

Why Balance Your Checking Account?

1. Banks aren't perfect, they DO make mistakes.
2. An error in your math can cause you to start bouncing checks. Banks charge \$25 or more for return check charges, and most banks charge per check.
3. Not having enough funds in your checking account can be embarrassing. Especially when you are in the check out lane at the supermarket, and you're trying to use your debit card to pay for your groceries.
4. If you balance your checking account on a monthly basis, should there be a problem one month, it won't take you as long to figure out where the error is since you won't have months of transactions to go through.

How to Balance Your Checking Account

1. ***Reconcile the Debits (Checks/ATM Withdrawals/Debit Card Purchases)***
On your bank statement processed checks are in numerical order. In your checking account register, the checks you have written should be in numerical order. Compare the bank statement to the register, and check off the checks that have been processed. The same method should be used for the ATM withdrawals and debit card purchases, which are also in date order. Be sure to compare the amount that the bank processed the check/ATM withdrawal/debit card purchase for versus the amount you show for the check/ATM withdrawal/debit card purchase.
2. ***Reconcile the Credits (Deposits/Direct Deposits)***
On your bank statement, deposits are shown in date order. Check off the credits (deposits/direct deposits) as you did with the debits. Compare what the bank shows versus what your checking account register shows. Don't forget to compare your paycheck stubs to the credits/deposits if your company pays you by direct deposit. It is very important the bank statement reflects all of the deposits that you have made during the statement date period.
3. ***Interest Earned and Bank Fees***
Review your bank checking account statement for any interest earned and/or bank fees. These need to be entered into your checking account register.
4. ***Outstanding Debits (Checks/ATM Withdrawals/Debit Card Purchases)***
All checks/ATM withdrawals/debit card purchases that aren't shown on the bank checking account statement, but are in your checking account register, should be put down on the "Balancing Your Checking Account" form.
5. ***Outstanding Credits (Deposits – Including Direct Deposits)***
All deposits, including direct deposits, that aren't shown on the bank checking account statement, but are in your checking account register, should be put down on the "Balancing Your Checking Account" form.
6. ***Enter the Ending Balance Shown on the Bank Statement***
Find the ending balance on your bank checking account statement, and put it on line one (1) of the "Balancing Your Checking Account" form.
7. ***Enter the Outstanding Credits (Deposits/Direct Deposits)***
Write down all of the credits (deposits/direct deposits) that are in your checking account register, but are not on your checking account bank statement. Add these together, and write the total on line two (2) of the "Balancing Your Checking Account" form.
8. ***Enter the Outstanding Debits (Checks/ATM Withdrawals/Debit Card Purchases)***
Write down all of the debits (checks/ATM withdrawals/debit card purchases) that are in your checking accounts register, but are not on your checking account bank statement. Add these together, and write the total on line three (3) of the "Balancing Your Checking Account" form.
9. ***Finishing***
Follow the directions at the bottom of the "Balancing Your Checking Account" form. This number should be the same as the balance in your checking account register.