



BALANCING A CHECKBOOK

Key Concepts

Maintaining financial records

Summary

This lesson uses checking accounts as an application to strengthen students' quantitative reasoning skills. It seeks to promote responsible record-keeping and cash flow management.

Overview & Lesson Objectives

This lesson is intended for middle school students in sixth, seventh and eighth grades. The lesson teaches students how to reconcile a checking account register to a checking account statement. Online banking and 24/7 Bank-By-Phone will also be introduced in this lesson.

Students will be able to:

- Complete a check register with a series of transactions
- Read a checking account statement
- Reconcile a checking account register to a checking account statement
- Describe alternative methods to access checking account information
 - Online Banking
 - 24/7 Bank-By-Phone
 - Customer Service Representatives at the branches

Time Allocation:

15 - 20 Minute Prep

35 - 40 Minutes Engagement

Materials:

- Copies of Checking account transaction list (one per student)
- Copies of Blank check register (one per student)
- Copies of Checking Account Statement (one per student)



Lesson Begins: Setting the Stage

Background Builder #1: Ask students to recall the information covered in the last lesson. They should be able to tell you about writing checks and recording transactions in a checking account register. Ask students to tell you more about the checking account register. Elicit from students the need to record accurate information, the need to record all transactions, accurate arithmetic and neatness.

State the Objective: tell the students what they will be able to do upon conclusion of the lesson.

“Today we are going to learn about reconciling a checking account register and a checking account statement. You will also learn that there are ways to access your checking account information if you ever forget to record a transaction or have another problem.”

Lesson Continues

People can use a checking account to pay for utilities, housing, food, clothing, and services. Nearly everyone uses a checking account because it is a safer way to pay for things than using cash. If you carry a lot of cash on your person or send cash through the mail, it can easily be stolen. When you write a check from your checking account you give permission to a specific company or person to receive a certain amount of money. ATM and debit cards connected to your checking account can also make monetary transactions easier.

Things can become disorganized if you do not keep track of your money and your checks. When you open a checking account, you receive a **check register**. This is the place to record every check you write, every ATM withdrawal you make, and every deposit that you make. You will always know if you have enough money to pay for the checks you have written, so that you don't overdraw your account and get into serious financial trouble. When you write a check, you must subtract the amount you spent from your balance. A deposit means you can add the amount to your balance. Careful arithmetic is very important!

Proceed to discuss the aspects of an entry in a check register <refer to check register>: the check number, the date it was written, the description of the check/debit or deposit, the amount of the check/debit or the deposit, and the balance forward.

Distribute a copy of “Tracy Transaction’s Checking Account Transactions” to each student. Also distribute a blank check register to each student. Instruct students to enter Tracy’s transactions accurately on their checking account registers.

As students complete this activity it is vital to circulate among the students pointing out any areas that may create problems or answering any questions that may arise.

Next distribute a checking account statement to each student. Explain to the students that they have the option of receiving a paper statement in the mail or viewing their statement online. A checking account statement will list all of the transactions processed through their checking account during the previous month. Their statement will also include images or copies of cleared checks with their monthly statement.



Instruct students to verify each transaction listed on their statements with those in their checking account registers. The ending balance should be **\$361.80**. *Tell students this is called balancing a checkbook.*

This was an easy example to share with students because everything was straightforward and easy to understand. But what if there was missing information in the checking account register? What could you do? Many banks make it easy for you to access your account information.

- Customers can go to their branches and have a Customer Service Representative help reconcile their account or solve problems.
- Customers can access account information online.
- Customers can access account information through 24/7 Bank-By-Phone.

Students should be made aware that the last two options allow them to transfer funds, pay bills online, open an account, apply for a loan, and more.

Lesson Closes

Review with students the importance of balancing their checkbook. Review alternative options to accessing account information. See the suggestions page for “Additional Engagement Opportunities/Resources”, for additional ideas.



Additional Engagement Opportunities / Resources

Pair and Share: Group students into pairs and ask each pair to exchange two or three new things learned during the day's lesson. Call on select pairs to share with the whole class what has been learned.

Sample questions:

- What does the bank send to you so that you can balance your checkbook?
- How can customers access account information after business hours?
- Describe why it is important to record all transactions.
- What can you do if you forget the amount you wrote a check for?
- Discuss what you can do using 24/7 Bank-By Phone.

Misinformation: Quote information from the day's lesson purposely erroneous. Call on various students to restate the information correctly.

Samples:

- A check register is sent to you monthly by your bank and lists all the transactions in your account from the previous month
- Checking account statements can only be viewed on line

What's left out? Supply students with statements that have some information missing. This can be done verbally or it can be done on a board. Ask students to provide the missing information.

Samples:

- Checking account _____ are mailed each month to the customer, or they can access them on line
 - *Answer is " statements"*
- A check _____ is the place to record every check you write, every ATM withdrawal you make,
 - *Answer is " register"*



Educational Standards

National Council of Teachers of Mathematics Principles and Standards for School Mathematics, 2000

Number and Operations – (Students will) Compute fluently and make reasonable estimates.

Problem Solving – (Students will) Solve problems that arise in mathematics and in other contexts.

Communication – (Students will) Organize and consolidate their mathematical thinking through communication.

Connections – (Students will) Recognize and use connections among mathematical ideas.

Representation – (Students will) Create and use representations to organize, record, and communicate mathematical ideas.

NJ Core Curriculum Content Standards for Personal Financial Literacy 2014:

Standard 9.1: 21st Century Life and Careers

9.1 B. Money Management: 9.2.8.B.7, 9.2.8.B.8, 9.2.8.B.9, 9.2.8.B.10, 9.2.8.B.11

National Standards in K– 12 Personal Finance Education (from Jump\$tart Coalition) 2017:

Financial Decision Making:

Standard 1, “Recognize the responsibilities associated with personal financial decisions.”

Spending and Saving:

Standard 1, “Develop a plan for spending and saving.”

Standard 2, “Develop a system for keeping and using financial records.”



Tracy Transaction's Checking Account Transactions

Directions: Record the following transactions on a checking account register. Be sure to record the information carefully. Also be sure to do the arithmetic accurately.

1. Beginning Balance in Tracy's checking account - \$300
2. Tracy paid Sneaker World \$63 for new sneakers on Oct. 15 with a debit card
3. Tracy deposited her paycheck on Oct. 21 in the amount of \$43.25
4. Tracy wrote check #101 for \$17.75 to Randy's Records on Oct. 25
5. Tracy wrote check #102 for \$9.45 to Brandon's Books on Oct. 25
6. Tracy made a withdrawal of \$20.00 using her ATM card at a TD Bank on Oct. 25
7. Tracy deposited her paycheck on Nov. 5 in the amount of \$43.25
8. Tracy wrote check #103 for \$18.00 to her school to add money to her lunch account on Nov. 6
9. Tracy made a withdrawal of \$20.00 using her ATM card at another bank on Nov. 7 and was charged a fee of \$1.50
10. Tracy deposited her birthday money \$125.00 on Nov. 12



SAMPLE CHECKING ACCOUNT STATEMENT

Statement Date	11/15/18
Tracy Transaction 555 Deposit Lane Cherry Hill, NJ 08034	1112223339 Account Number

*** Checking***

Account Number 1112223339

Previous Statement Balance as Of 10/14/18.....	300.00
Plus 3 Deposits and Other Credits.....	211.50
Less 6 Checks and Other Debits.....	149.70
Current Statement Balance as Of 11/15/18.....	361.80

Number of Days in This Statement Period 33

Checking Transactions

Serial	Date	Amount
101	10/25	17.75
102	10/25	9.45
103	11/6	18.00

Checking Account Transactions

Date	Description	Debits	Credits
10/17	POS Debit 10/15 Sneaker World	63.00	
10/21	Deposit		43.25
10/25	Withdrawal 10/25 TD Bank, N.A.	20.00	



Bank

Financial Education



Statement Date

11/15/18

Tracy Transaction
555 Deposit Lane
Cherry Hill, NJ 08034

1112223339
Account Number

Checking Account Transactions

Date	Description	Debits	Credits
11/5	Deposit		43.25
11/7	Withdrawal	20.00	
	Fee Assessed By Non-TD Bank	1.50	
11/12	Deposit		125.00

Balance by Date

10/15	300.00	11/6	258.30
10/25	233.05	11/14	361.80



Statement Date

11/15/18

THIS STATEMENT REPRESENTS AN ACCOUNTING BETWEEN THE BANK AND YOU. IF THERE IS AN ERROR IN IT, CALL IT TO THE BANK'S ATTENTION PROMPTLY IN WRITING. FAILURE TO DO SO WITHIN 14 DAYS FROM THE DATE OF THIS STATEMENT MAY BAR YOUR RIGHT TO HAVE THE ERROR CORRECTED. NOTICE MUST BE SENT BY CERTIFIED MAIL TO US AT THE ADDRESS LISTED ON THE FRONT OF THIS STATEMENT.

Balance Reconciliation

- 1. Enter Ending Balance _____
- 2. Add deposits recorded in your checkbook but not shown on the reverse side of this statement. Enter the interest earned deposit in your checkbook. _____
- 3. Total (1 and 2 above) _____
- 4. Enter Total "Checks Outstanding" (from bottom column) _____
- Balance (3 less 4 should equal your checkbook balance) _____

Checks Outstanding

(Written by you but not yet indicated as paid on any statement)

Check Number or Date	Amount
TOTAL	