

Important Safety Tips for Writing a Check

Opening a checking account makes you responsible to keep your checkbook and check writing as secure as possible. Rhonda told Daniel about the following safety tips. She also explained the various features on the face of a check as shown at the top of page 15.

- Use a pen. A dishonest person can easily erase pencil and change to whom the check is payable, or write in whatever amount they choose.
- Write neatly and legibly so there is no confusion about what you write.
- When writing the digit amount, write it as close to the dollar sign as you can. This makes it harder for someone to change the amount.
- After writing the amount with words, draw a line from where you stopped writing to the word *Dollars*. This is to prevent anyone from changing what you wrote on the check.
- Writing 04/100 for 4 cents instead of 4/100 prevents someone from changing the 4 to another number such as 94 cents. Also, what is being written is the decimal part of a number. When showing hundredths there must be two places, just as there are two places after the decimal point.
- It is best not to scribble out anything on the check, but if you make a minor mistake, such as the year of the date, draw a line through the mistake, write the correction above it, and initial it to show that you have authorized the change.

A check is a written order to the bank to take money out of an account and give it to another person. Suppose Grandmother sends you a check for \$25.00 for your birthday. You take this check to your bank and either cash it or deposit it. Grandmother's check, written to you, gives your bank permission to take money out of her checking account and give it to you.

Write the number words for the amount of payment in correct mathematical form. Use the word *and* only to signify the decimal point. Otherwise, use commas between the place values as you do when writing any large numbers in words.

- Sometimes it is necessary to void a check and write a new one. Perhaps you write the check to the wrong person or make the check out for the wrong amount. Write *VOID* in large print across the check. In your check book register, record the check number, the date, and write *VOID* in the Transaction Description column. There is no need to subtract an amount, as this check will not be used. Keep the check with your duplicates, or save it to file with your next bank statement.

Features of a Check:



To prevent unlawful reproduction of checks, certain security features are built into each check. Checks may be printed on watermarked paper. This watermark can be words or a design that is difficult to see until the check is held at an angle or held up to a light. Watermarks are light in color and will not show on a copied check.

Some checks, when photocopied or scanned, will have *VOID* printed on the copy even though it is hard to see it on the check itself. Checks can have erasure protection. If an eraser is used to alter a check the eraser marks will show. A microprinted endorsement line looks like a solid black line until it is magnified. On a U. S. Treasury check, the endorsement line, when magnified, reads

USAUSAUSAUSAUSAUSAUSA . . .

This extremely small print is difficult to duplicate.

U. S. Treasury checks also have ultraviolet overprinting which can only be seen under a black light, a unique signature block, black security ink that runs and turns red when moisture is applied and a series of symbol and serial check digit numbers. Unfortunately this is all necessary in today's world to keep finances as secure as possible.

Lesson 4

Write the following checks that Stephen used to pay bills on April 3rd of this year.

1. The electric bill from Region Electric Company was \$109.58. The account number is 49238.

STEPHEN & RHONDA BRUBAKER 2373
2765 County Road 26
Hodges, IN 49276 Date _____

PAY *to the order of* _____ \$
_____ Dollars

 **HODGES BANK**
Hodges, IN 49276

For _____

⑆476821025⑆ 0000020463⑆2373

2. The telephone bill from General Telephone was \$81.65. The account number is 765-296-9827-2468.

STEPHEN & RHONDA BRUBAKER 2374
2765 County Road 26
Hodges, IN 49276 Date _____

PAY *to the order of* _____ \$
_____ Dollars

 **HODGES BANK**
Hodges, IN 49276

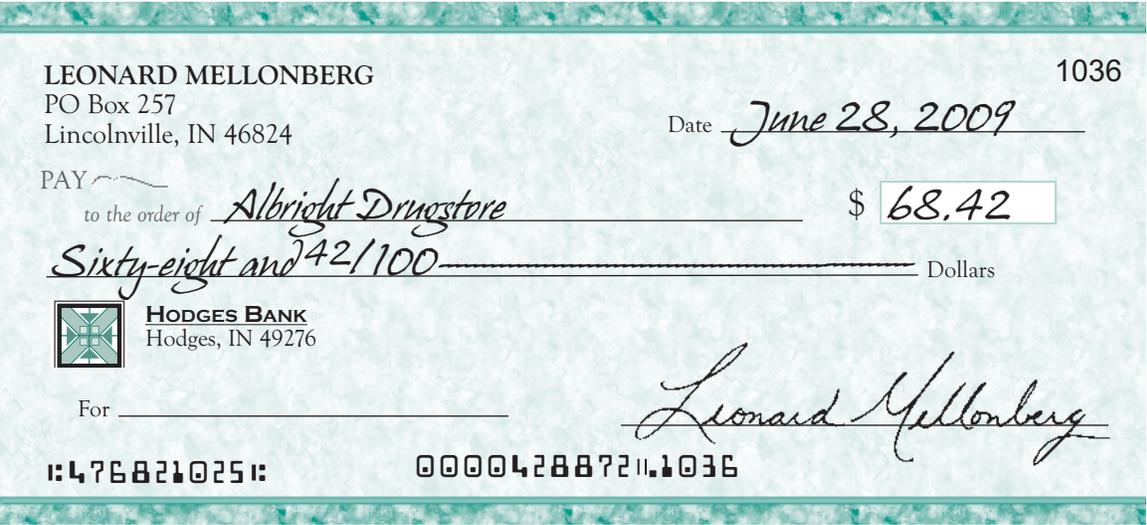
For _____

⑆476821025⑆ 0000020463⑆2374

Find and describe the errors on these checks.



3. _____



4. _____

Lesson 4

LEONARD MELLONBERG 1037
PO Box 257
Lincolnvillle, IN 46824 Date June 30, 2009

PAY to the order of The Dollar Store \$ 13.78
Thirteen and 87/100 Dollars

 **HODGES BANK**
Hodges, IN 49276

For miscellaneous Leonard Mellonberg

⑆47682⑆025⑆ 0000428872⑆1037

5. _____

LEONARD MELLONBERG 1038
PO Box 257
Lincolnvillle, IN 46824 Date July 02, 2009

PAY to the order of Margaret Smith \$ 25.00
Twenty-five and 00/100 Dollars

 **HODGES BANK**
Hodges, IN 49276

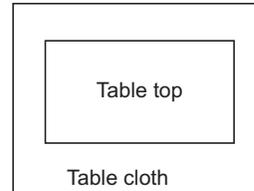
For wedding gift

⑆47682⑆025⑆ 0000428872⑆1038

6. _____

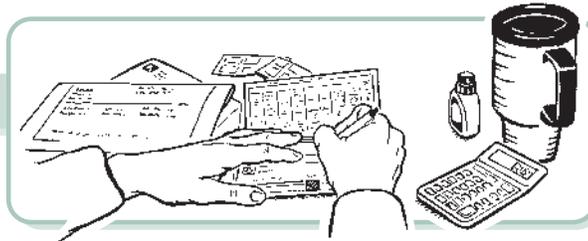
7. Stephen and Brent went to Rural Hardware to purchase chicken supplies. They bought 1 roll of chicken wire at \$20.99, 4 six-foot fence posts at \$2.60 each, and a 50-lb bag of chicken starter for \$7.50. The store charges 6% sales tax. How much was the total bill? _____

8. Rhonda is buying fabric to make a tablecloth for the front display table. The table top is 8' long, 3' wide, and $2\frac{1}{2}'$ from the floor. She wants the tablecloth to hang down to the floor in front, 2' at the back, and 6" along either end. She is looking at fabric that is 45" wide. How many yards will she need to buy? _____



Lesson

5



Budgeting—Projecting Future Expenses

After Jacob was aware of how he was spending his money, he was ready to plan a budget for future earnings and expenses. The first step was to look at his income. Every evening after school and on weekends he helps his neighbor with barn chores. He earns an average of \$50.00 per week, so Jacob planned for a monthly income of \$200.

Planning for expenses was a little harder. With an income of \$200.00 per month, Jacob planned to tithe \$20.00 per month. He would continue to save for buying the calf and also for feed and veterinarian expenses after he had the calf. So he planned to continue putting \$120.00 a month into his savings account. Stephen said he would help Jacob decide when he had enough savings to buy a calf and still have enough left to help with feed and unexpected veterinarian bills.

This leaves Jacob with \$60.00 a month for expenses that could include gifts for his family's birthdays, bike repairs or accessories, extra to give to his church, and wood projects that he likes to build now and then. On the next page are the categories he chose for his budget. Looking at last month's expenses will help Jacob determine how the \$60 should be divided among these categories. Stephen had Jacob start by

Lesson 5

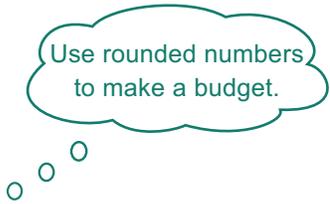
rounding the total of each expense from last month up or down to the nearest \$5 or \$10. When they added all the expense estimates together, the total didn't equal the income for the month. A couple of dollar amounts in several categories were adjusted to make the expenses equal the income.

Jacob's Previous Month's Income & Expenses

Income	225.00
Tithing	22.50
Savings	120.00
Gifts	15.51
Bicycle Expenses	8.95
Extra Giving	15.00
Projects	11.98

Jacob's Monthly Budget

	Income	Expenses
Chore Money	\$200.00	
Tithing		\$ 20.00
Calf Savings		120.00
Regular Savings		10.00
Gifts		10.00
Bicycle Expenses		10.00
Extra Giving		20.00
Projects		10.00
Totals	\$200.00	\$200.00



Use rounded numbers to make a budget.

Dad reminded Jacob that a budget is only a plan. However, a budget is necessary to help him be responsible for the income God is blessing him with.

Sally has never budgeted her income because it is different each week. As she listened to her dad and Jacob discuss Jacob's budget, however, she realized the advantage and importance of having a budget plan. She realized that it was possible, even with her uncertain income and expenses.

At the top of the next page are Sally's income and expenses from Lesson 2. She had no youth group expenses for that month, but she wanted to add that category to her budget for activities her youth group has planned for the summer.

Using the information on the left, write a budget plan for Sally. Round expenses to the nearest \$5 or \$10. Remember, the expenses must equal the income.

△ 1. Income	220.00
Tithing	22.00
Savings	74.50
Gifts	29.67
Clothing	25.86
Extra Giving	20.00
Youth Group	0.00
Misc.	12.76

Sally's Monthly Budget

	Income	Expenses
Income	_____	
Tithe		_____
Savings		_____
Gifts		_____
Clothing		_____
Extra Giving		_____
Youth Group		_____
Miscellaneous		_____
Totals	_____	_____

Write the following check for Stephen for April 6th of this year.

2. Stephen went to Auto Yard to get parts for his truck. The bill came to \$75.05.

STEPHEN & RHONDA BRUBAKER 2375
 2765 County Road 26
 Hodges, IN 49276 Date _____

PAY *to the order of* _____ \$
 _____ Dollars

 **HODGES BANK**
 Hodges, IN 49276

For _____

⑆476821025⑆ 00000204631⑆2375

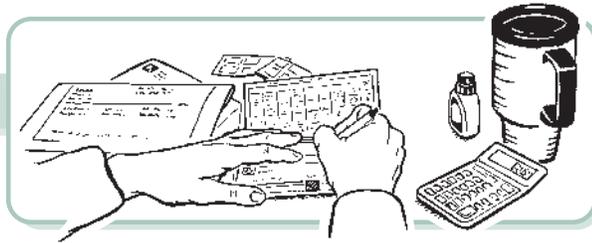
3. Stephen brought sawdust from the cabinet shop to spread one inch thick over the chicken house floor. It covered the 90 ft² of the pen. How many cubic feet of sawdust was this? _____

Lessons 5, 6

4. Sally is making chocolate crinkle cookies. She wants 24 plates of 6 to sell at the market and 8 dozen to serve at a youth group singing. Each batch of cookies makes 6 dozen. How many batches should she make? Round to the next whole batch. _____

Lesson

6



Credit Cards

A credit card allows purchases to be charged to the card holder's account and paid at a later date. Using credit cards to make purchases has some advantages over using cash. It is safer to carry a credit card than to carry large amounts of cash. Credit cards can be used to pay for items ordered by telephone or on the internet, and the monthly credit card statement provides a record of all purchases. Credit cards are sometimes accepted by businesses that won't accept checks. This is because the seller is assured of receiving payment.

Credit cards, however, have been the financial ruin of many. Because credit cards are an extension of credit, they can tempt a person to spend more money than he has, with the hope of being able to pay it back later. The convenience of a credit card must be used wisely. If the account is not paid in full each month, a very high interest rate (up to the highest allowed by law) is charged on the balance.

The credit card company establishes a *credit limit* for each card holder. The credit limit is the total amount that may be charged to the card. If the maximum credit limit is exceeded, ("maxed out"), a fee is charged as a penalty. Some credit card companies also charge a yearly fee for the privilege of using their credit cards.

Wise and honest use of a credit card includes the following points:

1. Never charge more on a credit card than you have available in your checking or savings account.
2. Pay off the entire balance every month.
3. Do not carry a credit card that charges a yearly fee.
4. Do not use a credit card to buy items that you would not buy if you had to pay cash for them.
5. Stop using your credit card completely the first time you can not pay off the balance at the end of a month.