theme music up

Darryl: This is the “Money Smart Podcast Network, with Darryl and Terri.”

Cross-fade music with SFX: Hospital hallway.

Terri: On this podcast series, Darryl and I have been responding to letters and e-mails about money and banking from people across the country.

Darryl: Our travels today take us to County General Hospital, because we recently received a letter from Nurse Kimberly Simmons who works here.

Terri: Nurse Simmons wrote: “Dear Terri and Darryl. I work with Dr. Jeffrey Mason, a brilliant heart surgeon…who couldn’t balance his checkbook to save his life.”

Darryl: A heart surgeon!

Terri: (talking louder as a way to show her displeasure at being interrupted) Continuing! She writes, “I’m tired of hearing him complain about being ‘surprised’ by what’s on his bank statement every month. Can you help?!”

Darryl: Wow, Dr. Jeff and I have that in common!

Terri: Sure, Dr. Mason certainly isn’t alone in having trouble reconciling a checking account.
DARRYL: Just goes to show that you can be pretty smart – and still be perplexed about how to make all the numbers add up.

TERRI: That’s true.

DARRYL: I really feel Dr. Jeff’s pain. I’ve had a checking account for years and I still cross my fingers every time I write a check.

TERRI: You’re a piece of work.

DARRYL: But what’s the point, Terri? Doesn’t the bank keep track of what’s in your account?

TERRI: Absolutely. But it’s your responsibility to keep good records, and to understand the balance in your account. If you don’t…well, for one thing, you could bounce a check. Writing a bad check can cost you a lot in overdraft and returned check fees.

DARRYL: *ruefully* That it can.

TERRI: If you’re the victim of fraud or identity theft, you might not be aware of it unless you review and reconcile your account. And – although it’s rare – banks can make mistakes. If you notice they made a mistake, you need to tell them about it no later than 60 days after the date of the statement to be fully protected.

DARRYL: I didn’t know that. Well – we’re right on time to meet Nurse Simmons and Dr. Jeff in the hospital cafeteria.

*Cross-fade to hospital cafeteria ambience, clinking plates and trays, muted PA announcements.*

DARRYL: OK, we’re here with Jeff Mason, a doc—

DR. MASON: —Dr. Mason.

DARRYL: Of course. We’re here with Dr. Jeff M—

DR. MASON: —Just, “Dr. Mason.”

TERRI: Uh, why don’t I begin. So, Dr. Mason, as we explained earlier, Nurse Simmons here—

KIM: —oh, just call me “Kim.”

TERRI: Thank you. Kim explained that you seem—

DARRYL: —she said Dr. Jeff can’t balance his checkbook.

TERRI: *cutting in quickly* She said, Dr. Mason, that you, uh, don’t seem to have, uh, the time to balance your checkbook and she asked if we could show you the steps so you can see it really doesn’t take long at all.
KIM: Oh, uh, right.

DR. MASON: Well, I suppose I do have a few minutes before my next cardiac bypass.

DARRYL: (clearly impressed) Cardiac bypass?!

TERRI: Well, OK, Dr. Mason. Since you’re used to having Kim assist you in surgery, we thought we’d have her help you out here, too.

DR. MASON: Fine by me. What I don’t get is – why is the balance on the bank statement different than my checkbook? It’s that way every month. Am I doing something wrong?

TERRI: Do you want to take that one, Kim?

KIM: Dr. M., there are a number of reasons your checkbook balance can be different than your bank statement balance.

DR. MASON: Like what?

KIM: Well, suppose you wrote a paper check and mailed it to somebody. It might take several days for that check to be delivered. The payee might not deposit it right away, either.

DR. MASON: So I would have subtracted it from my checkbook balance, but the bank wouldn’t have it yet.

KIM: Right. Same thing for a deposit that you might have mailed in, or an ATM transaction you make after hours. And don’t forget about any bills or payments you set up to have paid on a recurring basis from your account.

DR. MASON: Huh?

KIM: Maybe you gave your landlord permission to deduct your rent out of your account, or—

DR. MASON: —right, I did. My landlady gets paid automatically on the first of every month…. OK, so there could be a difference between some checking business I’ve just done and wrote down in my register, versus what information the bank has.

KIM: Uh huh. Then there are things like fees. You might not always know right away if you’re charged a fee for dipping below your minimum balance. Or, if your account pays interest, you probably won’t see exactly how much until your statement arrives.

DR. MASON: Right.

KIM: Then, of course, we all know that doctors never make mistakes…

TERRI: Unlike, say, male podcast hosts…
DARRYL: Hey!

KIM: …but just in case you’ve made any errors in arithmetic or in recording the amounts of your checks, balancing your checkbook is a good way to figure them out and fix them.

TERRI: What do you say, Dr. Mason? Ready to scrub in and get started?

DR. MASON: Sure. Here’s my bank statement and my checkbook register.

TERRI: How closely have you looked at your statement before?

DR. MASON: To be honest, not that closely. I’ve usually just looked at the balance.

KIM: So, Dr. M., the statement has the bank name and address, and your name and address and account number here. Right here it lists all of the checks the bank has paid in order.

DR. MASON: Uh huh. It’s a list of check numbers.

KIM: Right. Then over here it has the fees, ATM withdrawals, debits, and deposits by date. It also has your balance at the beginning and at the end of the statement period.

DR. MASON: And that ending balance is different than what I have in the checkbook register.

KIM: Figuring out that difference is called reconciling your account – or balancing your checkbook.

DR. MASON: What do we do first?

KIM: Your statement probably has a worksheet on the back.

DR. MASON: Yes, I guess it does.

KIM: Most statements do. OK – you start with the ending balance on your bank statement. That’s the amount of money you had in your account on the closing date of the statement according to your bank’s records.

DR. MASON: 250 dollars and 25 cents.

KIM: OK, we need to write that at the top of the balance worksheet. (like ordering a scalpel during surgery) Pencil!

SFX of pencil being slapped into her hand.

DR. MASON: Pencil.

SFX of scribbling in pencil. We hear similar scribbling at relevant moments during the scene.
KIM: How about the balance in your checkbook register?

DR. MASON: 185 dollars and 63 cents. The bank thinks I have more than I do.

KIM: Not unusual. Let’s find out why. Now you want to check off the things that appear in your checkbook register that are also on this month’s statement.

DR. MASON: Let’s see. Check 1012 is in both places. 1013, 1014. 1015 is not on the statement, but 1016 is. And the last one I wrote is 1017. It’s not on the statement either.

KIM: How about deposits and fees?

DR. MASON: I made a deposit last week. It’s on the statement. But I deposited another 275 dollars on Friday, and that’s missing. Now wait a minute… on the statement there’s 3 dollars here, and here, and here. I guess those are ATM fees. I didn’t have those in the register. And this 55 dollars and 62 cents – what is that?

KIM: It looks like a debit card purchase.

DR. MASON: Oh yes – gas. So the bank hasn’t paid those two checks yet, but I hadn’t subtracted those ATM fees and the gas I put on the debit card. That’s why the balance is different. How do we fix it?

KIM: Well, first let’s update your register with the fees and purchases you didn’t record. That’s 3 dollars each for three ATM fees and the 55 dollars and 62 cents for the debit card purchase.

DR. MASON: (writing) OK – that’s one, two, three ATM charges and the gas… How much is that?

KIM: Calculator!

*SFX of calculator being slapped into her palm.*

DR. MASON: Calculator.

*SFX of calculator buttons.*

KIM: It comes to 207 dollars and 91 cents.

DR. MASON: That’s my real checkbook balance.

KIM: Good! Now we can go back to the worksheet. What you want to do is record any checks that are in your register but not on your statement in the space that says ‘outstanding checks.’

DARRYL: I think all checks are outstanding – at least when I’m the recipient.

TERRI: Keep this up and I might have to leave you at the trauma ward upstairs.
DR. MASON: OK – check 1015 was not on the statement, for 123 dollars and 55 cents. And check 1017 was for 216 dollars and seven cents. What’s this space for 'outstanding withdrawals'?

KIM: That would be for debit purchases or withdrawals that were in your register but not in the statement.

DR. MASON: No, none of those.

KIM: Good. So we subtract those outstanding checks from the ending balance of your monthly statement.

DR. MASON: OK, 250 dollars and 25 cents minus 123 dollars and 55 cents minus 216 dollars and seven cents – wait a minute, I’m short 89 dollars and 63 cents.

KIM: But Dr. M., we’re not done. That deposit you made should go under “outstanding deposits” and add it to your subtotal.

DR. MASON: Oh yeah – let’s see, plus 275 dollars even. That’s 185 dollars and 63 cents. Hey – that’s what I had in the register!

KIM: Then we’ve balanced your checkbook. The balances on your check register and the bank statement worksheet match.

DARRYL: Doctor, I think your operation was a success.

KIM: (to Darryl) Thank you. (To Dr. Mason) I have to say, Dr. M., balancing a checkbook can be harder if you have a lot more outstanding items. But the principle is the same.

TERRI: And it seems to me that it’s well worth the time so that you can really make sure the amount of money you think is in your account is correct. What about with online banking, Kim? How does that affect reconciling an account?

KIM: Well, online banking can make the whole thing a lot easier. With online banking you can usually view your account whenever you want – you don’t have to wait until your monthly statement arrives or is posted. With electronic bill pay you don’t have to wait for a check to be delivered and deposited by the payee.

TERRI: So your register is usually a lot more up-to-date.

KIM: Sure, but still, the available funds shown on the website might be less than you really have available.

DARRYL: How’s that?

KIM: Well, debit card transactions often get deducted from your account immediately. But…
TEKKI: Not always.

KIM: Right. Other times it may take a day or two. So it’s a good idea to understand the reconciling process and look for errors or fraud.

DARRYL: That’s a good point. Dr. Jeff – Sorry Dr. Mason, do you know what you should do if you just can’t balance your checkbook and you think there’s something wrong?

DR. MASON: No.

DARRYL: If you think there’s a mistake or somebody’s using your account fraudulently, you want to call or go to your bank as fast as you can. Did you know that if you notice they made a mistake, you need to tell them about it no later than 60 days after the date of the statement?

DR. MASON: Hmm.

TEKKI: (sarcastically) Well, I had no idea!

DARRYL: (proud of himself) Mmmm hmmm.

KIM: It’s always a good idea to follow up. Send a letter to the bank and keep a copy for yourself. Make sure your letter has your name, your account number, an explanation of the issue, the dollar amount of the error or problem, and the date the error or problem occurred.

DR. MASON: Well, I must say that this has been good use of my time. Kim, thanks to your training I think I’ve got the procedure down.

KIM: Always glad to help, Dr. M. Let’s close up, shall we?

SFX: PA announcement clicks on

PA: Dr. Mason to Exam Room 18. Dr. Mason to Exam Room 18. Code Cream repeat code cream.

DR. MASON: Ah. An emergency. Thank you all for your help. But I have a patient I must attend to.

SFX: We hear him walk away very quickly; bordering on running.


KIM: —it means they got the cappuccino machine working again in the doctors’ lounge.

TEKKI: Well thank you, Kim. We and our audience members appreciate your explanation of how to balance a checkbook!
KIM: My pleasure.

DARRYL: Thank Dr. Jeff – uh, Dr. Mason for us, too. And for the always-balanced Terri, this is Darryl saying so long for—

TERRI: —for “The Money Smart Podcast Network with Terri and Darryl.”

Music in

DARRYL: (off mike, fading out) Code Blue. Code Cream. That’s cool. Maybe we should have our own Codes for the podcast?

TERRI: How about Code Darryl Get Back on the Subject?

Music up and out.