

MONEY AND BANKING IN THE UNITED STATES

Banking

There are two basic kinds of bank accounts: checking accounts for payment of regular bills and shopping needs and savings accounts where money you do not need to use immediately can earn interest. Banks also offer a variety of other types of accounts and financial services.

Before you open an account at a bank, be sure to visit several banks to compare their services and fees. Most will be similar, but there can be important differences. To open a bank account is fairly easy; deposit your funds and complete any required bank forms. (Be aware that if you are making a deposit with an overseas check or bank draft, you may have to wait three days to three weeks before your money will be available to you.) Some banks will want you to have a Social Security Number when you open the account.

Checking Accounts When opening a checking account be sure to ask about different types of checking accounts. All banks have several kinds of accounts and most have checking accounts that accrue interest if a minimum balance is maintained. Be sure to look at the account fees and when they may be charged. After opening an account you will be given a book of temporary checks, but you should order checks with your name and local address printed on them. Most businesses will only accept a check that has the printed information.

Writing a check: Checks should be filled out at the time you are making a payment. Fill in all blank spaces on your check. The amount should be written numerically and in longhand. Draw a line through any unused blank spaces. Never sign a check before you are ready to use it, since it can be cashed as soon as your signature is on it. Most merchants will require that you show one or two pieces of photo ID to accept your check. These can be a California Driver's License or Identity Card, a passport, or other official ID.

Savings Accounts Savings accounts, which earn interest on the balance, are available at all banks. If you have larger sums of money which you do not need for your routine living expenses, a savings account is a safe way to keep it. Certificate of Deposits (CDs) earn higher rates of interest than regular savings accounts, but your funds must remain on deposit for a designated period of time. An early withdrawal from a CD will incur a penalty fee. Check with each bank to compare their special services and their interest rates.

Some local banks with branches walking distance from the PSR campus:

Local Bank Web Address	Local Bank Address
Bank of America www.bankamerica.com	2129 Shattuck Avenue, 1.510.649.6600, 1.510.273.5210 2347 Telegraph Avenue
California Federal (CalFed) www.calfed.com	2000 Shattuck Avenue, 1.800.843.2265
Citibank www.citibank.com	2323 Shattuck Avenue 1.510.843.0600, 1.800.756.7047
Mechanics Bank www.mechbank.com	2301 Shattuck Avenue, 1.510.647.0720, 1.800.797.6324
Union Bank www.uboc.com	2333 Shattuck Avenue, 1.510.843.6353
Washington Mutual www.wamu.com	2150 Shattuck Avenue, 1.510.649.4041, 1.800.788.7000,
Wells Fargo Bank www.wellsfargo.com	2144 Shattuck Avenue, 1.510.464.2115, 1.800.869.3557

Deposits: Deposit to your accounts can be made with a bank teller or at an ATM. Some banks require you to use a deposit slip when making a deposit (pre-printed form from your bank or a filled out slip). Always use a deposit slip if depositing cash. To deposit a check made out to you, you must first “endorse” or sign the check on the back. You should also print “for Deposit Only” and your account number after your signature. After you endorse a check, it is as good as cash and can be used by anyone unless you have added the deposit notation and account number. Ask a bank representative to explain the process of making deposits to you when you open your account, as bank policies differ.

ATM (Automated Teller Machine) Cards/Debit Cards: An ATM card is used for two purposes: as a banking tool to access your bank accounts and as a debit card. Most cards can be used at any ATM anywhere, and can be used for purchases. Many businesses now accept debit cards for payment. A debit card works very much like a check because it takes money directly out of your bank account to make a payment. Note that some banks have fees for the debit use of a card and if an ATM at another bank is used. When you open an account at a bank, you will be issued an ATM card (the card will come in the mail). The card is directly linked to your bank accounts. At the bank, you must think of a Personal Identification Number (PIN) to be linked to your ATM card, or they will assign a number to you. Never write your PIN down, and never give or tell your PIN to anyone ever, not even to a bank employee. When using an ATM, be sure that no one

sees your PIN. **If your ATM card is ever lost or stolen, notify your bank immediately.**

Record Keeping: Always keep good records of any transaction made on your bank accounts. Be sure to record all transactions in your account register. Keep all deposit and ATM receipts until you receive your monthly statement. Avoid overdrawing your account. If you write a “bad check”, it will be returned to you and you will be charged large fees from your bank and the person or business to which you wrote the check (their bank may charge a fee too!). Some banks offer “overdraft protection” which will transfer funds from your other accounts to cover your check, but you will still be charged an extra fee, although smaller than the fee for a bad check. Each month you will receive a statement from your bank for each account you hold. The statement will include your past balance, new balance on the date of the statement, a list of all transactions on your account in the month, and any fees or interest earned. You should always “balance” your statement with your own records to be sure that they agree and to record any fees or interest for that month. By balancing your accounts each month, you can prevent unpleasant surprises in the future. After you have balanced your accounts, you can throw away past receipts, but always keep your statements.

Establishing credit and getting a credit card can be difficult if you are new to the U.S. You may be able to get a credit card through your home country bank, your local bank, or through to other banks. If you are not able to get a regular credit card, you may be able to get a “secured” credit card that is backed by a deposit. With any kind of credit card, you should always read any information or disclosures so that you fully understand the condition and fees you agree to when you use the card. **If your credit card is ever lost or stolen, notify your bank immediately.** Most people only need one or two credit cards. However, many large businesses or stores also offer their own credit cards. Be careful of high fees or special conditions with these cards. The cost of credit can be very high. Do your best to avoid interest charges by paying your credit card bill in full by the due date. A “cash advance” will usually be charged fees and/or interest immediately without the usual grace period. When making a purchase by phone, always make your order from written material. Never give your credit card number to anyone who calls you. As with your banking, keep all receipts and records of your credit card transactions. When you receive your monthly statement, you should balance it just as you would with your bank statement. Keep your statements.

A Few Money Management Tips

- Make a budget and stick with it. Be realistic when making your budget.
- Keep track of your income expenses, and all of your banking transactions. Balance your statements.
- Use credit responsibly. Credit is expensive. If you don’t already have the money in the bank, you can’t afford it.
- Do not carry large amounts of cash.
- Never give a credit card number or any bank or ID information to someone who calls you or e-mails you.

