

## How to Balance My Checkbook/Debit Card Account Register

Balancing your Checkbook/Debit Card Account Register is one of those crucial life skills that you need to know. It will give you a clear sense of not only how much money is in your credit union account, but where your money goes. It can also help prevent you from bouncing checks or over-drawing your account with your debit card, stick to your budget, help you avoid fees, and detect errors from your credit union or even fraudulent billing.

**Use the check register.** You know that extra little notebook that comes with your checks, and slips right into your checkbook? It is called the register. It's designed to help you keep track of your all your income and expenditures and all your transactions, from deposits, ATM withdrawals, debit card usage, fees, to any checks you write. If a register is not available you can use a small notebook.

**Find out your current balance.** Log on to your account online, call or visit your credit union, or visit an ATM and get the current balance on the account you wish to track.

- Write this balance in the box at the top of the page or on the empty first line with the note "balance forward". There may be checks, or electronic debits that haven't cleared yet, so today's figure, while correct, will not account for debits that have not been processed yet. If you're not sure of your exact, current balance, keep an eye on your account and check the balance in the next several days.

**Record all your transactions.** Write down any debit (money being taken out) or credit (money being added) to your account. There should be two columns in your register — one for debits and one for credits. Place the dollar amount being taken away in the debits column and the dollar amount being added in the credit column.

- Record all transactions that you do. Write down the check number if it is a check, the date, the payee (who you write the check to), and the amount of the check.
- Record any withdrawals or payments you make from that account. If you withdraw money from the credit union or ATM, or if you purchase something at the store or online using an ATM or debit card, write down the amount of the purchase. If there is a fee for using the ATM, write down that amount also.
- Record any online bill payments. If your online bill payment service gives you a confirmation code, you may wish to jot this code in your check register next to the payee information.
- Record any deposits into your account. If the transaction changes the amount of money in your account, always write it down!

**Label your transactions.** Doing this will help you can remember what each transaction was for when it is time to balance your register.

- Use specific categories like food, utilities, mortgage, dining out, etc.

**Adjust your records daily if you share an account with someone else.** Try to touch base with them often about any transactions done using the account so you can each record the payments and the current balance of the account in your individual registers.

- If you are balancing multiple accounts, keep a separate register for each account so they are easy to track.

**Recalculate the balance in the account regularly.** You can do this after a transaction, or less frequently, such as when you sit down to do your bills.

- If you have a history of bounced checks or an overdrawn account, you should re-calculate your balance after every transaction or every other transaction.
- Subtract the amount of any expense, payment, check, or withdrawal from the total. Include transfers out of the account in this subtraction.
- Add the amount of any deposit, credit, or transfer into the account to the total.
- Subtract all your debits from your credits. You should end up with a positive number. Write the new balance after each transaction in the rightmost column.

**Reconcile your register.** When your credit union statement arrives, compare your check register to your statement and check off which transactions have cleared. (Reconciliation attached)

- Add any interest that the credit union has paid you.
- Subtract any fees that the credit union has charged you.
- Check that the transactions in your account register and match what is on your statement. Make sure your recorded balance matches what the credit union thinks you have, not including any transactions that haven't yet cleared and aren't listed on the statement.

**Correct any mistakes in your register.** If you find any discrepancies between your numbers and your credit union's numbers, figure out where they came from and correct them.

- Double-check your math. Make sure you added and subtracted everything correctly since the register last balanced correctly.
- Look for missing transactions. Did you forget to write something down? Has something not cleared or have you recorded something that happened after the statement date?
- Subtract the balance in your check register from the balance on the statement. Does the amount match the amount of one of the transactions? If so, that transaction has probably not been accounted for correctly yet.

- If the difference between the balance in your register and the balance on your statement has an even number of pennies, divide the difference by 2. Does this new amount match the amount of one of the transactions? If so, that transaction was probably added instead of subtracted or vice versa.

**Determine if all your transactions have cleared.** The money taken out for checks and other payments may not be taken out immediately. If you think a check or other payment has not yet cleared, subtract the amount of that check from the credit union's balance and see if it matches yours.

- One way to stay on top of this is to check your account regularly and put check marks next to every check that has already cleared.

**Notify your credit union if you think there are fraudulent charges on your account.** Call or visit your credit union to discuss any suspicious charges or charges that are not accounted for in your register and you do not remember making and discuss possible refund options.

- Always make sure you report any suspected fraud on your account, even if it may end up being a charge you simply forgot about or threw away the receipt for.

**Finish balancing.** Once everything is balanced you may want to draw double lines under the balanced amount in your check register. That way the next time you go to balance you have an idea of the last known correct amount in your register.

- This will also remind you where an error is in the check register for the next time you balance your register.

**Know that the credit union *can* and *do* make mistakes.** Balancing your register probably seems like something only your grandpa does in today's modern age. But many financially responsible people still balance their register so in the rare event the credit union makes an error, you can recognize it and get it corrected.

- Think about it: If all you do is look at your credit union or credit card statement to make sure your monthly transactions are correct, it will likely be difficult to tell if your credit union makes a mistake. And their mistake will then be your loss.

**Prevent an over drawn account or and unnecessary credit union fees.** If you're writing a check/or doing debit transaction, chances are you may not have your current credit union statement in front of you, so you may not know how much money you have in your account. Having a balanced register will help you determine whether

you have the necessary funds to write the check or do a debit card transaction and feel assured the transaction will not overdraw your account balance. Most credit union's charge a bounced check fee.

- Ask your credit union if you're not sure about the fees they charge.
- Keep in mind deposited checks, depending on the amount, will take some time to "post"; that is, the money may not appear in your account immediately. Some credit unions offer provisional credit from the deposit, such as releasing \$300 or \$1000 of the funds and holding the remaining amount for 2 - 5 business days, and some don't offer any provisional credit.

## COMMON QUESTIONS AND ANSWERS

### **1. When using the form on the back of my statement to balance my register, do I start with the beginning balance or the ending balance of the statement?**

First, you are not balancing your checking/debit card account if you have your statement. You are checking for fraudulent entries and checks that have not cleared. Then updating your register to show an accurate available funds so you don't overdraft. If you have been using your check register correctly, this should be easy to update. Start by marking all your checks and debit card transactions that have cleared on your check register. Next, use your ending balance on your account statement, and subtract any transactions that have not cleared. This is your new available funds. Use a "credit union activity" entry on your check register to show the additional -cash, allowing your check register balance correctly.

### **2. Is it possible for a person to have two different accounts at the same credit union?**

Yes. Most credit unions have different rules on this, and some have helpful options to keep your accounts straight, like labeling one account "Mortgage" and another "Mom's Money."

### **3. Where can I find out how much and to whom I wrote an old check?**

Look for the canceled check amount on your credit union statement. Get the checks that make a carbon copy in case you do not remember to mark them in the register. Free copies are available through Online Banking.

### **4. Should I start with the posted balance on my statement?**

Yes. It is very important when using a statement to make sure your posted balances match up month-to-month.

### **5. Why doesn't my credit union statement balance reflect the amount I have available to spend?**

The "available to spend" statement is related to a specific point in time. Changes to your account often occur between the time the statement is printed and mailed and the time you receive it in the mail which accounts for the discrepancy.

### **6. I thought my register was balanced, but the bank says I have more money than I thought. Where could I have gone wrong in my calculations?**

A transaction may not have cleared the credit union yet. You may also have forgotten to write down a debit transaction.