now?

ALICIA: I just wanted to point out that there's another benefit of keeping your register up to date. Suppose there's a question – like a credit card company calls and says they haven't gotten their payment yet. You can look in the register and tell them you sent in check number 325 for 145 dollars and 36 cents on October first.

DARRYL: What do you want to write a check for, Kelly?

KELLY: Mom's making me pay my own cell phone bill now. It's right here. 78 dollars and 23 cents for one month – can you believe that?!

CHERYL: You might want to go easier on the texting from now on.

KELLY: Mom!

DARRYL: (*sighing*) It breaks my heart when the people we bring closer together let texting get between them.

ALICIA: Let's give it a try. Look at the first check you have. It's got a reference number in the upper right hand corner. You'll need that later for your register.

KELLY: The first one is 101.

ALICIA: Right. Start by putting today's date on the date line, including the month, the day, and the year. Then write the name of the person or business you want to pay on the line marked 'Pay to the Order Of.' In this case, it's your mobile phone carrier.

KELLY: *(pause)* OK.

ALICIA: Now put in the amount of the check. You actually do this twice on each check, in two different ways. First, write the amount in number form in the rectangular box at the end of the payee line. You see that? You know it's the right box because there is a dollar sign in front of it. Write 78 point 23 there. Even if it's an even amount, like 70 dollars, put a decimal point and two zeroes. That way no one can go back and add to your check fraudulently.

DARRYL: That's a good idea.

ALICIA: On the next line, write out the amount of the check in words.

KELLY: What do you mean?

ALICIA: Spell out the dollars – like 'seventy eight.' Then put the cents as a fraction of one hundred, like 23 one hundredths. Again, this prevents anyone from changing the amount of the check.

KELLY: Ok.

ALICIA: There are two more lines. The one at the bottom left is for a memo. You can write something like 'phone bill for October.' Sometimes companies that sent you bills want you to put your billing account number on the check somewhere. The memo line is a good place for that. Then sign your name on the line at the bottom right, and you're done.

KELLY: What about recording it in the register?

ALICIA: Hey, fast learner! OK, let's do that now.

KELLY: So, I'll put the check number in the first column, right? Then the date. Then what the check is for.

ALICIA: Right, and since this is a check, the amount goes in the fourth column.

KELLY: And for the balance, I would subtract 78 dollars and 23 cents from the 575 dollars I have after the deposit. I don't know if I can do that in my head.

DARRYL: Terri's good at that. Terri? Terri?!

TERRI: Mmph?

DARRYL: Never mind.

CHERYL: That should be 496 dollars and 77 cents.

KELLY: Thanks, Mom.

DARRYL: So, Kelly – are you clear on writing checks, making deposits, and recording them in the checkbook register?

KELLY: I think so. But what about recording other things, like when I use the ATM?

ALICIA: Good question. If it's a payment or withdrawal – say, you buy something with your debit card or get some cash out of the ATM – you record it like a check. Except, of course, there won't be a check number. You can just write a memo like 'ATM' or the name of the store where you used your debit card. You can write any description as long as you know what it means! You should also record all credits or fees charged to your account as soon as you can.

DARRYL: That's right. Even those small fees for using another bank's ATM can add up and cause an overdraft. Ask me how I know.

KELLY: Beef jerky.

DARRYL: Exactly.

KELLY: How do I find out what those fees and credits are?

ALICIA: You'll get a statement from your bank every month, and everything will be clearly listed there. When you 'balance' your checkbook you can reconcile any charges or credits that you haven't already entered. What's even better, though, is online banking.

CHERYL: I'd like to know more about that, too.

ALICIA: Well, even though it's good to know how to write a check and fill out a deposit slip, my guess is that Kelly may want to do a lot of her banking online. If you have access to the Internet, you can see how much money you have in your account, check to see if a deposit or check has been recorded to your account, transfer money between accounts, and even pay your bills.

DARRYL: What if you don't have Internet access?

ALICIA: You can do a lot of the same things with telephone banking. But lots of people are taking that a step further if they have a smartphone and their bank and cell phone provider allow mobile banking. Along with everything I just mentioned, you may have the option to get text message alerts about your account balance or transactions.

CHERYL: *(to Kelly)* I guess you're going to have to make sure those text messages are included in your mobile phone plan.

KELLY: *(groaning)* Yes, Mom.

ALICIA: I think one of the best parts of online banking is Electronic Bill Pay. If your bank offers it, you may not have to write many paper checks at all.

KELLY: How does that work?

ALICIA: Two ways. You can set up Electronic Bill Pay so that a business can automatically deduct money from your account each month on the due date. That's good for a monthly expense that's the same every time, like a student loan. For other expenses, like the mobile phone bill you just paid, Kelly, you can enter all the information online and have the bank mail or transfer the money for you, or on any date you choose. No paper check, no postage, no trip to the mailbox. Just be sure to keep track of any electronic bill payment, just as you would with an everyday debit card transaction.

KELLY: That sounds awesome.

SFX: Rooster crows

TERRI: (*suddenly wide awake*) What was *that*?

CHERYL: (*laughing*) That's Foghorn the rooster, out in the yard.

KELLY: (*laughing*) He started at 5AM and he'll go on until sunset.

TERRI: (*grumpy*) I'd settle for a nice car alarm right about now.

DARRYL: Well, I think we've covered a lot of ground in this segment. I'd like to thank Kelly and Cheryl for inviting us into their home, Alicia for providing the great advice, Terri for making a valiant effort to *try* to stay awake, and Foghorn for making that easier.

KELLY, CHERYL: Thank you!

ALICIA: Glad to help out!

DARRYL: I'm sure Terri will be back in fine form on our next segment. For now, so long from Norfolk, Nebraska and thanks for listening to "The Money Smart Podcast Network with Darryl and Terri."

Music up and out.