



## Share Draft (Checking) Study Guide

A Checking Account is an essential tool for handling your money, especially when you have a job. With a Checking Account you can deposit your paycheck or any other money you receive. When you need money, you have several options to withdraw available funds: you can write a check, come in to the credit union to withdraw cash, use an ATM Card or use a Visa® Check Card.

### Endorsing a Check

Signing a check is also called endorsing a check and must be done before it's deposited. There are three types of endorsements:

*Blank Endorsement* – Sign your name on the top back of the check on the endorsement line. A financial institution can refuse to accept a check that is not endorsed on the correct end. Sign your name exactly as it appears on the front of the check. If your name is spelled incorrectly on the front of the check, endorse the check using the incorrect spelling then sign your name correctly below the signature. For security purposes only endorse a check when you are ready to cash it.

*Restrictive Endorsement* – To restrict a check for deposit only, write “For Deposit Only” above your signature on the top back of the check. Only the payee (the person receiving the check) can write a Restrictive Endorsement. You should use this type of endorsement when mailing in a deposit or when you have another person making a deposit for you.

*Special Endorsement* – This makes a check payable to a third party and prevents others from cashing it. On the endorsement line write “Pay to the Order Of,” write the name of the third party and then sign your name below.

### Writing a Check

Caution should always be used in writing checks. Use permanent blue or black ballpoint ink. Never use pencil! The front of the check should be completely filled in before you sign it.

Fill in the date line and the name of the person or company you are paying on the “Pay to the Order Of” line.

The dollar amount written in dollars and cents goes in the box at the end of the “Pay to the Order Of” line. Begin as far to the left as possible when writing out the legal dollar amount on the line under the “Pay to the Order Of” line. This will prevent someone from changing the amount of the check. Fill in this line with the dollar amount in words and fractions of dollars.

Don't forget to sign your check once all of the information is filled in. Failing to sign your check can result in the check being returned to you by the payee, thus delaying your payment. The memo line is optional and can be used to note what the check was being used to purchase.

## Sample Check

Bob Jones  
123 Any ST  
Any Town ST 12345

DATE July 1, 2009 0123

PAY TO THE ORDER OF Name of the person or company you are paying \$ 100.00

One hundred and 00/100 DOLLARS

SCHOOL EMPLOYEES  
Lorraine County Credit Union, Inc.

MEMO \_\_\_\_\_

Bob Jones

Dollar amount in numbers

Legal dollar amount in words

Your signature

## Your Check Register

The checkbook register is used to record all transactions taking place in your checking account. You will **add** all deposits, whether they are cash, checks, dividends or an ACH Direct Deposit from your employer. You will **subtract** all checks written, ATM withdrawals, service charges, fees, Visa® Check Card transactions, automatic loan payments and other ACH automatic payments coming directly out of your Checking Account.

Always remember to write the check number, amount of the check and to whom the check is payable to in your register.

## Balancing Your Account

You will receive a monthly statement listing all of the previous month's activity in your Checking Account. This is the official record from the credit union of your M3 Checking Account activity. Your Checking Account should be balanced at least once a month. There are several different ways to do this:

- Use the balancing form provided on the back of your monthly statement.
- Use SELCCU Online accessed through our website ([www.selccu.org](http://www.selccu.org)). An application is required for this service.
- Call Touch Tone Teller (24/7 service) to access account information (440.324.2445 or 1.800.850.4539).
- Never use your ATM receipt to balance your checking account. Your ATM receipt may not have an up-to-date balance.

If you are having difficulty learning to balance your account you can call the SELCCU Financial Services Representatives for assistance.

## Overdrafts

A check clearing your account for more than the balance in your account is called an *overdraft* or *non-sufficient funds (NSF)* check; this is also referred to as a *bad check* or "*bounced*" check. You can only write a check if you have money in your account to cover the check(s) written. If you do not have funds available, the credit union will return your check as unpaid. When this happens you will be notified by mail and the credit union will charge a fee for each check that is returned.

Aside from the fact that it is illegal to write a bad check, it can also cost you big money if the check "bounces." You can be charged twice with fees that can range up to \$50 or more ... once from the credit union and once by the person to whom you wrote the check! You can easily avoid bouncing checks by simply keeping track of your transactions and balancing your checkbook each time you get a monthly statement.

## Overdraft Protection

The credit union will offer to link your M3 Share Savings account to your M3 Checking Account just in case you should overdraft your account. This is called Overdraft Protection. Overdraft Protection will automatically transfer funds to your Checking Account when there are not enough funds available to cover a check. You can also choose to link a M3 Money Market Investment Account (this is another type of savings account, see a Financial Services Representative for details) to your M3 Checking. However, a Youth Add-On Share Certificate cannot be used as Overdraft Protection. You should not rely on Overdraft Protection to manage your account!



## **Glossary of Terms and Abbreviations**

**ACH:** Automated Clearing House. A nationwide electronic payments network used by financial institutions, the government and other companies.

**ATM:** Automated Teller Machine

**Endorsement:** How the check is signed

**NSF:** Non-sufficient Funds. When you write a check for more money than you have in your account (a “bounced” check).

**Overdraft:** A situation created in your Checking Account when transactions clear your account for more than the balance of your Checking Account.

**Overdraft Protection:** A service SELCCU offers to automatically transfer available funds needed from a designated account to cover an overdraft.

**Payee:** Who the check is made out to.

**PIN:** Personal Identification Number. This number is issued by the credit union and is needed in order to make ATM transactions. Its purpose is for additional security in the event of a lost card or stolen identity.

**POS:** Point of Sale. Business location where you make a purchase.

**SELCCU:** School Employees Lorain County Credit Union, Inc.

**SELCCU Online:** Allows you to view and access your account online.

**Share Savings Account:** Your M3 Savings Account

**Share Draft Account:** Your M3 Checking Account

**TTT:** Touch-Tone Teller. SELCCU’s automated phone system which allows you to check on account balances, transfer funds, etc. 24/7.

**MMIA:** Money Market Investment Account

**VISA® Check Card:** A card that can be used to access your money at an ATM or make purchases at a merchant; also referred to as a Debit Card.