

Checks and Balances

Keeping track of your checking account is essential. If you don't know how much money you have available, you may overdraw your account. This could be expensive. The store will probably charge you a returned check fee, and you'll also be responsible for a non-sufficient fund (NSF) fee from your credit union. Follow these steps to help balance your account:

Step 1: Keep accurate records of every deposit you make and every check you write. Then when your monthly statement arrives, you need to make sure that the amount you think you have matches what the credit union says you have.

Step 2: When your statement arrives, write down the ending balance from the statement, then add any deposits you made that don't appear on the statement. For example, if the statement is dated April 30 and you made a \$100 deposit on May 3, you will need to add that amount. This is your adjusted statement balance.

Step 3: Go through the statement to see which checks have "cleared" - gone through the processing system. Subtract the checks that have not cleared from the adjusted statement balance.

Step 4: Look on your statement for any fees or cash withdrawals you forgot to write down in your checkbook. If you find any, adjust your checkbook balance for that amount.

Step 5: Verify that your checkbook balance agrees with the adjusted monthly statement balance.

If they do not agree, look for these common errors:

* Transpositions. You write a check for \$8.48, but write it down in the check register as \$8.84. This means your checkbook balance will say you have 36 cents more than the statement balance. If the amount in question can be divided by 9, a transposition error is usually the culprit.

* Uncleared checks from previous months. Perhaps you wrote a check to a friend, and she forgot to cash it. Look back to see that all the checks from previous months have cleared.

* Processing errors. Your check is for \$9.91, but it was processed for \$9.97. This rarely happens, but it does happen - usually because of handwriting.

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