

## Banking 101

### Banking Basics:

- Choose a bank based on convenience and location to make banking easier.
- Be aware of fees associated with overdraft of various accounts.
- Choose a bank with online capabilities. These services greatly simplify the task of tracking balances, purchases and transfers, giving you more time to focus on school.
- Choose a bank account with a competitive interest rate, which is a fee paid for use of money.
- Check on overdraft protection, and if possible, have overdraft charges transfer from your savings account to avoid penalty charges.
- Save bank statements and review account on a weekly basis
- Report fraudulent or suspicious transactions
- Save your monthly statements – you may need them for financial aid, and for such activities as applying for in-state tuition.

### Types of Bank Accounts:

- Checking Accounts:
  - An account for which the holder can write checks up to the amount of money in the account while accruing interest.
  - Checking accounts pay less interest than savings accounts.
  - Paper checks or debit cards are used to withdraw money deposited into the account
- Savings Account:
  - A bank account that accrues interest in exchange for use of the money on deposit.
  - Savings accounts generally have higher interest rates than checking accounts.
  - These are good accounts to have if you get a lump sum check that may need to last you over a certain period of time; you can transfer a little money as you need it to your checking account to reduce the likelihood of spending all the money before the semester is over.
- Money Market Account:
  - A government insured account offered at most depository institutions.
  - This type of account permits limited check writing capabilities.
- Certificate of Deposit:
  - A time-deposit (savings) account that earns interest to be delivered at the end of the certificate's maturity date.
  - Fines are associated with withdrawing money at an earlier date than agreed upon.