

Next Generation Checking Account Study Guide



A checking account is an essential tool for handling cash, especially when you have a job. With a checking account, you deposit your pay check or any other money you receive, and when you need money, you have several options. You can write a check, come into the Credit Union to withdraw cash, use an ATM card, or use a VISA® Check Card.

You can only write a check if you have money in your account. Aside from the fact that it's illegal to write a "bad" check, it can also cost you big money if the check "bounces." And you get 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 gave the check. You can obtain overdraft protection from the Credit Union. However, if you don't have available funds in your savings or overdraft account, the Credit Union will return your check unpaid. When this happens, you will be notified by mail and will be charged a fee for each Non-Sufficient Funds (NSF) check that is returned. The company, or person, you wrote the check to might charge you a fee as well. So, by writing a "bad check," you may run up additional charges of \$25 - \$50 per check. You can easily avoid this problem by simply keeping track of your transactions and balancing your checkbook each time you get a monthly statement.

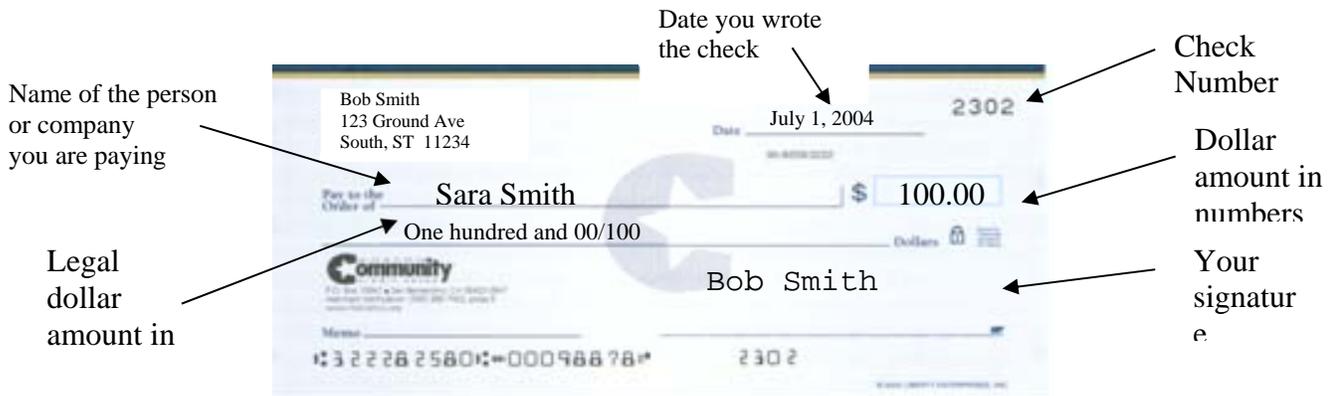
Overdraft protection will automatically transfer funds from your Next Generation Savings to your Next Generation Checking to cover any overdrafts. Next Generation members 18 years of age and older are eligible to apply for an Overdraft Loan.

A check must be endorsed before it is deposited. There are three endorsement types: Blank, Restrictive and Special.

1. Blank Endorsement – sign your name on the top back of the check. The top back of the check is the same end that has "Pay to the Order of" on the front side of the check. Usually an endorsement line is provided on the top back of the check. 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 same spelling, and then sign your name correctly below. For security purposes, only endorse a check when you are ready to cash it.
2. Restrictive Endorsement – to restrict a check for deposit only, write "For Deposit Only" above your signature. Only the payee (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” and the person’s name, and then sign your name below.

Caution should always be used in writing checks. Use permanent blue or black ink. Never use pencil. Fill in the date line, the name of the person or company you are paying, the dollar amount in numbers and the legal dollar amount in words and fractions of dollars. Fill in the entire space, using a line after the written amount. This will prevent someone from changing the amount of the check. Once all the information is filled in, sign your check. Never sign a check until all information is filled in.



The checkbook register is the place where you record all activity 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 and fees, VISA® Check Card transactions, automatic loan payments or 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.

ITEM NO. <small>From the checkbook</small>	DATE <small>Fecha</small>	DESCRIPTION OF TRANSACTION <small>Descripción de la transacción</small>	AMOUNT <small>MONTO DE DEPÓSITO, CARGO</small>	BALANCE <small>MONTO DE DEPÓSITO, CARGO</small>
				100.00
	6/20	AMT Withdrawal	20.00	-20.00
	6/30	Pay Check		80.00
				+258.32
				338.32
2302	7/1	Sara Smith	100.00	-100.00
				238.32

Labels for the register table:
 - Check Number: points to 2302
 - Date you wrote the check: points to 7/1
 - Name of the person or company you are paying: points to Sara Smith
 - Dollar amount in numbers: points to 100.00
 - Amount of the: points to 100.00
 - New Balance: points to 238.32



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You will receive a monthly statement listing all the previous month's activity in your checking account. This is the official record from the Credit Union of your Checking Account activity. On the back of the statement, there is a worksheet to help you balance your checkbook.

Your checking account should be balanced every month. You can use the following services to help you balance your account:

- Use the balancing form provided on the back of your monthly statement.
- Use Internet 24 (www.norcomcu.org) Application Required.
- Call Audio 24 hours a day, 7 days a week to access your account information. (909-382-7913 or 800-382-8130)
- Never use your ATM receipt to balance your checking 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.
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.
NCCU	“Norton Community Credit Union”
NCCU Online	Allows you to view and access your account online.
Savings Account	Your Next Generation Savings Account
Checking Account	Your Next Generation Checking Account
Audio 24	NCCU’s automated phone system which allows you to check on account balances, transfer funds, etc. 24/7.
VISA® Check Card	A card that can be used to access your money at an ATM or merchant, also referred to as a Debit Card.