



Write a Check

Checks and Checking Accounts

Extension Activity

Check-Writing Instructions:

1. Use a pen when writing a check.
2. Write your **name, address, and zip code** in the upper left-hand corner.
3. Enter the **date** in the upper right-hand corner. Include the month, day, and year.
4. **Pay to the order of:** Print the name of the person or business you are paying.
5. In the box near the **dollar sign (\$)**: Using numbers, fill in the dollar amount (25.00). The number should be written close to the dollar sign.
6. Print the amount on the line underneath using **words and fractions**.
7. **Memo line:** Print the reason or purpose of the check here.
8. **Sign your check.** Use your full name. No nicknames. A check is a formal bank document.
9. **Keep track of your checks** and the account balance in a register or ledger.

Checking Account Tips

Know your account balance. Don't spend more than you have.

Your check will "bounce" (the bank will notify you that it is not valid) if you write a check for more money than what is in your account. Overdraft and bounced-check fees may apply.

Keep track of your account with a written or online register.

_____	3456
_____	Date _____

Pay to the Order of _____	\$ <input type="text"/>
	Dollars
 Junior Achievement®	JA Finance Park®
Memo _____	
1011111111	123456789999 3456



Tracking Expenses

Checks and Checking Accounts

Extension Activity

Keep your checking account balanced by adding deposits and subtracting checks, debit card purchases, and withdrawals. Correctly record the following transactions in your Check Register on Page 59 in the Student Workbook.

1. You have a beginning balance of \$634.51.
2. On April 14, you write check number 3456 to a family member in the amount of \$25.00. The check is a birthday gift.
3. A direct deposit in the amount of \$253.45 is credited to your account on April 15. This is your pay from your part-time job. One hundred dollars is automatically placed in your savings account. The rest is deposited in your checking account. Your deposit is \$153.45.
4. On April 16, you swipe your debit card at the ATM and withdraw \$20.
5. On April 16, you swipe your debit card at the gas pump. The amount debited is \$43.01.
6. On April 18, you write check number 3457 to the utility company to pay your water and electric bill. The amount is \$65.39.
7. On April 20, you write check number 3458 to the cable company to pay the bill. The amount is \$56.50.
8. On April 22, you write check number 3459 to Central Bank to make a car payment. The amount is \$237.52.
9. On April 23, you buy a school jersey using your debit card. The amount is \$55.57.
10. On April 23, you use your debit card to buy lunch for you and your friends at Taco Express for \$22.52.
11. On April 24, you use your debit card to withdraw money from Central Bank's ATM. The withdrawal amount is \$20.00.
12. On April 25, you write check number 3460 to your mother to pay back a personal loan. The amount is \$19.00.
13. On April 27, you receive a graduation check in the amount of \$50.00 from your grandmother. You deposit the check into your account.



One-Day-Only Sale! Skit

Installment Debt

Extension Activity

One-Day-Only Sale!

Scene: a large electronics store

Trey: Here it is. The Ultimate 235 home theater speaker system we've been saving for.

Marie (reading the print on the box): Rich, spacious sound. The latest in digital technology. Wireless. Universal remote. Power and optical cables and headset included. And it's on sale. Original cost, \$1,499. Now it's only \$1,100. This is great!

Trey (excitedly): It will be like being in a movie theater, only at home!

Marie: But ... where do we get \$1,100?

Trey: We've been saving all summer. The money is in the bank.

Marie (doubtful): I know. But once we spend it, it's gone. It took a long time to earn that money.

Trey: We won't see a lower price for it—not even online.

Sales Associate: Need some help?

Trey Hi. This is the sound system we want. But it's pricey.

Sales Associate: The 235 is the top of the line. It produces a great bass resonance that just can't be matched in any other home theater sound system.

Marie: Yeah, it's a great system.

Sales Associate: If the price is a problem, we offer a low monthly payment installment plan. You can take up to three years to pay it off.

Trey: How does the installment plan work?

Sales Associate: For as little as \$100 down and \$37.68 a month, you can walk out of the store today with the top-of-the-line sound system you want and deserve.

Trey: Is that all? We can afford that and still keep our money.

Marie: How long did you say we have to pay?

Sales Associate: Three years.

Marie (doing some figuring): Three years, that's _____ months.

Trey (adding things up): In all, we'll be paying \$ _____ over the next three years.

Marie: Hmm. That's a lot more than the sale price of \$ _____.

Sales Associate: But remember, you can take the system home today and enjoy theater sound tonight! You won't find a better model or price anywhere.



One-Day-Only Sale! Skit

Installment Debt

Extension Activity

Trey and Marie have a decision to make. What should they do?



Rent or Home Ownership

Extension Activity

Rent

- Where would you like to live? Downtown, uptown, close to schools or parks? Do you want to rent an apartment, a room in a home, or an entire house?
- With renting, you'll have little or no upkeep costs.
- Stick with a budget. Rent payments should be no more than 25 to 30 percent of your net income or take-home pay. To share costs, you may want to consider a roommate.
- The amount of rent you'll pay is determined by where you live. A one-bedroom apartment may be \$300 in a small city and as much as \$1,800 in a big city.
- References needed: You'll need to prove to your future landlord that you are a trustworthy tenant. References are past landlords or people or companies to whom you have demonstrated financial responsibility.
- Costs: Application fees; security deposit or first month's rent; renter's insurance.
- Renter's insurance covers your property if it's stolen or damaged by fire or severe weather. It also covers injury to others and/or to their property. An average renter's insurance policy costs between \$15 and \$30 a month.*
- Understand the responsibility that comes with renting. You'll need to sign a lease, which is a binding contract that protects the landlord and the tenant. A lease should include the rent amount, whether utilities are included, default (failure to pay) terms, extended terms, and waivers. Read your lease carefully and be sure to keep a copy.

*Source: National Association of Insurance Commissioners

Own a Condo, Townhome, or House

- A home is likely the biggest purchase you'll ever make. Don't buy until you're ready. Consider staying in your home for at least five years.
- Do you have a steady job? Can you afford a large cash down payment—generally 20 percent of the purchase price—and monthly mortgage payments? Consider your current debt (car, credit card, student loan) and other expenses before buying.
- Stick with a budget. If not paying cash, you'll need a loan. Mortgage payments should be no more than 25 to 30 percent of your net income or take-home pay.
- Comparison shop among several lenders for a home loan. In the early years of your mortgage, the majority of monthly payments will go toward paying interest. Over time, an increasing amount goes toward reducing the mortgage balance or principal. The process of paying off a loan over a set period of time is called amortization.
- Once you qualify for a loan, mortgage costs will depend on your credit history. Costs will include rate points and fees. Fees include a title search, title insurance, attorney, appraisal fees, recording fees, taxes, lender's origination fee (prepaid interest), and a credit report.
- Compare rates and fees, and read lender reviews. Get information about the same loan amount, loan term, and type of loan from each potential lender. Check the newspaper and Internet. Rates can change daily. Figure out how much of a down payment you can afford.
- You'll need homeowner's insurance.
- Mortgage types:
 - A conventional mortgage has equal payments, typically over 15, 20, or 30 years based on a fixed interest rate. (Consider that a smaller monthly payment equals more time in debt.)
 - Government-guaranteed financing programs include loans from the Federal Housing Authority (FHA) and the Veterans Administration (VA).
 - An adjustable rate mortgage (ARM), also referred to as a variable rate mortgage, has an interest rate that increases or decreases during the life of the loan based on changes in market interest rates. (This may be a good option if you plan to move soon.)
- Use the Federal Trade Commission's mortgage shopping information and worksheet to help you estimate monthly mortgage payments for various loan amounts, interest rates, fees, taxes, and insurance: www.consumer.ftc.gov/articles/0189-shopping-mortgage. Use one of the online mortgage calculators, such as www.mortgagecalculator.org/, to make your calculations



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Name _____

Getting to Know One-Another

Going Deeper

1. Did you ever consider being a teacher? What would you teach?
2. What most annoys you about other people's attitude to money?
3. Would the people who know you best say you are usually predictable or unpredictable?

4. Would the people you know best say you are organized or unorganized?

5. Is your glass half empty or half full?

6. What is your favorite animal, and why?

7. What are three things you believe in without any doubt?

8. Would you rather lead or follow? Why?