

## **A. Money Management**

### **Intermediate**

Knows how to open a checking or savings account	PAYA Module 1 pg. 74-79 "Money Matters" I-3, I-4 FDIC Money Smart Program
Knows how to write checks, makes withdrawals and deposits	"I'm Getting Ready" M-12, M-13 PAYA Module 1 pg. 80-84 FDIC Money Smart Program
Knows how to budget for a week (shows some understanding of the concept of saving)	"I'm Getting Ready" M-7 FDIC Money Smart Program
Knows how to record banking transactions	"I'm Getting Ready" M-13 PAYA Module 1 pg. 80-85 FDIC Money Smart Program
Understands the difference between gross wage and take home pay	PAYA Module 1 pg. 97-98 FDIC Money Smart Program
Knows how to use a calculator to perform simple math equations	"Money Matters" M-6 FDIC Money Smart Program

## Independent Living Skills Module I

### CHECKING AND SAVING ACCOUNTS

You have now figured out how you're going to spend your money. As you probably already know, it's not practical to carry all your cash on you or to leave large amounts of money in your home. It's also not a good idea to send cash through the mail, as it can be stolen. Saving accounts and checking accounts are the most common methods of storing money. These are services offered by most banks and savings and loan associations. However, not all places with names that sound like the names of banks are financial institutions that are regulated by the federal government. When you deposit your money in the bank, make certain that it is protected by the Federal Deposit Insurance Corporation (FDIC). When using a savings and loan, be sure that it is protected by the Federal Savings and Loan Insurance Corporation (FSLIC). The FDIC and the FSLIC guarantee that if a bank or savings and loan goes out of business, your deposit is protected up to \$100,000.00.



It is important to remember that all banks don't have the same interest rates, the same service charges, or the same minimum account balance amounts. A majority of larger banks offer online services to make banking easier. For example; sending bills and checking your account. If you have a computer you should see how you could get on line. Usually it is a free service, but check with your bank first. This could save you a lot of time and it could help you to manage your money more effectively. You must comparison shop for savings and checking accounts like you do for other things in order to get the services that suit you. When choosing either or both types of accounts; it is important to remember your financial goals and needs.

#### Savings Accounts



As we saw in the budgeting section, it is important to build up some saved money, and even saving just a little bit of money at a time can help you reach your financial goals.

Money in a savings account earns interest. The bank pays you interest for the privilege of holding your money. Savings accounts can also be used to temporarily store money. If you have difficulty with balancing a checkbook or use checks irresponsibly, you can use saving accounts in combination with money orders to pay your bills.

### Independent Living Skills Module I

For what purposes would *you* use a savings account?



#### ACTIVITY

Visit two different local banks and obtain the following information for each.

Bank A	Bank B
Name:	Name:
Address:	Address:
Office Hours:	Office Hours:
Describe at least 2 types of savings accounts:	Describe at least 2 types of savings accounts:
What is the rate of interest on a passbook/savings account?	What is the rate of interest on a passbook/savings account?
What is the minimum amount of money you are required to keep in a savings account?	What is the minimum amount of money you are required to keep in a savings account?

## Independent Living Skills Module I

<p>How do you withdraw money from the account?</p> <p>Are there any fees or service charges associated with the account? If so, list them.</p> <p>What happens if you lose a passbook?</p>	<p>How do you withdraw money from the account?</p> <p>Are there any fees or service charges associated with the account? If so, list them.</p> <p>What happens if you lose a passbook?</p>
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If you opened a savings account, which of the two banks would you choose? Why?



### ACTIVITY

If you don't have a savings account, open one at the bank which best suits your need.

### Checking Accounts



Checking accounts are different from savings accounts. They provide you with an alternative to cash. Instead of paying bills or purchasing items with cash, you can usually write a check for the amount of the bill. The bank will then subtract the amount of the check from your account and give your money to the agency to which you made out the check. You are responsible for keeping a record in the back of your checkbook of the checks you have written and the deposits you have made into your account. At the end of the month you will receive a monthly bank statement which summarizes your account activity and returns your canceled checks. (A canceled check is a check that has been cashed by the payee.) The canceled checks can be used as receipts for your purchases.

Independent Living Skill Module I

Many banks offer a telephone service, which enables you to call in at any time to inquire about your account balance, and have online services. (Some banks will not offer checking accounts to people under 18.)

For what purposes would you use a checking account?



**ACTIVITY**

Visit two different local banks and obtain the following information for each.

Bank A	Bank B
Name:	Name:
Address:	Address:
Office Hours:	Office Hours:
Describe at least 2 types of checking accounts:	Describe at least 2 types of checking accounts:
How do you open a checking account?	How do you open a checking account?

Independent Living Skill Module I

<p>What does it cost to have a checking account? (Is there a cost per check cashed? Service charges?) What are some of the services the bank will charge you for?</p>	<p>What does it cost to have a checking account? (Is there a cost per check cashed? Service charges?) What are some of the services the bank will charge you for?</p>
<p>Is there a minimum balance you must maintain?</p>	<p>Is there a minimum balance you must maintain?</p>
<p>What is a canceled check?</p>	<p>What is a canceled check?</p>
<p>Should you keep canceled checks? Why or why not?</p>	<p>Should you keep canceled checks? Why or why not?</p>
<p>What happens if a check bounces? What does the bank charge you if they cover the check for you?</p>	<p>What happens if a check bounces? What does the bank charge you if they cover the check for you?</p>
<p>Does the bank have a 24-hour Automatic Teller Machine (ATM)? Is there a fee per transaction or a monthly fee to use the ATM?</p>	<p>Does the bank have a 24-hour ATM? Is there a fee per transaction or a monthly fee to use the ATM?</p>

Independent Living Skill Module I

There are many types of checking accounts. Again, remember to comparison shop for the types of features (service charges, location, minimum balance) that best suits your needs.

Which of the banks would you choose? Explain.



No matter what type of checking account you open, most have the same kinds of checks. You must take care to write checks properly so that the bank will do exactly what you want. Always follow these rules when you write a check:

1. Always write a check in ink.
2. Date the check the day you write it. Never pre- or postdate it. Write the amount of the check in numbers close to the dollar sign so that no one can insert a number before the amount you have written.
3. Write the amount of the check in words starting of the far left side. After the last word, draw a line to fill the unused space.
4. Always sign the check the same way you signed the signature card at the bank.
5. Never sign a blank check.
6. Record each check in your check register *immediately* after it is written.

## MUST I ALWAYS PAY WITH CASH? WHAT ARE MY ALTERNATIVES?

### #1 CHECKS AND CASH

Debate or discuss with someone the advantages and disadvantages of using checks and/or cash for paying your bills.

### #2 ATM/ CREDIT AND DEBIT CARDS

Research ATM/ Credit and Debit cards. Use the "Think, Pair, and Share Method". Think (Start by making your own list of the advantages and disadvantages that an ATM card can have for you.) Pair: (Next share your list with one other person.) Share: (Then share your combined list with larger group.)

ADVANTAGES	DISADVANTAGES

**Would you choose to have one? Why or why not?**

### #3 MONEY ORDERS

Money orders can be used in the same way that personal checks are used. They can be purchased at banks, post offices, and in many convenience stores. Complete the following money order to pay for two tires. Make it payable to the Firestone Store.

<b>MONEY ORDER</b> FIRST BANK OF RENO, NE		662-0157-7321 VOID IF OVER \$1000
Eighty three dollars and Twenty Seven cents	\$ 0083.27	
Pay To: _____ / Address		
Signature: _____		Date _____
KEEP THE YELLOW COPY FOR YOUR RECORDS		

### #4 CHARGE CARDS/ CREDIT CARDS

Charge cards are specific types of cards usually limited to purchases from a specific company or retail department store. They generally require full payment at the end of the month. What stores in your area offer charge cards?

Credit cards are offered by many institutions. Cards may be used at those companies accepting them. The credit card bills can be paid at the end of the month with no interest added. There are different ways to pay for the credit card debt. Interest payment for the use of the money is added to an unpaid bill.





## CHOOSE A BANK, CREDIT UNION, OR SAVINGS AND LOAN



Before you begin, consider how many checks you will write each month and how much you'll keep in your account. It would be helpful to read brochures from the banking institutions before you visit. Then look in the Yellow Pages. Choose two organizations where you could start appropriate checking and savings accounts. Visit and ask questions. Compare the following information.

#1	#2
Name _____	Name _____
Location (is it convenient?) _____	Location (is it convenient?) _____
Office hours _____	Office hours _____
<b>CHECKING ACCOUNT INFORMATION</b>	<b>CHECKING ACCOUNT INFORMATION</b>
Two types of checking accounts appropriate for me:	Two types of checking accounts appropriate for me:
<u>Costs of checking account:</u>	<u>Costs of checking account:</u>
<u>Cost per check cashed:</u>	<u>Cost per check cashed:</u>
<u>Service charges:</u>	<u>Service charges:</u>
<u>Minimum balance needed in account:</u>	<u>Minimum balance needed in account:</u>
<u>Charges made if balance is not maintained:</u>	<u>Charges made if balance is not maintained:</u>
Are checks returned with the bank statement?	Are checks returned with the bank statement?
Is there a delay before deposited funds are available?	Is there a delay before deposited funds are available?
What's a cancelled check?	What's a cancelled check?
Should cancelled checks be saved?	Should cancelled checks be saved?
What happens if a check "bounces"?	What happens if a check "bounces"?
What charges are made for a "bounced" check?	What charges are made for a "bounced" check?
How do I avoid a "bounced" check?	How do I avoid a "bounced" check?
<b>EXTRA SERVICES</b>	<b>EXTRA SERVICES</b>
Do you have a 24 hour ATM?	Do you have a 24 hour ATM?
Are there charges for this service?	Are there charges for this service?
Do you have debit cards? What are the costs?	Do you have debit cards? What are the costs?
Do you have credit cards? What are the costs?	Do you have credit cards? What are the costs?
Do you sell money orders?	Do you sell money orders?
Do you have certified checks or cashier's checks?	Do you have certified checks or cashier's checks?
Costs: _____	Costs: _____
<b>SAVINGS ACCOUNTS</b>	<b>SAVINGS ACCOUNTS</b>
What savings account options do you have?	What savings account options do you have?
What interest rate is offered on savings?	What interest rate is offered on savings?

WHICH INSTITUTION WOULD YOU CHOOSE?

WHY?



### ROLE PLAY: Opening a Checking Account



A receptionist will greet you and direct you where to go to open a checking account. ( You might want to take an appropriate adult with you.) You may be asked if you have other accounts with the bank. You can then ask about the account types that are available to you. (You can use the questionnaire to direct your questions.)

When you have compared banks and made a choice, you will have to take along a driver's license or other ID to show your current address, your social security number, and an amount of money you wish to use to start the account.



**CHOOSE A BANK**



Look in the yellow pages and choose two banks that are appropriate for you:  
Visit these banks, ask questions and compare the following information:

BANK #1	BANK # 2
Name _____	Name _____
Office hours _____	Office hours _____
Two types of checking accounts appropriate for me:	Two types of checking accounts appropriate for me:
1.	1.
2.	2.
How do you open a checking account?	How do you open a checking account?
Costs of checking account:	Costs of checking account:
Cost per check cashed:	Cost per check cashed:
Service charges:	Service charges:
Minimum balance needed in account:	Minimum balance needed in account:
What's a canceled check?	What's a canceled check?
Should canceled checks be kept?	Should canceled checks be kept?
Will canceled checks be returned to me?	Will canceled checks be returned to me?
What happens if a check "bounces"?	What happens if a check "bounces"?
What are bank charges for "bounced" checks?	What are bank charges for "bounced" checks?
Is there a way to avoid "bounced" checks?	Is there a way to avoid "bounced" checks?
Is there a 24-hour ATM available?	Is there a 24-hour ATM available?
What is the charge for ATM transactions?	What is the charge for ATM transactions?
Are debit cards available? What are costs?	Are debit cards available? What are costs?
Are credit cards available? Are there costs?	Are credit cards available? Are there costs?
Are money orders sold?	Are money orders sold?
What savings account options are there?	What savings account options are there?
What interest rate is offered on savings?	What interest rate is offered on savings?
What other services are offered?	What other services are offered?
What happens if a bank credit card is stolen or lost?	What happens if a bank credit card is stolen or lost?

Which bank would you choose?

Why?

Fill out the following check example. Write the check to pay for a pair of shoes from J.C. Penneys that cost \$39.99. Use today's date.

Endorse the following checks as indicated:  
BLANK      RESTRICTIVE      SPECIAL

145

Pedro Martinez  
75 Ladwick Lane, San Jose CA 01245      Date: \_\_\_\_\_

Pay to the \_\_\_\_\_ \$ \_\_\_\_\_  
Order of: \_\_\_\_\_ Dollars

Bank One  
San Jose CA 01246

For \_\_\_\_\_  
0510 0251 12 324 67 8

**NOW YOU TRY IT!**

- Complete the following transactions as if your name is John Dollar:
- Make out a deposit slip for a \$ 245.00 check dated 01/04/02. Record it in his check register.
  - Fill out checks for the following payments and enter them into his check book register:
    - \$ 22.50 to K-Mart for a shirt (Jan. 6, 02)
    - \$ 145.00 to Mr. Johns for rent (Jan 8, 02)
    - \$ 35.00 to Phoenix Electric (Jan. 14, 02)
    - \$ 60.00 to Haydu Ford (Jan. 16, 02)
  - Balance his bank statement using next page.

CHECKING ACCOUNT DEPOSIT TICKET

JOHN DOLLAR  
13908 NORTH AVENUE  
PHOENIX AZ 22202

DATE \_\_\_\_\_ 20\_\_

FIRST BANK  
Phoenix AZ  
9531 0926 12 315 5678

C H E C K S	CASH			
	Total from other side			
TOTAL				
LESS CASH RECEIVED				
NET DEPOSIT				

BE SURE EACH ITEM IS PROPERLY ENDORSED

JOHN DOLLAR 101  
13908 North Avenue  
Phoenix AZ 22202 \_\_\_\_\_ 20\_\_

Pay to the Order of \_\_\_\_\_ \$ \_\_\_\_\_ Dollars

FIRST BANK  
PHOENIX AZ

For \_\_\_\_\_  
9513 0925 12 315 5678

JOHN DOLLAR 103  
13908 North Avenue  
Phoenix AZ 22202 \_\_\_\_\_ 20\_\_

Pay to the Order of \_\_\_\_\_ \$ \_\_\_\_\_ Dollars

FIRST BANK  
PHOENIX AZ

For \_\_\_\_\_  
9513 0925 12 315 5678

JOHN DOLLAR 102  
13908 North Avenue  
Phoenix AZ 22202 \_\_\_\_\_ 20\_\_

Order of \_\_\_\_\_ \$ \_\_\_\_\_ Dollars

FIRST BANK  
PHOENIX AZ

For \_\_\_\_\_  
9513 0925 12 315 5678

JOHN DOLLAR 104  
13908 North Avenue  
Phoenix AZ 22202 \_\_\_\_\_ 20\_\_

Pay to the Order of \_\_\_\_\_ \$ \_\_\_\_\_ Dollars

FIRST BANK  
PHOENIX AZ

For \_\_\_\_\_  
9513 0925 12 315 5678

CHECK BOOK REGISTER:

NUMBER	DATE	DESCRIPTION OF TRANSACTION	PAYMENT/DEBT (-)	CODE	FEE (-)	DEPOSIT/CREDIT	BALANCE
			\$		\$	\$	\$ 144.42



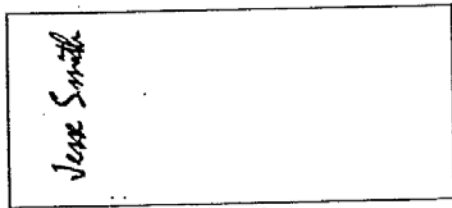
NOW TRY TO BALANCE HIS ACCOUNT NEXT USING THE SHEET.



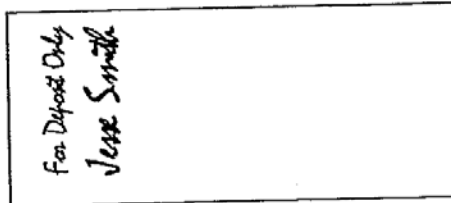
Independent Living Skill Module I

**Types of Check Endorsements**

In order to cash a check that is made out to you, you must first endorse it by signing your name on the back of the check. There are three types of endorsements: a) a blank endorsement, b) a restrictive endorsement, and c) a special endorsement.

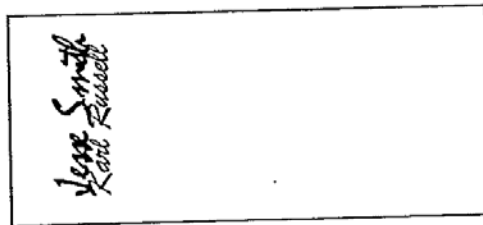


Blank



Restrictive.

Use a restrictive endorsement if you are mailing your check to the bank.



Special

Use the special endorsement only when you are signing your check over to another person. These types of endorsements are seldom used. Many places will not accept the signing over of a check to another person (sometimes known as "third party" checks).

*Never endorse a check before you are ready to cash it.*

**The Check Below Is Filled Out Properly**

JESSE SMITH  
101 MAIN STREET  
CAMFORD, MA 00031

425  
5-595-110

Order 22nd 20 05

Pay to the Order of David D. Dornier \$ 21.45

Twenty One and 47/100 Dollars

BOSTON BANK  
Boston, Massachusetts

Memo Order Jesse Smith

0110011897 12090 2323 1431

Independent Living Skill Module I

Banking Skills



ACTIVITY

Practice your banking skills by completing the following exercises with the blank check and deposit slips provided.

1. On May 4th of this year, you received a statement from the Boston Bank showing that you have \$116.42 in your checking account. Enter this in the register in the box marked "Balance " on page 79.
2. On May 6th, you went to Honest Auto Repair to pick up your car. The mechanic charged \$45.00 to fix the fender, and you paid the shop with check #101. Write out the check, enter it in your register, and calculate the new balance.
3. On May 7th, you bought \$26.15 in groceries. You paid the Thrifty-Mart Grocery Store with check #102. After you write the check, enter it in the register and calculate the new balance.
4. On May 12th, you received a telephone bill for \$29.68. You pay it with check #103. Write out the check, enter it in your register, and calculate the new balance.
5. On May 15th, you received your paycheck of \$126.33. You put \$30.00 in savings and \$96.33 in checking. Fill out the deposit slips for both accounts. Enter the checking account deposit in the register and find the new balance. (Most check registers have a place to record your savings deposits at the very back of the register. Be sure not to mix up checking account and saving account deposits.)
6. On May 18th, you bought some new clothing from Her/Sir Fashions for \$36.17. You paid with check #104. Write the check, enter it into the register, and find the new balance.
7. On May 22nd, you bought more groceries from Thrifty Mart for \$52.76. You paid with check #105. Write the check and enter it into the register, then find the new balance.
8. On May 25th, you received a \$20.00 check for your birthday from your Aunt Esther. Fill out a deposit slip for your checking account, enter it in the register, and find the new balance.
9. On May 30th, you wrote a check for #106 for \$15.00 cash for the Memorial Day Weekend. Write the check and enter it into the register and find the new balance.

Independent Living Skill Module I

HERE ARE SOME BLANK CHECKS FOR USE WITH THE ACTIVITY.

101  
2-595-110

Your Name \_\_\_\_\_  
Your Street Address \_\_\_\_\_  
Your Town, MA, Zip Code \_\_\_\_\_ 20 \_\_\_\_\_

Pay to the \_\_\_\_\_ \$ \_\_\_\_\_  
Order of \_\_\_\_\_ Dollars

BOSTON BANK  
Boston, Massachusetts

Memo \_\_\_\_\_  
0-110011897-1-2090-2323-1431

102  
2-595-110

Your Name \_\_\_\_\_  
Your Street Address \_\_\_\_\_  
Your Town, MA, Zip Code \_\_\_\_\_ 20 \_\_\_\_\_

Pay to the \_\_\_\_\_ \$ \_\_\_\_\_  
Order of \_\_\_\_\_ Dollars

BOSTON BANK  
Boston, Massachusetts

Memo \_\_\_\_\_  
0-110011897-1-2090-2323-1431

103  
2-595-110

Your Name \_\_\_\_\_  
Your Street Address \_\_\_\_\_  
Your Town, MA, Zip Code \_\_\_\_\_ 20 \_\_\_\_\_

Pay to the \_\_\_\_\_ \$ \_\_\_\_\_  
Order of \_\_\_\_\_ Dollars

BOSTON BANK  
Boston, Massachusetts

Memo \_\_\_\_\_  
0-110011897-1-2090-2323-1431

Independent Living Skill Module I

Your Name \_\_\_\_\_ 104  
Your Street Address \_\_\_\_\_ 5-595-110  
Your Town, MA, Zip Code \_\_\_\_\_ 20  
Pay to the Order of \_\_\_\_\_ \$ \_\_\_\_\_  
\_\_\_\_\_ Dollars  
BOSTON BANK  
Boston, Massachusetts  
Memo \_\_\_\_\_  
0:110011897-1-2090-2323-1431

Your Name \_\_\_\_\_ 105  
Your Street Address \_\_\_\_\_ 5-595-110  
Your Town, MA, Zip Code \_\_\_\_\_ 20  
Pay to the Order of \_\_\_\_\_ \$ \_\_\_\_\_  
\_\_\_\_\_ Dollars  
BOSTON BANK  
Boston, Massachusetts  
Memo \_\_\_\_\_  
0:110011897-1-2090-2323-1431

Your Name \_\_\_\_\_ 106  
Your Street Address \_\_\_\_\_ 5-595-110  
Your Town, MA, Zip Code \_\_\_\_\_ 20  
Pay to the Order of \_\_\_\_\_ \$ \_\_\_\_\_  
\_\_\_\_\_ Dollars  
BOSTON BANK  
Boston, Massachusetts  
Memo \_\_\_\_\_  
0:110011897-1-2090-2323-1431

Independent Living Skill Module I

USE THESE DEPOSIT SLIPS WITH THE ACTIVITY.

<b>CHECKING ACCOUNG DEPOSIT</b>			Dollars	Cents
Your Name	5-110-595	Cash Total		
Your Street Address		List Checks	Check #	
Your Town, MA, Zip Code				
	_____ 20 _____			
BOSTON BANK				
Boston, Massachusetts				
50211   : 9099"   00":98976		<b>TOTAL</b>		

Be Sure Each Item Is Properly Endorsed.

<b>CHECKING ACCOUNG DEPOSIT</b>			Dollars	Cents
Your Name	5-110-595	Cash Total		
Your Street Address		List Checks	Check #	
Your Town, MA, Zip Code				
	_____ 20 _____			
BOSTON BANK				
Boston, Massachusetts				
50211   : 9099"   00":98976		<b>TOTAL</b>		

Be Sure Each Item Is Properly Endorsed.

<b>SAVINGS ACCOUNG DEPOSIT</b>			Dollars	Cents
Your Name	5-110-765	Cash Total		
Your Street Address		List Checks	Check #	
Your Town, MA, Zip Code				
	_____ 20 _____			
BOSTON BANK				
Boston, Massachusetts				
20211   : 9019"   00":98576		SUBTOTAL		
		Less Cash Back		
		<b>TOTAL</b>		

Signature \_\_\_\_\_





## MAKE A MONEY PLAN FOR TODAY

You've already: gathered information about yourself; checked your values, wants and needs; set your goals. Now it's time to consider making a money plan (budget). List some reasons for making a money plan. Begin by keeping track of money you spend for one week. Keep a record on a piece of paper folded into eight sections. Copy the example below. Carry it in your pocket or purse. You may want to keep track for more than a week. When you complete the record, transfer the information to the chart below:

MY WEEKLY INCOME AFTER TAXES	
Job (Take-home pay*)	\$ _____
Allowance	_____
Scholarship grant	_____
Gifts	_____
Government subsidies	_____
<b>TOTAL INCOME</b>	_____
<b>TOTAL EXPENSES</b>	_____
<b>AMOUNT LEFT for savings &amp; reaching your goals</b>	\$ _____

\* Take-home pay is the amount received after taxes, insurance, dues, etc. are taken out. These deductions are about 20% of the amount earned.

Sunday	Monday	Tuesday	Wednesday
Thursday	Friday	Saturday	Totals:
			Sun \$
			Mon \$
			Tues \$
			Wed \$
			Thurs \$
			Fri \$
			Sat \$

FIXED EXPENSES	\$	FLEXIBLE EXPENSES	\$
Rent		Food	
Utilities: Gas/Electric		Furnishings	
Credit card payments		Clothing	
Telephone		Transportation	
Renter's insurance		Automobile expenses	
Auto insurance		Laundry/cleaning	
Life insurance		Personal care supplies	
Medical insurance		Tuition/education	
Water		Books/supplies	
Savings		Medical expenses	
Pledges		Vacations	
Cable television		Recreation	
Other:		Other:	
<b>Total Fixed Expenses</b>	\$	<b>Total Flexible Expenses</b>	\$

TOTAL income after deductions \$ \_\_\_\_\_  
 TOTAL of fixed and flexible expenses - \$ \_\_\_\_\_  
 TOTAL left for saving & reaching goals = \$ \_\_\_\_\_

What changes could you consider making?

MAKE A FINANCIAL PLAN WITH YOUR PARENTS/CARETAKERS HELP. (Consider what you will need when you go out on your own. What can you buy now? How can you save?)

**NOW YOU TRY IT!**

- Complete the following transactions as if your name is John Dollar:
- Make out a deposit slip for a \$ 245.00 check dated 01/04/02. Record it in his check register.
  - Fill out checks for the following payments and enter them into his check book register:
    - \$ 22.50 to K-Mart for a shirt (Jan. 6, 02)
    - \$ 145.00 to Mr. Johns for rent (Jan 8, 02)
    - \$ 35.00 to Phoenix Electric (Jan. 14, 02)
    - \$ 60.00 to Haydu Ford (Jan. 16, 02)
  - Balance his bank statement using next page.

CHECKING ACCOUNT DEPOSIT TICKET

JOHN DOLLAR  
13908 NORTH AVENUE  
PHOENIX AZ 22202

DATE \_\_\_\_\_ 20\_\_

FIRST BANK  
Phoenix AZ  
9531 0925 12 315 5678

C H E C K S	CASH			
	Total from other side			
TOTAL				
LESS CASH RECEIVED				
NET DEPOSIT				

BE SURE EACH ITEM IS PROPERLY ENDORSED

JOHN DOLLAR 101  
13908 North Avenue  
Phoenix AZ 22202

\_\_\_\_\_ 20\_\_

Pay to the Order of \_\_\_\_\_ \$ \_\_\_\_\_

\_\_\_\_\_ Dollars

FIRST BANK  
PHOENIX AZ

For \_\_\_\_\_  
9513 0925 12 315 5678

JOHN DOLLAR 103  
13908 North Avenue  
Phoenix AZ 22202

\_\_\_\_\_ 20\_\_

Pay to the Order of \_\_\_\_\_ \$ \_\_\_\_\_

\_\_\_\_\_ Dollars

FIRST BANK  
PHOENIX AZ

For \_\_\_\_\_  
9513 0925 12 315 5678

JOHN DOLLAR 102  
13908 North Avenue  
Phoenix AZ 22202

\_\_\_\_\_ 20\_\_

Order of \_\_\_\_\_ \$ \_\_\_\_\_

\_\_\_\_\_ Dollars

FIRST BANK  
PHOENIX AZ

For \_\_\_\_\_  
9513 0925 12 315 5678

JOHN DOLLAR 104  
13908 North Avenue  
Phoenix AZ 22202

\_\_\_\_\_ 20\_\_

Pay to the Order of \_\_\_\_\_ \$ \_\_\_\_\_

\_\_\_\_\_ Dollars

FIRST BANK  
PHOENIX AZ

For \_\_\_\_\_  
9513 0925 12 315 5678

CHECK BOOK REGISTER:

NUMBER	DATE	DESCRIPTION OF TRANSACTION	PAYMENT/DEBT (-)	CODE	FEE (-)	DEPOSIT/CREDIT	BALANCE
			\$		\$	\$	\$ 144.42



NOW TRY TO BALANCE HIS ACCOUNT NEXT USING THE SHEET.





## Independent Living Skills Module I

### UNDERSTANDING YOUR PAYCHECK

Most employers pay their employees by check and, for many people, receiving that check is a very satisfying experience! Some people, however, are confused about why their check is less than they expected.

To avoid unwelcome surprises, you should know that there are a number of deductions that are taken from your paycheck. Your check stub (attached to your check) will identify your gross pay, which is the total amount of money that you earned, and your "take-home pay" or net income, the amount that is left for you after all the deductions are taken.

The standard payroll deductions are:

- Federal income tax
- State income tax
- Social Security/Retirement

Other possible deductions:

- Health and hospital insurance
- Life insurance
- Union dues

*Keep your check stubs!!! They are an important record of your earnings and deductions.*

PAYROLL CHECK	CARSON'S DEPARTMENT STORE 123 Elm Street Anytown, MA 01234	51-42 321
Pay to the Order of	JESSE SMITH	\$ 145.62
BOSTON NATIONAL BANK Boston, Massachusetts 0:075341 2090-231112-1		Robert W. Carson Robert W. Carson, President

### Independent Living Skills Module I

Below is a sample payroll check stub. Often, a paycheck stub will also include year-to-date totals on all earnings and deductions, a breakdown of the hourly wage(s), and other necessary information.

<b>CARSON'S DEPARTMENT STORE</b> NAME: JESSÉ SMITH EMP. #: 504 SS#: 001-01-0011		Date of Issue: 10 July 2005 Pay Period: 7/1/05 - 7/8/05 Check #: 324	
Regular Hours: 30		<b>GROSS EARNINGS:</b>	\$202.25
Overtime Hours: 0		Current	
		<u>Deductions</u>	
Hourly Rate: \$6.75		Federal Tax	34.38
Overtime Rate: \$8.00		State Tax	8.10
		FICA	14.15
		<b>NET EARNINGS</b>	<b>\$145.62</b>

Jesse's net pay, his take home pay, is \$145.62. Although he earned \$202.25 for the week of July first through eighth, his employer is required to deduct \$34.38 for Federal tax, \$8.10 for State tax, and \$14.15 for F.I.C.A. (Social Security). This leaves Jesse with \$145.62 for himself.



#### ACTIVITY

Take a look at your paycheck and answer the following questions.

What is your gross income?

\_\_\_\_\_

How much do you pay in Federal taxes?

\_\_\_\_\_

How much do you pay in State taxes?

\_\_\_\_\_

How much do you pay to F.I.C.A.?

\_\_\_\_\_

Do you have any other deductions? If so, describe.

\_\_\_\_\_

What are your net earnings?

\_\_\_\_\_

## CAN YOU MAKE YOUR MATH WORK FOR YOU?

You go to a restaurant for dinner and receive the following bill:

- What would you pay for the food total? \_\_\_\_\_
- What would you add for 5% sales tax? \_\_\_\_\_
- If you chose to give a 10% tip, what would you add? \_\_\_\_\_
- If you chose to give a 15% tip, what would you add? \_\_\_\_\_
- What would your total bill be? \_\_\_\_\_
- If you paid with a \$10.00 bill, what change would you receive? \_\_\_\_\_

JOHN'S PLACE	
Hamburger basket	\$ 3.45
Side salad	1.25
Drink	1.00
<b>FOOD TOTAL</b>	_____
5% TAX	_____
Tip	_____
<b>TOTAL</b>	_____

When you go to the grocery store you must figure the following costs:

1. Oranges cost \$ 1.20 per dozen. You buy only 6.
2. Bananas cost \$ .49 per pound. You buy 2 1/2 pounds.
3. Hamburger costs \$ 1.48 per pound. You buy 3/4 pound.
4. Chili beans are on special @ 2 cans for \$ .98. You buy only one.
5. Taco shells are running a special deal on large packages containing 36. They cost \$3.28. You decide to buy the package and share it with a friend.

Total cost \_\_\_\_\_  
 Total cost \_\_\_\_\_  
 Total cost \_\_\_\_\_  
 Total cost \_\_\_\_\_

Your share of the cost will be \$ \_\_\_\_\_

1. Your total grocery bill is \$29.62. You want to return an item costing \$ .49. What will your bill be now? \_\_\_\_\_

You want to be sure that the change you receive is correct! Figure the following.

Cost of item	Amount paid	Change received	# of \$10.00	# of \$5.00	# of \$1.00	# of \$.50	# of \$.25	# of \$.10	# of \$.05	# of \$.01
(example) \$5.67	\$10.00	\$4.33			4		1		1	3

Practice figuring down payments for the following purchases:

1. Automobile that cost \$7,899.00 required a down payment of 25%
2. Motorcycle that costs \$655.00 required a down payment of 20%
3. A mobile home that costs \$23,000.00 required a down payment of 15%
4. A \$75.00 winter coat on lay-away required a down payment of 5%

\$ \_\_\_\_\_  
 \$ \_\_\_\_\_  
 \$ \_\_\_\_\_  
 \$ \_\_\_\_\_