

Eight Simple Steps for Balancing Your Checkbook



How Your Bank Statement Works

Seldom will your bank statement and checkbook register agree. But, that is no reason to panic. It's merely a matter of timing. Your statement lists the transactions posted to or cleared to your account as of the closing date. The closing date is usually located on the first page of your statement.

Once your statement has closed, it will take a few days for the information to be printed and for it to arrive in the mail. Meanwhile, you are continuing to write checks, make ATM withdrawals and/or deposits, and hopefully, keeping track of these transactions in your checkbook register.

Remember, it also takes a few days for your checks, ATM, Visa Check Card, and/or deposit transactions to be recorded on your account. Record, Balance, Repeat Recording each transaction in your checkbook register and adding or subtracting it from the balance is the first step to simplifying the balancing act.

It's important to record the transaction at the time you actually write the check, make a withdrawal, or make a deposit.

By recording the transactions and balancing your account total in your checkbook register, you'll get a clearer picture of your spending habits and know exactly how much money you have. And, if for some reason you detect a problem, the sooner you can correct it, the better.

The Balancing Act

Balancing your checkbook each month within a day or two of receiving your statement will not only reduce your stress level, it will lessen the amount of time it takes to complete the task.

On the back of your monthly statement is a handy form to help you balance. Use it along with the following steps to make balancing a snap. Before you begin, gather the following:

- Your last two bank statements
- Your checkbook and register
- Any ATM and/or Visa CheckCard Receipts that you did not record in your checkbook register
- A pencil
- A calculator

EIGHT STEPS TO BALANCING

1. Record Interest Earned In your checkbook register, enter all of the interest earned on your account (if applicable). The interest earned will appear on the front of your statement. Add this to your balance. Be sure to record any other credit amounts listed, such as bank corrections.



2. Record Service Charges & Fees

In your checkbook register, record any charges that have been subtracted from your account, as shown on your statement. These charges may include:

- Monthly services charges
- Per check charges
- ATM transaction charges
- Non-sufficient Funds fees

Subtract these charges from your register balance.

Last Checkbook balance _____

Interest from Statement + _____

Subtotal _____

Service Charges from Statement - _____

"New" Checkbook Balance _____

3. Verify Deposit Amounts

Look at your latest statement and verify that all deposits listed match the deposit amounts listed in your checkbook register. Make a list of any deposits that are listed in your register but do not appear on your statement. Add these together. Tip: Use the worksheet on the back of your statement.

Date Outstanding Deposits Amount

Total

4. Match All Check Entries

Match the entries in your register with the transactions listed on your bank statement. Compare check numbers, dates, and dollar amounts on all checks written. If these items match, place a check "✓" mark next to the transaction in both your register and on the bank statement. If they don't match, circle the item in both places so that you can come back to fix the error once all of the transactions have been checked off.

If the Transactions Don't Match

Check for one of three errors:

1. The item was recorded incorrectly in your checkbook register,
2. The item paid or was credited to your account for the wrong amount, or
3. Your check numbers were listed incorrectly.

To Correct the Errors

1. Simply look at and/or recheck your check images, deposit receipts, and/or ATM and

Visa Check Card receipts.

2. Remember some items will not be checked off. These are called "outstanding items."

Note: If you do not have cancelled checks or images returned with your statement, contact your branch and have them send a copy of the item in question.

5. Check for Outstanding Items from your Previous Statement

Be sure that all of the outstanding items from your previous statements have been included in this statement. Otherwise, they are still outstanding.

Note: If an item is outstanding for 60 days or more, contact the person or company you wrote the check to and see if the check has been received. If it hasn't, the check may have been lost and you may want to call the bank and place a stop payment.

6. Verify Other Debits on your Statement

Verify that additional withdrawals listed on your statement, other than checks, are charged for the amount actually drawn. This includes ATM withdrawals, Visa Check Card transactions and any automatic debit transactions like insurance payments, loan and/or utility payments.

7. List All Outstanding Checks

Make a list of all outstanding checks or ATM/Visa Check card withdrawals. These are transactions that appear in your checkbook register that do not have a check "✓" mark next to them. Add these items together. Tip: Use the worksheet on the back of your statement.



8. Balance

Now, balance your checkbook register to your bank statement. Use the formula below, which is also located on the worksheet on the back of your statement.

Statement Ending Balance

ADD (+) Deposits Shown in Checkbook

Register But Not on Statement

Subtotal

MINUS (-) Total Outstanding Checks

Total \$

Compare this total with the ending balance in your checkbook register. They should be the same. If not, there's a mistake. Do Not Panic! This can be easily fixed. If they are the same Congratulations! You've successfully balanced your checkbook.

If Things Don't Add Up

- Take a short break to clear your head.
- Start by re-verifying your outstanding items.
- What's the difference? Is your checkbook balance higher or lower than your statement? Subtract the smaller figure from the larger one to get the difference. Now...
- Divide the difference by 9. If 9 goes in evenly (that is, with nothing left over), the problem is transposed numbers. For example, \$258 was recorded as \$285. Look over your receipts and cancelled checks and double-check your amounts.
- Divide the difference by 2. If the answer you get is a "normal" dollars-and-cents amount (i.e., \$7.19 rather than \$15.125), look for that amount in your register---it was added instead of subtracted, or vice versa.

Still Doesn't Balance?

Well, you've tried hard and made every effort. Now it's time to ask for help. Call or come by one of our branches. You will need to bring in your current bank statement and your checkbook register. Every effort will be made to assist you in balancing, and next time it will be easier.