



*Inspire. Educate. Connect.*

# Banking Services

*A Component of BestPrep's Financial Matters Program*

**Presenter Info: Name and Company**



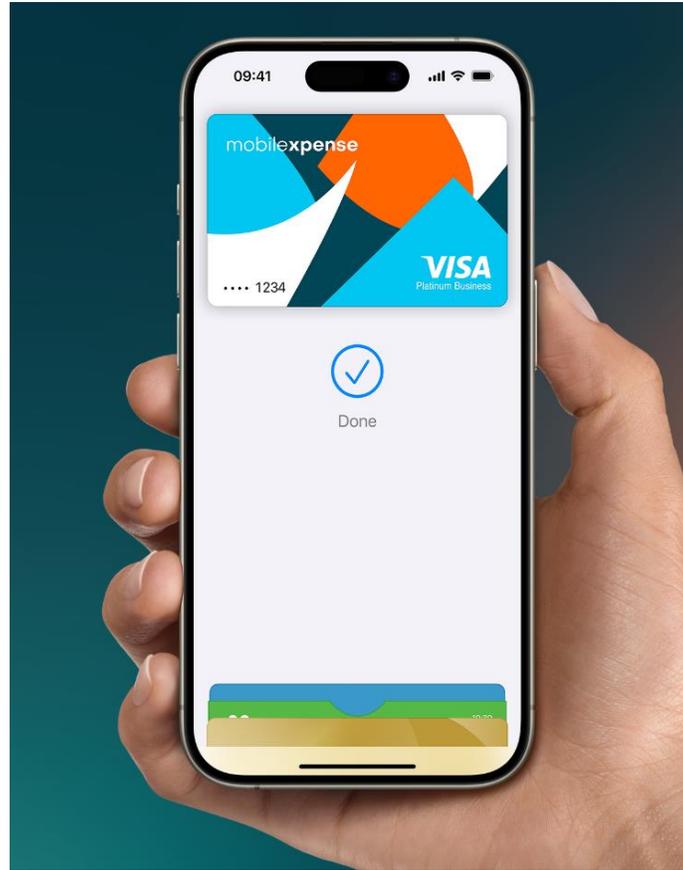
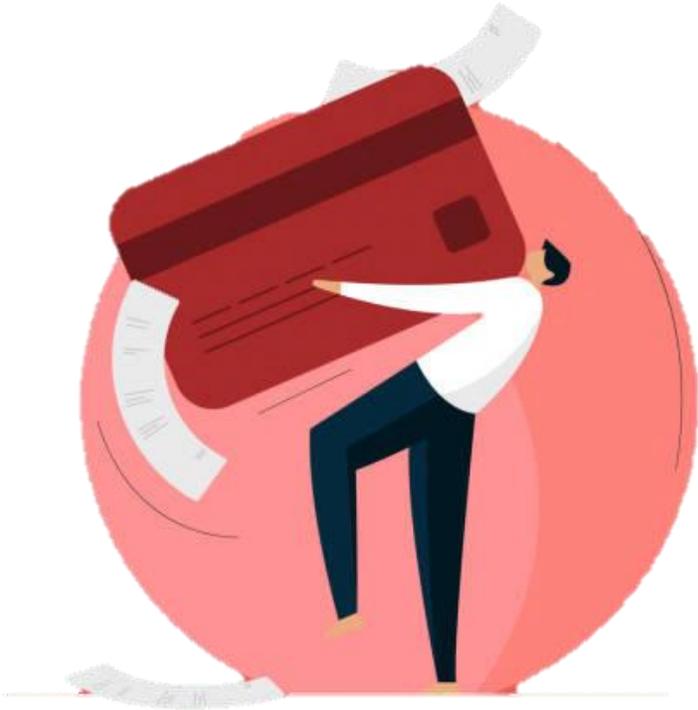
# How much do you understand about different Banking Services?

I'm clueless!



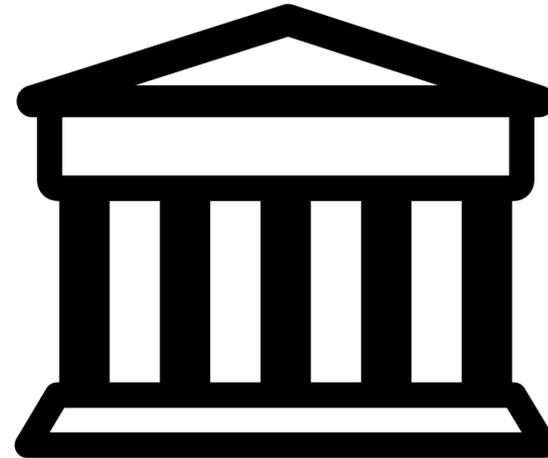
I'm an expert!

# Why are Banks and Financial Institutions Important?



# What Services do Financial Institutions Offer?

- Debit and Credit Cards
- Checks and Check Cashing
- Wiring Money
- Loans
- ACH and Electronic Transfers
- Issue Cashier's Checks
- Mobile Deposit
- ATM Machines
- Safe Deposit Boxes
- Currency Exchange
- Bill Pay



# What is a Credit Union?

- Not for profit financial cooperative
  - Members are owners of the credit union
  - Eligibility: membership is available to a group of people identified by where they work or live



# Banks and Credit Unions: Two Basic Functions

Holding Money



Lending Money

Car Loans

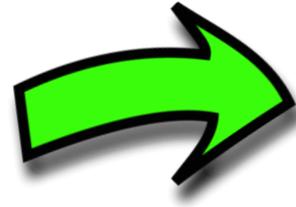


Home Loans

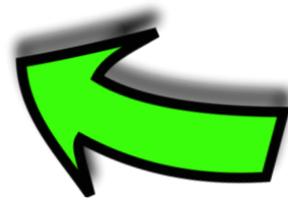
# Money In, Money Out



\$53,000,000



+ 2%  
Yearly  
Interest



\$88,333/month

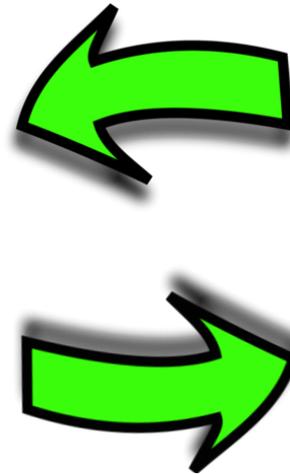
# How Does This Work?

**+**  
4%  
Yearly  
Interest



\$10,000,000

LOAN



\$33,333/month

**Get a  
calculator  
out!**



# How Does This Apply to You?



Deposit  
**\$15,000**  
@  
**1.5%**



How much will your neighbor receive annually? Monthly?

Car Loan  
**\$15,000**  
@  
**2.5%**



How much will you pay in interest for the car purchase annually? Monthly?

# What if the Interest Changes?



How much will your neighbor receive annually? Monthly?



How much will you pay in interest for the car purchase annually? Monthly?

# How do you choose a financial institution?

**Shout them out!**



# How do you choose a financial institution?

- Location
- Ease of use (lots of ATMs near you)
- Accessible website and online or mobile banking
- Access to free services
- Mobile deposits
- Low fees
- Nice, friendly, and helpful employees
- Credit or debit cards with rewards

# Who has a checking/savings account?



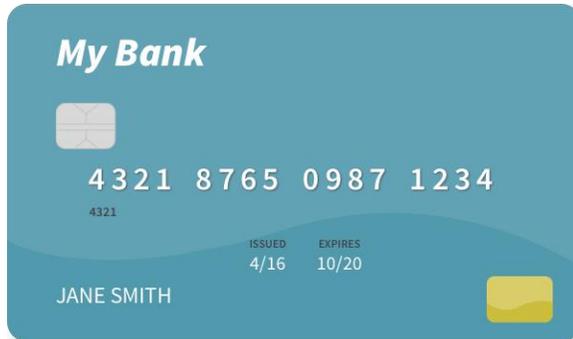
# How Do You Open an Account?

- Need a parent until age 18, then you can open on your own
- Need a name and address
- Need a social security number
- Need a valid form of identification – passport, driver’s license
- Must sign documents
- Money to deposit\*



# You Have Choices!

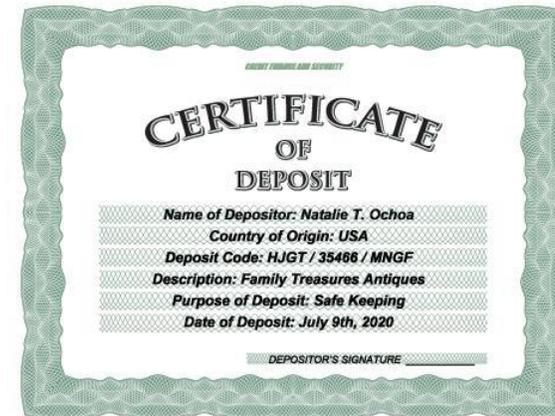
Checking  
Accounts



Savings  
Accounts

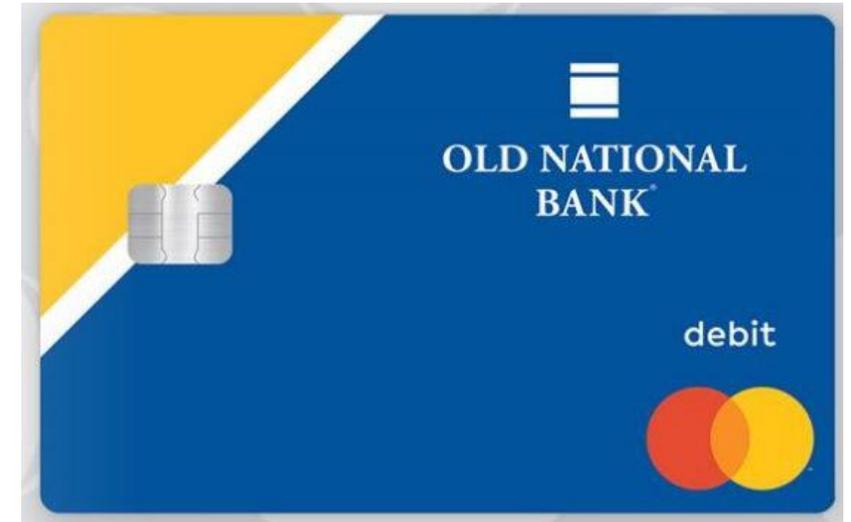


Certificate of  
Deposit (CD)



# Checking Accounts

- Liquid
- Easy to access via debit card, check, or ATM
- Returns very little interest
- Few withdrawal restrictions
- Minimum balance requirement
- Service fees often apply



# Writing Checks

Your Name  
Your Address

**Today's Date**  
\_\_\_\_\_  
DATE

1000

PAY TO THE  
ORDER OF **Name of who you are paying** \$ **100.00**  
**One hundred and no/100s** \_\_\_\_\_ DOLLARS

**Bank Logo** Bank Address  
For \_\_\_\_\_

**Your Signature**  
\_\_\_\_\_

|: 091000019 |: 12345678910" 01000

Routing Number (RTN) Bank Account # Check #

# Writing Bad Checks

- It is illegal to knowingly write a bad check
- Lack of funds may result in fees or lose banking privileges.



# Savings Accounts

- Semi-liquid
- Accessed via ATM, online, or at a branch
- Returns higher interest than checking accounts
- Limited to 6 electronic withdrawals per month
- May have a minimum balance requirement



# Certificate of Deposit (CD)

- Agree to a term length (3 or 6 months, 1-5 years)
- The higher the length, the higher the interest
- Money is non-liquid during the term
- If you must access the money, you may have to pay a penalty to do so



# Balancing Your Account

When money moves in and out of your account, you need to make sure you keep track of how much you have.



**Get into  
groups of 3-4!**



# SOLVE #1:

If you open an account with **\$1,000**, then you write three checks (or electronic debit): one for \$50, \$277 and \$2.50. Plus, you added \$25 to your account and were paid 1% on the \$1,000.

How much is now in your account?

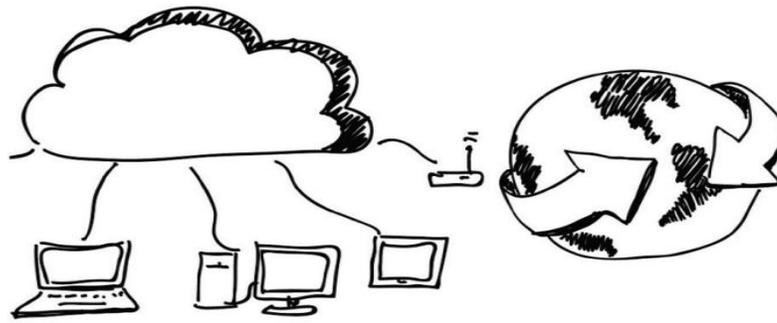
## SOLVE #2:

If you write a check for \$700, will you have enough money?

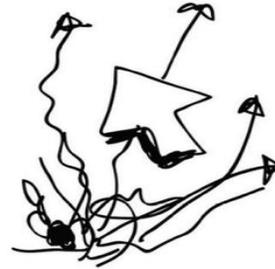
## SOLVE #3:

If there is an NSF of \$35, how much do you have to put in your account to get it up to \$100 (after the \$700 check and NSF fee)?

Let's use  
that  
calculator  
again!



CHANGE



# My Balance Is....

Starting balance: **\$152.27**

## Transactions:

- \$22.46 – grocery store
- \$14.00 – gas pump
- \$20.00 – friend owed you money
- \$35.00 – car insurance
- \$10.22 – movie theater
- \$13.50 – gas pump
- \$69.99 – new shoes
- \$175.82 – paycheck from part-time job
- \$16.72 – dinner with friends
- \$37.26 – new clothes
- \$4.68 – coffee
- \$85.09 – cell phone bill
- \$163.90 – paycheck from part-time job
- \$4.68 – coffee
- \$78.00 – check for car tabs

# What's the Difference?

## Debit Cards

- Your own money
- No interest charges
- Tied to a checking/savings account
- Fees apply if you spend more than you have

## Credit Cards

- Borrowed money
- Interest is charged if balance is not paid back in full each month
- Credit limit applies
- Minimum payment amount applies
- Late fees may apply

# The Evolution of Banking

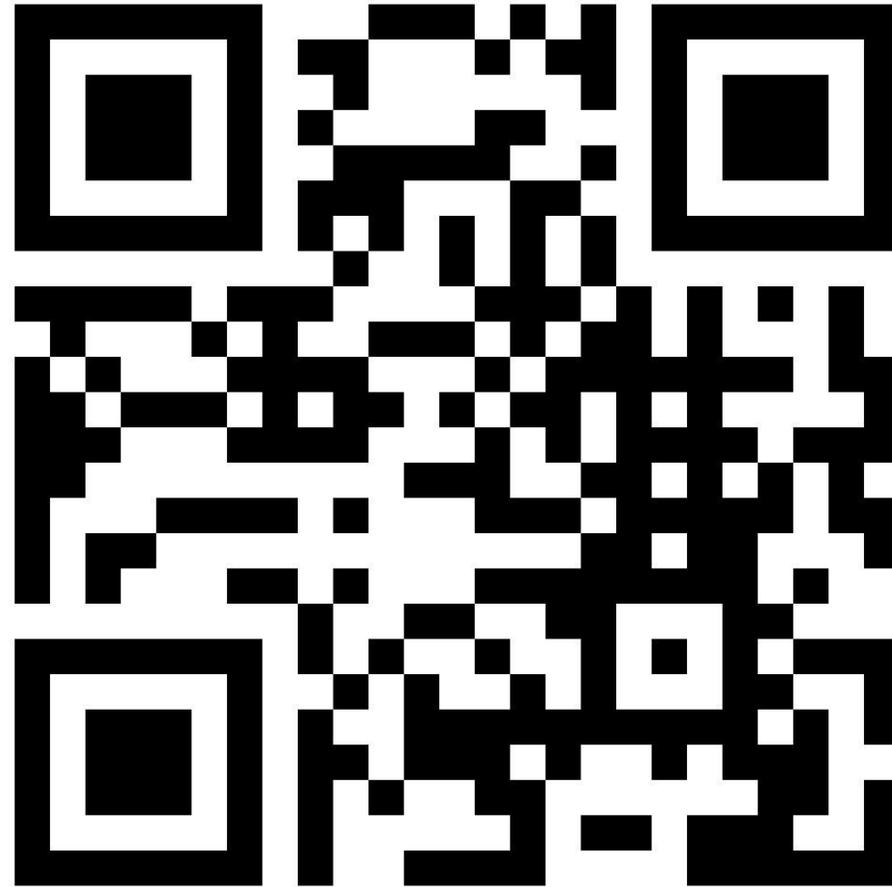
- Tellers
- Branches
- Drive-thru Banking
- ATM Machines
- Debit Cards
- Bill Pay
- Mobile and Online Banking
- Mobile Payments
- Security Issues



# Questions?



# Student Survey



# Thank You!

BestPrep gratefully acknowledges the financial and volunteer support provided by MoneyBags, LLC to offer Banking Services as a part of Financial Matters.

