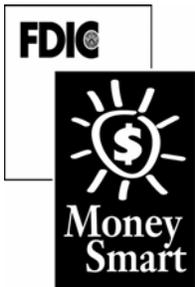


Bank On It



Instructor Guide



Building: Knowledge, Security, Confidence

FDIC Financial Education Curriculum

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MODULE OVERVIEW

Purpose

The Bank On It module provides an overview of banking services and is designed to help students build a positive relationship with a financial institution.

Objectives

At the end of the module, participants will be able to:

- Identify the major types of insured financial institutions.
- Identify five reasons to use a bank.
- Describe the steps involved in opening and maintaining a bank account.
- Describe two types of deposit accounts.
- Identify additional bank services that come with deposit accounts.
- Describe the main functions of the bank customer service representative, teller, loan officer, and branch manager.

Presentation Time

The total presentation time is 60 to 90 minutes, depending on the level of participation and the amount of time participants need to complete the exercises.

Materials and Equipment Needed to Present This Module

Container marked “Bank” (e.g., box, hat)

Important Note: The materials and equipment needed to present all of the Money Smart modules are listed in the *Guide to Presenting the Money Smart Program*. Review the Guide thoroughly before presenting this module.

Handouts

- Enough paper money copied, cut, and put into envelopes so that each participant has:
 - Two \$20s = \$40
 - Four \$10s = \$40
 - Three \$5s = \$15
 - Five \$1s = \$5
 - Total = \$100
- Additional Banking Services

LESSON PLAN

Instructor Notes	Presentation
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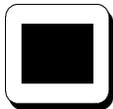
1: *Bank On It*
Welcome students.

MODULE OVERVIEW

Welcome

Welcome to Bank On It! By taking this training, you are taking an important first step to building a better financial future for you and your family.

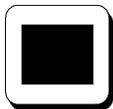
It all starts with understanding the basics of personal finances.



2: *Introduction*

Introduction

Introduce yourself and share a little of your background and experience.



3: *Student Introductions*

Student Introductions

Before we get started, I would like to know a little bit about you.

Ask students to introduce themselves and state their expectations, questions, and/or concerns about what will be covered during the training.

If there is anything that will not be covered in the course, tell participants where the information can be obtained (e.g., another module, a website).

Record their course-related expectations, questions, and concerns on chart paper and tape to the walls in the classroom.



4: *Purpose*
Describe the purpose of the module.

Purpose

Bank On It provides an overview of banking services. It is designed to help you build a positive relationship with financial institutions such as banks, thrifts, and credit unions.



5 and 6: Objectives

Describe the module objectives.

MODULE OVERVIEW (Continued)

Objectives

By the end of this module, you will be able to:

- Identify the major types of insured financial institutions.
- Identify five reasons to use a bank.
- Describe the steps involved in opening and maintaining a bank account.
- Describe two types of deposit accounts.
- Identify additional bank services that come with deposit accounts.
- Describe the main functions of the bank customer service representative, teller, loan officer, and branch manager.



7: Agenda and Ground Rules

Describe the module agenda and ground rules.

Agenda and Ground Rules

This module will take about 60 to 90 minutes to present, depending on how long it takes us to get through the exercises and activities.

There will be one 10-minute break about halfway through the training.

I will be using a variety of training methods. I will be presenting material to you in the form of lectures.

There will also be classroom and small group discussions, a role play, and exercises that give you a chance to practice what you have learned.

If you have experience or knowledge in some aspect of the training material, please share your ideas with the class.

One of the best ways to learn is from each other. You might be aware of some method that has worked well for you or some pitfall to avoid. Your contribution to the class makes the learning experience that much better.



Refer students to the Participant Guide.

Review its contents and organization.



Ask students ...

MODULE OVERVIEW (Continued)

Student Materials

Each of you has a copy of the Bank On It Participant Guide. It contains:

- Materials and instructions you will need to complete the exercises.
- Checklists and tip sheets related to the module content.
- Space for you to take notes.
- A glossary of the banking terms used in this module.
- Resources for you to investigate after the class.

You will also receive a copy of the slides I will be using the present this module.

We will be using the Guide throughout the training. You will be able to take it home and use it as a reference.

Do you have any questions about the module overview?



Refer students to the What Do You Know? form on page 9 of the Participant Guide.

Explain its purpose.

WHAT DO YOU KNOW?

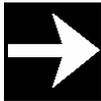
Purpose

The What Do You Know? form lets you measure how much you have learned from this training. It also tells me what you liked about it and what needs to be improved.

Read the instructions for the “Before-the-Training” column only and walk students through each statement.

Provide enough time for students to complete this portion of the form.

Tell students they will return to this form at the end of the training to complete the remaining sections.

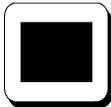


Transition to the next topic.

Now let's get started on banking basics.



Introduce the topic by asking a question.



8: Bank

Define bank.



Ask students ...



Then ask students ...

INTRODUCTION TO BANKS

Bank Defined

When I say “bank” in this course, this also includes credit unions and thrifts. What comes to mind when you hear the word “bank”?



Write responses on chart paper.

These words reflect how you view banks.

A bank is a business that offers you a safe place to keep your money and uses your deposits to make loans. This business is also called a financial institution.

Banks offer many financial services.

What has been your experience with a bank?

Where do you keep your money?

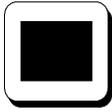
Guide a brief group discussion by asking the two questions to help you understand the students’ experiences and understanding of basic banking.

Reasons to Keep Money in a Bank

What are some reasons to keep your money in a bank?



Record responses on chart paper.



9: Why Keep Money in a Bank?

Describe 5 reasons why people keep their money in banks.

Relate each of the reasons below to students' responses, providing the missing answers as needed.

Describe the Electronic Deposit Insurance Estimator (EDIE).

Tell participants that the website address is in their Participant Guide.

INTRODUCTION TO BANKS (Continued)

Many people keep their money in banks. Let's take a look at some reasons why you might want to keep your money in a bank.

- Safety – Money is safe from theft, loss, and fire.
- Convenience – You can get money quickly and easily. Using direct deposit, for example, saves you time and allows you quicker access to your money. Funds that are electronically deposited in your account are available sooner than if you deposited a check. We will talk more about direct deposit later.
- Cost – Using a bank is probably cheaper than using other businesses to cash your check.
- Security – The Federal Deposit Insurance Corporation (FDIC) insures deposits up to the maximum amount allowed by law. This means that if for some reason a bank closes and cannot give its customers the money they had in the bank, the FDIC will return the money to the customers.

You can tell if the FDIC insures a bank by the FDIC logo. Most credit unions are insured by the National Credit Union Administration (NCUA). The deposit insurance rules are the same at NCUA-insured credit unions as they are at FDIC-insured banks.

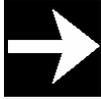
The FDIC has an online tool called the Electronic Deposit Insurance Estimator (EDIE). It lets you calculate the insurance coverage of your accounts at each FDIC – insured institution.

You can find EDIE online at www.fdic.gov.

- Financial future – Building a relationship with a bank establishes a record of paying bills, can help you save money, and is necessary for getting a loan.



Ask students ...



Transition to the next topic.

INTRODUCTION TO BANKS (Continued)

Do you have any questions?

During this discussion we talked about why you should keep your money in a financial institution. Now let's talk about the different types of financial institutions.



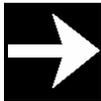
10: Types of Financial Institutions

Describe the three types of financial institutions.

Remind students that the terms "bank" and "financial institution" are used interchangeably in this training.



Ask students...



Transition to the next topic.

TYPES OF FINANCIAL INSTITUTIONS

There are three major types of financial institutions:

- **Bank.** A financial institution run under federal and state laws and regulations. Banks make loans, pay checks, accept deposits, and provide other financial services.
- **Credit union.** A non-profit financial institution owned by people who have something in common. You have to become a member of the credit union to keep your money there.
- **Thrift.** A savings bank or savings and loan association that is similar to a bank. Thrifts were created to promote home ownership and must have a majority of their assets in housing-related loans. Although many banks also make home loans, a thrift's main business is to make home loans.

Do you have any questions?

No matter what type of financial institution you use, all of them use some basic banking terms that you will have to know in order to open an account.



11: Opening and Maintaining a Bank Account

Describe the steps involved in opening and maintaining a bank account.



12: Account Verification

Describe the steps involved in account verification and explain why banks do this.

OPENING AND MAINTAINING A BANK ACCOUNT

Opening and maintaining a bank account is not as difficult as you might think. There are four basic things you have to do:

- Open the account and go through account verification.
- Make deposits and withdrawals.
- Record interest and fees.
- Keep track of your balance.

You will be learning new banking words as we talk about each of these steps.

Account Verification

The first thing you need to do to open a bank account is go through a process called account verification.

The bank wants to make sure that you will be a responsible bank account customer. If you have not been a good banking customer in the past, they may not want to risk having you as a customer now.

The bank also needs to make sure that you are who you say you are and that you are able under the law to open a bank account.

- The bank may review your history of using checking accounts through companies such as TeleCheck or ChexSystems. It may also run a full credit report.
- The bank will need a photo identification, such as a driver's license, and your Social Security number (SSN) or Individual Taxpayer Identification Number (ITIN) to verify your identity.

OPENING AND MAINTAINING A BANK ACCOUNT (Continued)

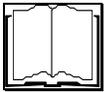
If you are not a citizen of the U.S., some banks may accept other forms of photo identification. Other types of identification may include the matrícula consular card, resident alien card (Green Card), or passport.

Ask the bank what type of identification you need to open an account.

- If the bank determines that you are eligible to open an account, you can deposit money into your new account.
- If you are unable to open an account, ask whether you are eligible for any “second chance” checking programs. These programs may allow you to open a checking account after meeting certain requirements, such as completing a check-writing workshop.
- Ask your local financial institution and/or any reputable credit counseling agency if there are any programs in your area.

When looking for a bank, take this checklist with you.

The questions can help you choose a bank that is right for you.



Choosing a Bank Checklist

Refer students to the Choosing a Bank Checklist on page 3 of the Participant Guide.

Review the checklist with students, using Instructor Aid #1 to guide you.



When you have finished reviewing the checklist, ask students ...

Do you have any questions about account verification?



Transition to the next topic.

Now let's take a look at some of those banking terms associated with opening and maintaining an account.

As we do this, we will be opening and maintaining an account for ourselves. And to do that I'm going to give you this envelope with money.

CHOOSING A BANK CHECKLIST

When looking for a bank, carry this checklist with you. The questions below can help you choose a bank that is right for you.

	Bank A	Bank B	Bank C
Name of Bank			
Does it offer the services I need? List the services you need here:			
Is it close to home?			
Does it have reasonable hours?			
Does it have ATMs? If so, are they located near where I live, work, or shop?			
If I am choosing a credit union, am I eligible?			
Do any employees speak my language?			
What, if any, fees will be charged?			
Is this bank insured?			



If you also plan to teach Check It Out, you can omit this exercise.



Hand out the envelopes containing the paper money if you have not already done so.

Have students count their money to make sure they each have \$100.



13: Deposit

Explain what a deposit is and how to make one.

Demonstrate how to make a deposit using the paper money.

OPENING AND MAINTAINING A BANK ACCOUNT
(Continued)

Paper Money Exercise (Optional)

Before we talk about opening a bank account, take the paper money out of the envelope so we can count it.

You should have \$100.

- Two \$20s = \$40
- Four \$10s = \$40
- Three \$5s = \$15
- Five \$1s = \$5

We will be using this money as I walk you through the steps involved in opening and maintaining a bank account.

Deposit

A deposit is money you add to your account. When you add money to your account, you must fill out a deposit slip.

A deposit slip tells the bank how much money you are adding to your account.

Depending on what you deposit – cash, a payroll check, or a check drawn on an out-of-state bank—you may not have immediate use of the funds.

The bank must first make sure there are funds at the originating bank (the bank of the person who wrote the check) to cover your check. You may ask the bank when you can use the money you deposited.

Now put all of your money into the envelope.

You have just made a deposit.

Have students put the money back in the envelope.

OPENING AND MAINTAINING A BANK ACCOUNT
(Continued)

Balance



14: Balance

Define balance.



Ask students ...



Draw on chart paper a three-column table to track the balance of upcoming transactions.

Explain the purpose of the table.



15: Withdrawal

Explain what a withdrawal is and how to make one.

The balance is the amount of money you have in your bank account.

What is your balance?

Description	+/-	Balance
Opening Balance	+\$100	\$100

We are going to use this table to keep track of the money we add to and take out of our accounts.

Withdrawal

When you make a withdrawal, you are taking money out of your bank account. You do this by writing a check, giving a teller a withdrawal slip, or using an ATM. We will talk about the ATM in a minute.

A withdrawal slip looks similar to a deposit slip except you are taking money out of, rather than adding money to, your account.

You always need to know how much is in your account so you will not try to withdraw more money than you have.

With a checking account, if you overdraw, or “bounce a check,” you will be charged a fee. We will talk about these fees in a minute.

Demonstrate how to withdraw money from an account using the paper money.



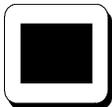
Ask students ...



Show calculation of the new balance on chart paper. (\$100 - \$20 = \$80).



Ask students ...



16: Fees

Describe what fees are and why banks deduct them.

Describe overdraft protection and bounce protection.

OPENING AND MAINTAINING A BANK ACCOUNT
(Continued)

Now, take \$20 out of the envelope.

You just made a withdrawal.

What is your balance now?

Description	+/-	Balance
Opening Balance	+\$100	\$100
Withdrawal	-\$20	-\$20
Answer:		\$80

Do you have any questions about how we got this balance?

Fees

Financial institutions charge you fees for different services. For example, you might be charged a monthly maintenance fee for keeping your account open.

You might also be charged a penalty fee if you misuse your account, for example, by bouncing a check or taking out more money than you have in it. When this happens, you have overdrawn your account.

Many financial institutions offer “courtesy overdraft protection” or “bounce protection” plans so that your checks do not bounce and you do not overdraw your account. With these plans, you will avoid the merchant’s returned check fee, but you still have to pay the financial institution an overdraft fee or a bounce protection fee for each item.

Also remember that with bounce protection, unlike an overdraft line of credit, there is no guarantee that your bank will cover your checks, ATM withdrawals, and debit card and other electronic transactions that overdraw your account.

OPENING AND MAINTAINING A BANK ACCOUNT
(Continued)

Demonstrate a monthly maintenance fee being charged to the account.

Take \$4 out of your envelope and give the money to the banker.

Collect the money from students and put it in the container labeled "bank."

This demonstrates a monthly maintenance fee being charged to your account.



What is your balance now?

Ask students ...



Show calculation of the new balance on chart paper.

Description	+/-	Balance
Opening Balance	+\$100	\$100
Withdrawal	-\$20	-\$20
		\$80
Fees	-\$4	-\$4



Do you have any questions about how we got the answer?

Ask students ...

Bank versus Check-Cashing Service

Discuss the advantage of using a bank versus a check-cashing service.

Even though banks may charge monthly fees, it is much cheaper to use a deposit account at a bank than a check-cashing service.



Who uses a check-cashing service?

Ask students...



How many checks do you cash per month?

How much are you charged per check?

Select a volunteer from students who have raised their hand and ask the following questions.



Write the students' responses on the left side of the chart paper.

*Divide the chart paper in half.
Put the check-cashing fees in
the left-hand column and the
bank fees in the right-hand
column.*

*If no one volunteers
information, use this example.*



Ask students ...

OPENING AND MAINTAINING A BANK ACCOUNT (Continued)

One of the participants in an earlier class used a check-cashing store to cash her checks. She cashed four checks a month and was charged \$5 each time.

That means she paid \$20 a month (4 x \$5) or \$240 a year (\$20 x 12 months) just to cash her checks.

If she buys money orders that cost her \$1 each to pay five monthly bills, she will pay \$60 per year. The yearly cost is now \$300.

Another participant had an account at a bank that charged a monthly fee of \$5, which included 8 free checks per month and free use of the ATM.

Also, ordering a box of 100 checks through the bank cost her about \$18.

In this case, using a checking account for one year cost her \$78 ($\$5 \times 12 \text{ months} = \$60 + \$18 = \78). This equals a savings of \$222 ($\$300 - \78) a year!

Do you have any questions about the difference between the cost of using a bank versus a check-cashing service?

OPENING AND MAINTAINING A BANK ACCOUNT
(Continued)

Interest

Interest is a percentage of your balance that the bank pays you for keeping your money at that bank. Not all accounts pay interest.

One of the advantages of having a deposit account is the interest you earn.

Add the \$1 to your envelope.

This demonstrates your account earning interest.



17: Interest

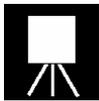
Define interest.

Demonstrate the concept of interest by handing out \$1 additional play money to each student.



Ask students ...

What is your balance now?



Show calculation of new balance on chart paper.

Description	+/-	Balance
Opening Balance	+\$100	\$100
Withdrawal	-\$20	-\$20
		\$80
Fees	-\$4	-\$4
		\$76
Interest	+\$1	+\$1

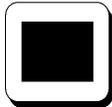


Ask students ...

Do you have any questions about how we got the answer?



This is an optional exercise.



18: Practice Exercise: Making Deposits and Withdrawals



When you have finished the exercise, ask students ...



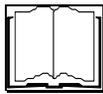
Transition to the next topic.

PRACTICE EXERCISE: MAKING DEPOSITS AND WITHDRAWALS

Purpose

The purpose of this exercise is to give you some practice making deposits to and withdrawals from a bank account.

Instructions



Refer students to page 4 of the Participant Guide.
Review the instructions with students.
Give them 5 minutes to complete the exercise.
Provide the correct response, using Instructor Aid #2 on the next page.
Answer questions.

Do you have any questions about making deposits and withdrawals?

Now let's talk about the type of accounts that are available.



PRACTICE EXERCISE: MAKING DEPOSITS AND WITHDRAWALS

Purpose

To give you some practice depositing money into and withdrawing money from a bank account.

Instructions:

1. Read the scenario carefully.
2. Answer the question.

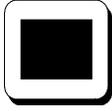
Scenario

Carl just opened a bank account and deposited \$500 in cash. The next day, he wrote a check to pay his electric bill. It was \$70. At the end of the week, he received a pay check for \$870 and deposited it into his account.

What is the balance in Carl's account after he made the withdrawal and deposit?

Answer:

Opening Balance	+\$500	\$500
Withdrawal	-\$70	-\$70
		\$430
Deposit	+\$870	+\$870
New Balance		\$1,300



19: Deposit Accounts

Define deposit account.

Describe what a checking account is.

Describe what a savings account is.

DEPOSIT AND NON-DEPOSIT ACCOUNTS

Deposit Accounts

Bank accounts that allow you to add money to the account are called deposit accounts. Checking and savings accounts are two examples of deposit products.

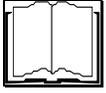
A checking account is an account that lets you write checks to pay bills or to buy goods.

- The financial institution takes the money from your account and pays it to the person named on the check.
- The financial institution sends you a monthly record of the deposits and withdrawals made. This is called a bank statement.

A savings account is an account that always earns interest. You generally cannot write checks on a savings account.

- You can often open a savings account with a few dollars, but you might pay a monthly fee if the balance is below a certain amount.
- The bank will help you keep track of your account by sending you a statement.

It is a good idea to compare the rules of the different accounts. For example, banks might require you to have a certain balance to open an account, earn interest, or avoid fees. This is usually called a minimum balance.



Choosing an Account Checklist



When you have finished reviewing the checklist, ask students ...



Transition to the next topic.

DEPOSIT AND NON-DEPOSIT ACCOUNTS

(Continued)

When looking for an account, take this checklist with you.

The questions can help you choose an account that is right for you.

Refer students to the Choosing an Account Checklist on page 5 of the Participant Guide.

Review the checklist with students, using Instructor Aid #3 on the next page to guide you.

Do you have any questions about deposit accounts?

Now let's take a look at non-deposit accounts.

CHOOSING AN ACCOUNT CHECKLIST

When looking for an account, take this checklist with you. The questions below can help you choose an account that is right for you.

	Bank A	Bank B	Bank C
Type of Account			
How much money do I need to open the account?			
How much do I have to keep in my account to avoid fees?			
What are the fees for bounced checks?			
How many checks can I write before extra fees are charged?			
How many withdrawals can I make each month?			
Does this account pay interest?			
Does an ATM or debit card come with this account?			
Will I be charged to use the ATM or debit card at this bank?			
Will I be charged to use the ATM or debit card at another bank?			
Are there any other fees?			

DEPOSIT AND NON-DEPOSIT ACCOUNTS
(Continued)**Non-deposit Accounts**

Many banks also offer non-deposit products that are not insured by the FDIC. Stocks, bonds, and mutual funds are examples of non-deposit investment products.

- Bank personnel should provide a written explanation that these products are not insured by the FDIC and may lose value. You can find out more about these non-deposit products at your bank.
- Do not buy any product or service you do not understand.

There are additional services you receive when you open an account at a bank.

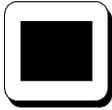


20: Non-deposit Accounts

Define non-deposit accounts.



Transition to the next topic.



21 - 22: *Additional Banking Services*

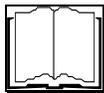
ADDITIONAL BANKING SERVICES

Banks provide additional services with some deposit accounts. Some banks charge a fee for these services. It is important to keep track of the fees charged, if any.

The following are common services that banks offer:

- Direct deposit
- Money order
- Telephone and online banking
- Automated Teller Machine (ATM)
- Money transfer
- Debit card
- Stored value cards
- Loans

Let's see if you can match the name of the service with the correct description.



"Additional Banking Services"

You can present this topic in one of three ways:

- Have students work individually to match the service with the description.
- Have students work in table groups.
- Read the description and ask for volunteers to provide the correct service.



"Additional Banking Services"

Refer students to "Additional Banking Services" on page 6 in their Participant Guide.

Review the instructions with them, using Instructor Aid #4 on page 27 to guide you.

Give students 5 minutes to complete the exercise. Add time as needed.

Provide the correct answers; then give additional information about each banking service.

Answer questions.

When you have finished the exercise and lecture, give students a copy of "Additional Banking Services."



Ask students ...



Transition to the next topic.

ADDITIONAL BANKING SERVICES (Continued)

Do you have any questions about additional banking services?

Now let's talk about how banks make sure your personal information is kept private.

ADDITIONAL BANKING SERVICES

Instructions

Fill in the blank with the name of the service that best describes it.

Banking services

Direct deposit	Money transfer
Money order	Debit card
Telephone banking	Stored value card
Online banking	Loan
Automated Teller Machine (ATM)	

Description of Services

Money Transfer

A method of electronically transferring money from one bank to another.

Additional instructor lecture notes

A wire transfer is a form of money transfer from one bank to another. A remittance is a money transfer that goes to a bank or a person in another country.

- Your bank may be able to send a money transfer more cheaply than it would cost you to send money through companies such as Western Union or Moneygram. Most banks can send money to banks that are outside the U.S.
- When sending a remittance, be sure to ask about the currency exchange rate and all the fees charged. Remember, the bank receiving the remittance may also charge a fee to the receiver of the funds.
- Before sending a remittance to another country, ask these questions:
 - ✓ What is the TOTAL cost of the remittance, including ALL fees charged?
 - ✓ What is the TOTAL amount of the money in the country to which you are sending it?
 - ✓ How soon will the money get to the person to whom you are sending it?
 - ✓ What is the background and reputation of the company you are using?
 - ✓ If you live in a state that requires remittance companies to have a license, does the company have one?
 - ✓ Does the company give you a receipt or another document that contains all of the information about the remittance?

ADDITIONAL BANKING SERVICES (Continued)

ATM

A kiosk or terminal where you can deposit, withdraw, or transfer money from one account to another 24 hours a day.

Additional instructor lecture notes

- You can use the ATM for many services, but there might be a fee involved. Most people use the ATM to get cash from their account. If you use another bank's ATM, you might be charged an additional fee. You may be able to make deposits at your bank's ATM only.
- For individuals whose family members live outside the U.S., some banks offer an ATM card, sometimes called a "dual" ATM card. The "dual" ATM card works similarly to other ATM cards. You will send the ATM card to your family members and provide them with a personal identification number (PIN). This allows your family members to withdraw money from an ATM where they live. This is generally cheaper than sending a wire transfer.

Telephone Banking

This allows you to check your account balance by phone.

Additional instructor lecture notes

Telephone banking allows you to:

- Check account balances.
- Transfer money between accounts.
- Obtain account history, such as most recent deposits or withdrawals.
- Stop payment on a check.
- Obtain information on branch hours or other information.
- Report a lost, stolen, or damaged card.

ADDITIONAL BANKING SERVICES (Continued)

Money Order

This is used like a check to pay a bill.

Additional instructor lecture notes

A money order is similar to a check. It is used to pay bills or make purchases when cash is not accepted. Many businesses sell money orders for a fee. If you need to use a money order, it is best to shop around for the best price.

- Cashier's check — For a cashier's check, also called a treasurer's check, bank check, or teller's check, you provide cash or money from your account in the amount of the check plus a service charge (usually from \$2 to \$5). You also tell the institution who is receiving the check. The institution writes a check for you. This check is guaranteed not to bounce. A cashier's check is similar to a money order, but it is provided by a financial institution.
- Certified check – A certified check is a check you write and take to your financial institution. The bank will mark it "certified" for a fee (usually \$2 to \$5) and place a hold on the money in your account until the check is processed. A certified check is guaranteed not to bounce.

Direct Deposit

One method your employer or a government agency might choose to give you your paycheck or benefits check.

Additional instructor lecture notes

- With direct deposit, your paycheck or benefit check is electronically transferred and directly deposited into your account. The amount of money is immediately available. Some banks will not charge monthly fees if direct deposit is used.
- You can sign up for direct deposit of your federal benefits by phone or online in less than 5 minutes through the Government's Go Direct program. Call 800-333-1795 or visit www.GoDirect.org.

ADDITIONAL BANKING SERVICES (Continued)

Direct Deposit (Continued)

- If you electronically file (e-file) your federal income tax return and direct deposit your refund, you could have access to your money within 8 to 15 days. If you have a check mailed to you, it could take 6 weeks. The same timeframe applies to state income tax refunds. There are several community agencies that offer free tax preparation and e-filing services. Complete the Money Matters module for more information on free income tax preparation or contact your local IRS office.
- Although many companies advertise that you can have your refund that same day, there is a significant charge for this service. In many situations, individuals still cannot access their refunds for 2 days or longer.

Loan

Money you borrow from a bank with a written promise to pay it back later.

Additional instructor lecture notes

- Banks charge you fees and interest. This is the money you pay to borrow money. You can talk to the customer service representative for more information about loans offered at a bank.
- The Money Smart modules Borrowing Basics and Loan to Own provide detailed information on how to borrow money responsibly.

Online Banking

This allows you to check your account balance on the computer.

Additional instructor lecture notes

With online banking, you can perform many of the same tasks that you would ordinarily do in person. While the features of online banking differ among institutions, most institutions allow you to perform tasks including paying bills online, reviewing account balances, transferring funds between accounts, submitting a loan application, and sending electronic communications to the bank via secure email.

You can do all of the things on the computer that you can do over the telephone. You can also pay bills at the bank's website.

Debit Card

When you use this card to buy something from a store or another business, the money comes out of your bank account immediately.

ADDITIONAL BANKING SERVICES (Continued)

Debit Card (Continued)

Additional instructor lecture notes

- A debit card is a plastic card sometimes called a check card. The debit card usually has a MasterCard or Visa logo and a magnetic strip on the back. It is tied to your checking account and allows you to pay for goods and services at stores and other businesses that accept MasterCard or Visa credit cards.
- The debit card is similar to a credit card, but there are important differences.

	Credit Cards	Debit Cards
Payments	Buy now, pay later.	Buy now, pay now.
Interest Charges	Yes if you carry a balance or your card offers no "grace period."	No.
Other Potential Benefits	Freebies , such as cash rebates and bonus points good for travel deals. Some purchase protections.	Easier and faster than writing a check. Avoid debt problems. More cards now offering freebies. Some purchase protections.
Other Potential Concerns	Fees and penalties. Remember, not all cards offer grace periods (time to repay without incurring interest). Overspending can cause debt problems.	Fees on certain transactions. You may overdraw your account if you are lax about recording debit card transactions.

- If someone uses your debit card without permission, inform the bank **immediately**. If you report the problem promptly, the financial institution will put the money back into your account (less \$50) if it is unable to resolve the matter within 10 business days of your telling the bank.
- If someone uses your credit card without your permission, you do not have to pay the charge while the credit card issuer is investigating your complaint.
- The debit card also functions as an ATM card. With ATM cards, you can make deposits to or withdrawals from your checking account at ATMs. Most debit cards require a PIN if you use the card as an ATM card.
- When you use your debit card at a merchant, you may have the choice whether to sign for your transaction or input a PIN number. Check with your bank to determine whether you will pay any fees or be eligible for any special incentives if you select one option over the other.
- Make sure no one can see your PIN when you are inputting it. If your debit card is stolen, the thief will be able to access the funds in your account if he or she has your PIN.

ADDITIONAL BANKING SERVICES (Continued)

Stored Value Card

A card onto which you can “load” money to be used for future purchases.

Additional instructor lecture notes

Stored value cards include:

- Telephone cards with pre-paid minutes.
- International gift cards that can be used anywhere the VISA or MASTERCARD logo is displayed.
- Payroll cards.

Some advantages of stored value cards are that they:

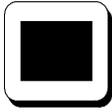
- Reduce or eliminate check-cashing fees.
- Offer 24-hour access to funds; no need to wait in long lines.
- Make money transfers more easily available to families.
- Offer the ability to make purchases using credit card networks.
- Reduce the need to carry a lot of cash.
- Provide a “pseudo bank account” – funds do not have to be withdrawn entirely as when using a check-cashing service.

Some disadvantages of stored value cards are that:

- There are many fees associated with their use (e.g., activation, monthly, point-of-sale, reload, inactivity, overdraft fees) that can erode the balance.
- Not all cards are FDIC-insured.
- Not all cards are protected against loss or theft.

Before getting a stored value card, keep these questions in mind:

- Will the money on the card be FDIC-insured?
- What fees will I be charged?
- What rights do I have if my card is lost or stolen?



23: *Privacy Notices*

Explain what privacy notices are and what they contain.

PRIVACY LAWS AND REGULATIONS

Contents of privacy notices

You have probably been receiving privacy notices from banks and other financial companies. Companies involved in financial transactions must send these notices.

Privacy notices explain how the company handles and shares your personal financial information. For example, they explain what information the company collects and how you can possibly limit the company from sharing your information with others.

Privacy notices also explain how your personal financial information is protected.

You will receive an initial privacy notice when you open your account and then every year thereafter.

Financial institutions may share your information with other companies to offer you other products and services.

Federal privacy laws give you the right to stop or “opt out” of some sharing of your personal financial information.

Federal law requires financial institutions to keep your personal financial information private. The general public does not have access to your personal financial information.



24: *Opting Out*

Explain how to opt out of receiving promotions.

PRIVACY LAWS AND REGULATIONS (Continued)

“Opting Out”

If you prefer to limit the promotions you receive or do not want marketers and others to have your personal financial information, you must take some important steps.

First, review the privacy notice to determine whether the company shares information with others.

Not all companies will share information. If your company does share information, federal privacy laws give you the right to stop or “opt out of” *some* sharing of your personal financial information. You have the right to opt out of some information sharing with companies that are:

- Part of the same corporate group as your financial company (or affiliates).
- Not part of the same corporate group as your financial company (or non-affiliates).

If applicable, your privacy notice will contain instructions to opt out.

Second, you can tell the credit bureaus not to share information on you with lenders and insurers who use the information to decide whether to send you unsolicited offers of credit or insurance.

You can opt out of receiving these prescreened offers by calling 1-888-5-OPTOUT (1-888-567-8688) or visiting www.optoutprescreen.com.

PRIVACY LAWS AND REGULATIONS (Continued)

You cannot opt out and completely stop the flow of *all* your personal financial information.

The law permits your financial companies to share certain information about you without giving you the right to opt out. Among other things, your financial company can provide to non-affiliates:

- Information about you to firms that help promote and market the company's own products or products offered under a joint agreement between two financial companies.
- Records of your transactions — such as your loan payments, credit card or debit card purchases — to firms that provide data processing and mailing services for your company.
- Information about you in response to a court order.
- Your payment history on loans and credit cards to credit bureaus.

If you opt out, you limit the extent to which the company can provide your personal financial information to non-affiliates.

If you do not opt out within a "reasonable period of time" – generally about 30 days after the company mails the notice – then the company is free to share certain personal financial information.

If you did not opt out the first time you received a privacy notice from a financial company, it is not too late. You can always change your mind and opt out of certain information sharing. Contact your financial company and ask for instructions on how to opt out.

Remember, however, that any personal financial information that was shared before you opted out cannot be retrieved.



Ask students ...



Transition to the next topic.

PRIVACY LAWS AND REGULATIONS (Continued)

Do you have any final questions before we move on to the next topic?

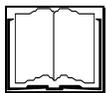
Now that you have learned about some of the additional services banks offer, let's take a look at the people you will meet in a bank.



25: *Important Bank Employees*
Describe the bank employees.



If time does not permit you to conduct the role play, simply read the descriptions of the bank employees.



Refer students to the Bank Employee Role Play on page 8 of their Participant Guide.

TOUR OF A BANK

Important Bank Employees

A financial institution has people who can help you with different banking services. Understanding the jobs of these bank workers will allow you to know who you should talk to when you go to the bank.

The primary people in the bank who you should know are:

- The customer service representative.
- The teller.
- The loan officer.
- The branch manager.

Bank Employee Role Play

In order to get to know the main duties of these bank employees, I would like to ask for volunteers to take on the role of each employee.

Instructions

I will need someone to play the part of a customer, the teller, the loan officer, and the branch manager.

I am going to be the customer service representative. I am going to introduce the customer to each of the bank employees.

Ask for volunteers to play the part of a customer and each bank employee and hand them their script. You will play the part of the customer service representative.

Take about 15 minutes for this role play.

Read the script for the customer service representative, using Instructor Aid #5 on the next page to guide you.

Then, as you introduce the customer to the employees, have each employee read his or her script.

BANK EMPLOYEE ROLE PLAY

Instructions

Read your part of the script when the instructor asks you to.

Bank Employees

Customer Service Representative

As a customer service representative, I can:

- Help you open your account.
- Explain services.
- Answer general questions.
- Refer you to a person who can help you.
- Provide written information explaining the bank products.

Teller

Hi, I'm the teller. I stand behind a counter and:

- Deposit your money for you.
- Cash your checks.
- Answer questions.
- Refer you to the person who can help you with other bank services.

I'm often the main contact at the bank. Anytime you come into the bank, you can go to any teller.

Loan Officer

Hi, I'm the loan officer. My job is to:

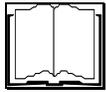
- Take applications for loans offered at the bank.
- Answer questions.
- Provide written information explaining loan products.
- Help you fill out a loan application.

Branch Manager

Hi, I'm the branch manager. My job is to:

- Supervise all the bank operations that take place at this branch.
- Help fix problems that the other bank employees can't solve.

Conclude the role play by offering key points to remember.



Choosing a Bank Checklist

Choosing an Account Checklist



Ask students ...



Transition to the next topic.

TOUR OF A BANK (Continued)

Here are some key points to remember:

- If you do not know who to talk to, ask for help. Someone will take you to the right person.
- Always ask questions until you are clear on all the information and do not sign anything you do not understand.
- Ask for written information to take home to review.

Remember, you can use the Choosing a Bank Checklist and the Choosing an Account Checklist to help you choose a bank and the account that is right for you.

Refer students to the Choosing a Bank Checklist on page 3 and the Choosing an Account Checklist on page 5 of their Participant Guide.

Review both checklists using Instructor Aids #1 and #3 to guide you.

Do you have any final questions about the duties of the bank employees?

Let's review what we have learned today.

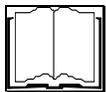


Review what was covered in the course.

Review the chart papers with participant expectations to make sure they have all been covered.



Ask students ...



Refer students to pages 9 through 11 of their Participant Guide.

Allow time for students to complete it.

Make sure you collect all the forms.

SUMMARY AND CONCLUSION

Summary

Congratulations! You've completed the Bank On It module. We have covered a lot of information today about basic banking. You learned about:

- Types of insured financial institutions.
- Basic banking terms.
- Opening and maintaining a bank account.
- Differences between banks and check-cashing services.
- Types of accounts.
- Types of banking services.
- Bank employees and their jobs.

Remember, banks offer more services than a check-cashing service. Using the information you have learned in this module, you should be able to begin using the services of a bank.

Building a positive relationship with a bank can help you establish a record of paying bills, help you save money, and is necessary for obtaining credit.

Do you have any final questions?

Evaluation Form

To improve the training, we will need your feedback. The After-the-Training column on the What Do You Know? form and the Evaluation Form will identify changes that can make this training better.

Please complete the After-the-Training column and the Evaluation Form now.

Great job on completing the Bank On It module! Thank you for participating.

WHAT DO YOU KNOW? – BANK ON IT

Instructor: _____ Date: _____

This form will allow you and the instructors to see what you know about banks both before and after the training. Read each statement below. Please circle the number that shows how much you agree with each statement.

I know:	Before-the-Training				After-the-Training			
	Strongly Disagree	Disagree	Agree	Strongly Agree	Strongly Disagree	Disagree	Agree	Strongly Agree
1. How to identify the major types of insured financial institutions.	1	2	3	4	1	2	3	4
2. How to identify five reasons to use a bank.	1	2	3	4	1	2	3	4
3. How to describe the steps involved in opening and maintaining a bank account.	1	2	3	4	1	2	3	4
4. How to describe two types of deposit accounts.	1	2	3	4	1	2	3	4
5. How to identify additional bank services that come with deposit accounts.	1	2	3	4	1	2	3	4
6. How to describe the primary functions of the bank customer service representative, teller, loan officer, and branch manager.	1	2	3	4	1	2	3	4

EVALUATION FORM

This evaluation will allow you to assess your observations of the Bank On It module. Please indicate the degree to which you agree with each statement by circling the appropriate number.

1. Overall, I felt the module was: <input type="checkbox"/> Excellent <input type="checkbox"/> Very Good <input type="checkbox"/> Good <input type="checkbox"/> Fair <input type="checkbox"/> Poor	Strongly Disagree Disagree Neutral Agree Strongly Agree																																																																	
2. I achieved the following training objectives: a. Identify the major types of insured financial institutions. b. Identify five reasons to use a bank. c. Describe the steps involved in opening and maintaining a bank account. d. Describe two types of deposit accounts. e. Identify additional bank services that come with deposit accounts. f. Describe the main functions of the bank customer service representative, teller, loan officer, and branch manager. 3. The instructions were clear and easy to follow. 4. The overheads were clear. 5. The overheads enhanced my learning. 6. The time allocation was correct for this module. 7. The module included sufficient examples and exercises so that I will be able to apply these new skills. 8. The instructor was knowledgeable and well-prepared. 9. The worksheets are valuable. 10. I will use the worksheets again. 11. The students had ample opportunity to exchange experiences and ideas.	<table border="1"> <tbody> <tr><td>1</td><td>2</td><td>3</td><td>4</td><td>5</td></tr> </tbody> </table>	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5
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EVALUATION FORM (Continued)

Instructor Rating

Please use the response scale and circle the appropriate number.

Response Scale: 5 Excellent 4 Very Good 3 Good 2 Fair 1 Poor	Name of Instructor				
Objectives were clear & attainable	5	4	3	2	1
Made the subject understandable	5	4	3	2	1
Encouraged questions	5	4	3	2	1
Had technical knowledge	5	4	3	2	1

What was the most useful part of the training?

What was the least useful part of the training?
