



Grades 9-12

Lesson 2

## BALANCING A CHECKBOOK

**Key concepts:** Maintaining financial records, online banking

**Summary:** This lesson uses checking accounts as an application to both strengthen students' quantitative reasoning skills and promote responsible record-keeping and cash flow management. It also introduces students to the benefits and risks of online banking.

### **NJ Core Curriculum Content Standards for Personal Financial Literacy:**

Standard 9: 21<sup>st</sup> Century Life and Careers  
9.2 B. Money Management: 9.2.12.B.10,  
9.2.E. Becoming a Critical Consumer: 9.2.12.E.2

### **National Standards in K – 12 Personal Finance Education (from Jump\$tart Coalition):**

Financial Responsibility and Decision Making:  
Standard 1, "Take responsibility for personal financial decisions."  
Planning and Money Management:  
Standard 2, "Develop a system for keeping and using financial records."

### **National Content Standards in Economics (from Council for Economic Education):** N/A

**Rationale:** This lesson is intended for high school students in ninth through twelfth grades during a forty minute time period. The lesson teaches students how to reconcile a checking account register to a checking account statement. Online banking and 24 Hour Bank-By-Phone will also be introduced in this lesson. The activities rely on a variety of interactive and visual formats designed to be interesting and fun.

**Lesson Objectives:** Students will be able to:

- Complete a check register with a series of transactions.
- Read a checking account statement.
- Reconcile a checking account register to a checking account statement.
- Describe alternative methods to access checking account information
  - Online Banking
  - 24 Hour Bank-By-Phone
  - Customer Service Representatives at the branches.

**Materials:**

- Resource Files: Blank check register (1/student), Checking Account Statement (1/student)
- Checking account transaction list (1/student)  
*\*Materials not attached to this file may be found in a separate resource file.*

**Setting the Stage:**

**Background Builder #1:** Ask students to recall the information covered in the last lesson. They should be able to tell you about writing checks and recording transactions in a checking account register. Ask students to tell you more about the checking account register. Elicit from students the need to record accurate information, the need to record all transactions, and neatness.

**State the Objective:** tell the students what they will be able to do upon conclusion of the lesson.

“Today we are going to learn about reconciling a checking account register and a checking account statement. You will also learn that there are ways to access your checking account information if you ever forget to record a transaction or have another problem.”

**The Lesson Procedure:**

People can use a checking account to pay for utilities, housing, food, clothing, and services. Nearly everyone uses a checking account because it is a safe way to pay for things because you give permission to only one company or one person to receive a specific amount of money. It is also much safer than sending a lot of cash through the mail or carrying it on your person. ATM and debit cards connected to your checking account can also make monetary transactions easier.

Things can become disorganized if you do not keep track of your money and your checks. Remember, when you open a checking account, you receive a check register. This is the place to record every check you write, every ATM withdrawal you make, every debit card (sometimes called a check card) purchase, and every deposit that you make. You will always know if you have enough money to pay for the checks you have written, so that you don't overdraw your account and get into serious financial trouble. When you write a check, you must subtract the amount you spent from your balance. A deposit means you can add the amount to your balance. Careful arithmetic is very important!

Proceed to discuss the aspects of an entry in a check register: the check number, the date it was written, the description of the check or deposit, the amount of the check or the deposit, and the balance forward.

Distribute a copy of “Troy Transaction’s Checking Account Transactions” to each student. Also distribute a blank check register to each student. Instruct

students to enter Troy's transactions accurately on their checking account registers.

As students complete this activity it is vital to circulate among the students pointing out any areas that may create problems or answering any questions that may arise.

Next distribute a checking account statement to each student. Explain to the students that each month they will receive a checking account statement that lists all of the transactions with their checking account during the previous month. Tell students that they will also receive copies of their checks or the actual checks with their statement. Instruct students to verify each transaction listed on their statements with those in their checking account registers. The ending balance should be **\$81.78**. *Tell students this is called balancing a checkbook.*

This was an easy example to share with students because every thing was straightforward and easy to understand. But what if there was missing information in the checking account register? What could you do? Many banks make it easy for you to access your account information.

1. Customers can go to their branches and have a Customer Service Representative help reconcile their account or solve problems.
2. Customers can access account information online.
3. Customers can access account information through 24 Hour Bank-By-Phone.

Students should be made aware that the last two options allow them to transfer funds, open an account, apply for a loan, and more.

### **Closing the Lesson:**

Review with students the importance of balancing their checkbook. Review alternative options to accessing account information. See the suggestions page for "Ways to End and Review Lessons", for additional ideas.

### **National Council of Teachers of Mathematics Principles and Standards for School Mathematics, 2000.**

Number and Operations – (Students will) Compute fluently and make reasonable estimates.

Problem Solving – (Students will) Solve problems that arise in mathematics and in other contexts.

Communication – (Students will) Organize and consolidate their mathematical thinking through communication.

Connections – (Students will) Recognize and use connections among mathematical ideas.

Representation – (Students will) Create and use representations to organize, record, and communicate mathematical ideas.

## Ways to End and Review Lessons

**Quizbowl:** Separate the students into two teams and ask questions related to the lesson, i.e. What does the bank send to you so that you can balance your checkbook? How can a customer access account information after business hours?

**Jigsaw:** Jigsaw students into three groups and assign each a specific question from the lesson to answer together, with one person from each team acting as the spokesperson.

Sample questions:

Describe why it is important to record all transactions.

What can you do if you forget the amount you wrote a check for?

Discuss what you can do using 24 Hour Bank-By Phone.

**Misinformation:** Quote information from the day's lesson purposely erroneous. Call on various students to restate the information correctly.

**What's left out?** Supply students with statements that have some information missing. This can be done orally or it can be done on a blackboard. Ask students to provide the missing information.

**Pair and Share:** Group students into pairs and ask each pair to exchange two or three new things learned during the day's lesson. Call on select pairs to share with the whole class what has been learned.

## Troy Transaction's Checking Account Transactions

**Directions:** Record the following transactions on a checking account register. Be sure to record the information carefully. Also be sure to do the arithmetic accurately.

1. Beginning Balance in Troy's checking account - \$125
2. Troy paid Sneaker World \$63 for new sneakers on Oct. 19 with a debit card
3. Troy deposited his paycheck on Oct. 21 in the amount of \$60.00
4. Troy wrote check #101 for \$18.43 to Paintball Fun on Oct. 25
5. Troy wrote check #102 for \$8.29 to Blaise's Books on Oct. 25
6. Troy made a withdrawal of \$30.00 using his ATM card at a Commerce Bank on Oct. 25
7. Troy deposited his paycheck on Nov. 5 in the amount of \$60.00
8. Troy wrote check #103 for \$18.00 to his school to replace his missing physical education uniform on Nov. 6
9. Troy made a withdrawal of \$20.00 using his ATM card at another bank on Nov. 7 and was charged a fee of \$1.50
10. Troy deposited his birthday money \$125.00 on Nov. 9
11. Troy wrote check #104 for \$100 to his mother for car insurance on Nov. 10
12. Troy deposited his paycheck on Nov. 12 in the amount of \$40.00
13. Troy paid Cell Phone World \$69 for a new cell phone on Nov. 18 with a debit card