

Step 1

Writing a Check

*"Money and success don't change people;
they merely amplify what is already there."
~ Will Smith*

Having a checking account is both a blessing and a curse. It certainly makes paying your bills easier, but there's always that temptation that seems to speak from between the covers of your checkbook: *"I can't be out of money. I still have checks left!"* Don't listen... Checks are like cash – and they're a promise to pay. Treat your checks just like crisply-minted currency. You wouldn't leave a pile of cash on the seat of your car, so don't be careless with your checks.

How do I write a check? A check is considered "legal tender." That means, by writing a check, you are promising to pay that amount of money. Failure to have money in your account to cover the cost of a check is illegal and can result in expensive service charges, closed bank accounts, bad marks on your credit report, court costs, even jail time.

Complete the following lines when writing a check:

- 1** *Pay to the Order of.* This is the person or company you're writing the check to. If you're paying a bill, include your account number on this line if asked to do so by the company you're paying. If you're making a credit card payment, include only the last four digits of your account number.
- 2** *Date.* Write today's date. It's illegal to post-date or write a later date on checks.
- 3** *Amount of check in numbers.* Write the amount of the check in numbers. Don't leave any space between the dollar symbol (\$) on your check and the numbers you write for the amount of the check. You don't want to leave room for someone to write in extra numbers.

- 4** *Amount of check in words.* Write the amount of the check in words, beginning at the far left side of the check. Write the dollar amount, followed by the word "and," then write the amount of cents over the number 100. Draw a line from the end of 100 to the end of the line where it says "Dollars." (You do not have to write the word "dollars" on this line. It's already printed on the check.)
- 5** *Memo.* You can use this space to make a note of why you wrote the check. You can also list your account number here.
- 6** *Your signature.* Sign the check exactly the way you signed the signature card at your bank or credit union when you opened your account. One way to deter identity theft if your checkbook is stolen is to sign your name different from the way it's pre-printed on your check. For example, I could have S. S. Taylor pre-printed on my checks, and sign my name as Sally S. Taylor. By signing differently, the person who stole your checks wouldn't know and it would be easy for your bank or credit union to notice that it's not your signature on the checks.

The following items are pre-printed on your checks:

- a** *Your name, address, and phone number.* Do not include your Social Security number.
- b** *Check Number.*
- c** *Name of your bank or credit union.*
- d** *Identification Numbers.* This group of numbers is used to identify your bank or credit union by its routing number, your account number, and the check number. They are printed with a special magnetic ink that machines can read.

Should I order duplicate checks? When you open a new checking account, the bank or credit union will give you a supply of temporary checks. It's your responsibility to order permanent checks that list your name, address, and phone number.

ORDER CHECKS THAT HAVE CARBON – OR DUPLICATE – COPIES.

Order duplicate checks so you don't have to stand at the checkout counter filling in your checkbook register. You can refer back to the carbon copy of the check and write it in your checkbook register once you get home.

Don't rely on your memory to keep track. If you forget to deduct any checks from your register, you could spend more money than you have in your account, pay a lot of money in service charges, and harm your credit rating.

You can order permanent checks directly from your bank or credit union when you open your account. The cost is automatically withdrawn from your account. Some banks and credit unions charge up to \$24 for an order of checks. Be sure to deduct the cost of the checks in your checkbook register.

You can also order checks from a third-party check printer for less than \$10 per box. Many of these companies, such as Artistic Checks, the Check Gallery, or Checks Unlimited, have fliers in the Sunday newspaper and ads in various magazines. You must have an active checking account and a temporary check to order from these printers.

CHECKS ARE LIKE MONEY – SO KEEP ALL CHECKS IN A SECURE PLACE.

This includes your checkbook, as well as the box of checks you're not using. Keep your deposit slips in a secure place, too, since they have your account number on them. If your bank or credit union offers a code word to access your account, use it. And don't hand over a blank check to anyone.

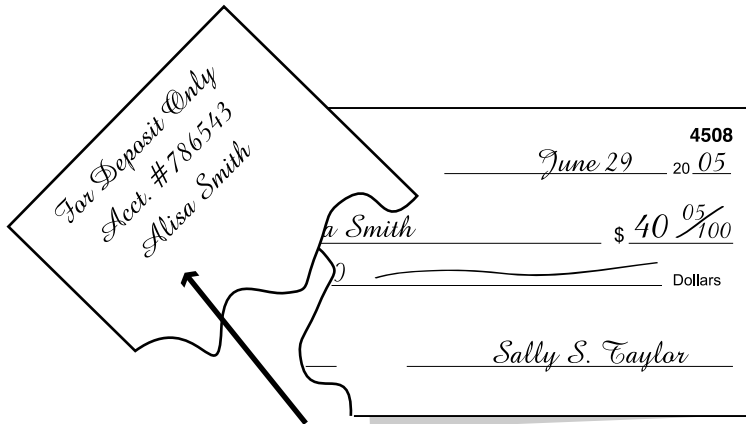
How do I endorse a check? To cash a check made payable to you, or to deposit it in your account, you must endorse the back of the check. There are three types of endorsements: blank endorsement, restrictive endorsement, and special (or full) endorsement.

Blank endorsement. For a blank endorsement, you would just sign your name on the back of the check. If you do the blank endorsement, do not sign the check until you're at the bank or credit union. If you sign the check with just your name and then lose it, anyone can cash the check.

Restrictive endorsement. For a restrictive endorsement, you would write "For Deposit Only," along with your account number and your name. This is the most secure way to endorse a check because it means the amount of the check can only be deposited in the account written on the back of the check.

Special (or full) endorsement. If you have a check made payable to you, but you want to give it to someone else, you can sign the back of the check with "Pay to the order of _____." Insert the name of the person you're giving the check to. Some banks and credit unions might not accept a special endorsement. You may have to deposit the check in your account and write a check to the other person.

Types of Endorsements



Blank Endorsement	Restrictive Endorsement	Special Endorsement
<i>Alisa Smith</i>	<i>For Deposit Only Acct. # 786543 Alisa Smith</i>	<i>Alisa Smith Pay to the Order of James Smith</i>

How do I fill out a deposit slip? Use a deposit slip to help your bank or credit union put your money in the correct account. When you order checks, there are blank deposit slips in the back of the checkbook. When you make a deposit at your bank or credit union, fill out a deposit slip with the following information:

- 1 **Date:** Write in today's date.
- 2 **Your signature:** If you are depositing a check in your account, but want to have some cash back, sign the deposit slip once you're at the bank or credit union in the presence of a teller.
- 3 **Cash / Currency:** If you are depositing dollar bills, write the amount here.
Cash / Coins: If you are depositing change, write the amount here.
- 4 **List Checks Singly:** For each check you are depositing, write the name of the person or company that wrote you the check in the left column and the amount of the check in the right columns.
- 5 **Total:** Add up all currency, coins, and checks.

- 6 *Less Cash Received:* If you are getting cash back, write the amount you want back here.
- 7 *Net Deposit:* Subtract the cash you want back from the total of your cash and checks. This is the total amount that will be deposited into your account.

Deposit Slip

<p>Alisa Smith 54321 Iowa Street Valencia, CA 91355</p> <p>Date <u>June 30, 2005</u> <u>Alisa Smith</u></p> <p><small>SIGN HERE IN TELLER'S PRESENCE FOR CASH RECEIVED</small></p> <p>YOUR BANK Santa Clarita, CA 91380</p> <p>①</p> <p>②</p>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">CASH</td> <td style="width: 50%;">CURRENCY COINS</td> <td></td> <td></td> </tr> <tr> <td colspan="2"><small>LIST CHECKS SINGLY</small></td> <td></td> <td></td> </tr> <tr> <td colspan="2"><i>Taylor</i></td> <td style="text-align: right;">40</td> <td style="text-align: right;">05</td> </tr> <tr> <td colspan="2">TOTAL FROM OTHER SIDE</td> <td></td> <td></td> </tr> <tr> <td colspan="2" style="text-align: right;">TOTAL</td> <td style="text-align: right;">40</td> <td style="text-align: right;">05</td> </tr> <tr> <td colspan="2">LESS CASH RECEIVED</td> <td style="text-align: right;">20</td> <td style="text-align: right;">00</td> </tr> <tr> <td colspan="2" style="text-align: right;">NET DEPOSIT</td> <td style="text-align: right;">20</td> <td style="text-align: right;">05</td> </tr> </table> <p>③</p> <p>④</p> <p>⑤</p> <p>⑥</p> <p>⑦</p>	CASH	CURRENCY COINS			<small>LIST CHECKS SINGLY</small>				<i>Taylor</i>		40	05	TOTAL FROM OTHER SIDE				TOTAL		40	05	LESS CASH RECEIVED		20	00	NET DEPOSIT		20	05
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If you don't have a deposit slip with you, you can get a blank one at your bank or credit union. You would list the items above plus your name and account number.

Also, don't use deposit slips to give notes or your phone number to someone. Protect your account information.

Do I have to leave a tip?

Tipping is an important part of American life. It lets people know their service is valued. Some people tip a standard 15 percent. Others tip based on quality of service. Some tip everyone who provides a service to them, while others only tip in restaurants. The following are some common tipping practices:

- Waiters / Waitresses: 15% of the pre-tax bill; 20% if it's a nice restaurant or if the service is exceptional. For large parties, the gratuity (tip) may be added to the bill automatically. At buffets, tip 10% (or no tip if the server didn't assist you).
- Food Delivery Person: \$1 to \$5, depending on the size of the delivery
- Coffee Bar Attendant: \$1 or your change in the jar on the counter
- DJs: \$1 or more if you ask for a song to be played
- Bartender: 15% of bill
- Taxi Driver: 15% of fare
- Valet / Car Park Attendant: \$2 to \$5
- Restroom Attendant: \$1
- Coatroom Attendant: \$1
- Flower Delivery Person: \$3 to \$5