



EMPOWERU

FINANCIAL FITNESS 1

WEEK 3



Welcome to Financial Fitness!

We're so glad you're here!

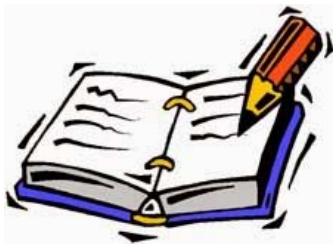
A few things to remember:

- Make sure you sign in to get credit for attending
- It is vital that you come on time each week in order to avoid the disruption that is created for the rest of the class and we want to make sure that you don't miss any important Financial Fitness principles
- Full attendance means that you arrive on time, stay for the entire 1.5 hour class and complete each week's homework. Credit will not be given for partial attendance or incomplete homework
- Childcare is available for those attending Financial Fitness
- In case of absence please make sure to call the Love in Action office and leave a message at (616) 846-2701 extension 108. An absence without a call will be entered as a NO CALL/NO SHOW
- Please turn down your cell phone and avoid using it during class out of respect for other class attendees and the class instructor
- Please refrain from leaving class during the session unless there is an emergency
- During inclement weather class cancellations will be posted on WZZM 13

Telling a great story

Lesson Objectives:

- Telling a great story
- Review Homework
- Utilizing a checking account
- Maintaining a transaction register
- Reconciling a transaction register with a bank account
- Homework assignment



Have you ever noticed that the best stories and movies are the ones that are full of suspense and keep you on the edge of your seat, holding your breath while the main character faces a serious crisis with no apparent way out. You breathe a sigh of relief as they find a way to overcome at the very last second and cheer as they become the hero of their story.

Have you ever thought about your life as a story that features you as the main character?

Your story began at your birth and is full of different scenes and chapters. The ones you like to think about may include the wonder of a birth of a child, falling in love and getting married, owning your first car or summers at grandma and grandpa's cottage at the lake. Memories that bring a smile to your face and make you wish for days gone by.

There are most likely scenes that you don't like to think about. They may cause pain, bitterness, grief, anger and regret. They might include poor decisions that have ongoing consequences and feelings of shame, like those choices and decisions define you. They may include someone else's decisions that left you feeling powerless and like you can't move on.

Your story may have chapters where life went a different way than you had planned. The company that you gave your best to and were ready to retire from suddenly downsized and left you without a job or a retirement or a serious illness left you unable to work for a year and resulted in the foreclosure of your dream home. You were forced to adjust your plans, goals and dreams to accommodate the hurdles and obstacles that were created.

The choices and decisions you make about what to do with the hard parts of your story determines the outcome of your next chapters.

Changing your future story begins with changing your mind about the power that the previous chapters hold.

- What are the best chapters in your story?
- If you were writing your future story how would it be different than your current story?
- What could you start doing today that would make it different?

Work and income:

You are created uniquely and for a purpose. You have different talents and skills that are an important part of your family and community. If you are able to work, you use those skills and talents in employment that will help provide for your needs, the needs of your family and the opportunity to give to others.

Sometimes the wages that you bring home don't stretch far enough to cover all of your expenses. You may have to look for ways to supplement your income and decrease your spending.

You might:

- Get a second job or a better paying job
- Downsize your home
- Clean up your credit score so that you can buy a home rather than renting
- Cut Cable
- Get a cheaper phone plan
- Sell a car with high payments and buy a cheaper one
- Limit eating out
- Shop at sales and secondhand stores
- Pay down debt
- Sell some things that you have on hand and don't really need
- Find other ways to increase your income and decrease your spending



Bible Truths:

- We can overcome difficult situations. God wants us to look to Him for help.

Romans 8:37-39

37. No, in all these things we are more than conquerors through Him who loved us.

38. For I am sure that neither death nor life, nor angels, nor rulers, nor things to come, nor powers;

39. nor height nor depth, nor anything else in all creation, will be able to separate us from the Love of God.

2 Chronicles 15: 7

7. But as for you, be strong and do not give up, for your work will be rewarded.

- God created each of us with skills and talents to be used in work to provide for ourselves, our families and others and to contribute to our communities.

Genesis 2:15

15. The Lord God took the man and put him in the garden of Eden to work it and keep it.

Titus 3:14

14. And let our people learn to devote themselves to good works, so as to help cases of urgent need, and not be unfruitful.

Homework Review

1. Did you label which category each item would qualify as, total the amounts for each day in your **Small Pocket Notebook**, and place the totals in the corresponding box on your **Daily Spending Record**?
 - a. You should have 2 weeks worth of numbers filled in your Daily Spending Record by today.
 - b. Did you go through the receipts and divide up store purchases into the proper categories? Are you using exact numbers on your Daily Spending Record? Make sure you do not round up or down. You want to know where every penny of your income is ending up. This is vital so you know how much to budget later on.
2. Have you placed the bills that need to be paid into the “**Current Bills**” pocket?
3. Did you fill out your **Payment Calendar**?
4. Was your **Credit Report** printed or requested via the mail?

Financial Lesson

Managing a checking account:

- Before you open a checking account make sure you read and understand the terms for the account.

The benefits of a checking account as a useful financial fitness tool are:

- It can offer proof that a bill has been paid
- It can be safer than cash
- It can cut down on impulse buying
- It is good for recordkeeping
- The checkbook register provides a quick reference of monthly expenses



Automatic bill pay:

- Automatic bill pay can be a useful way to make sure certain bills are paid on time
- Make sure that you enter your automatic payments on your bill calendar

If you choose to utilize automatic bill pay, a few things to make sure of are:

- That the money for the bill is available for withdrawal ahead of time in order to avoid overdraft charges
- With automatic payments it will be harder to stop a payment or dispute a bill.
- Discontinuing automatic payments may increase an interest rate or fee/charge

Ways that money can be spent through a checking account:

- Checks
- Debit Cards
- Cash withdrawals
- Online bill pay

Many bank accounts offer the option of setting up bill pay on their website. You enter the company that you want to pay and the account information. It can take a few days for the payment to go through so make sure you set it up well ahead of time in order to avoid extra charges on the bill and take a hit on your credit score.

Writing a bad check is a felony and comes with the potential of jail time, a criminal record and fines.

Maintaining the transaction register.

- The transaction register is your record of all deposits and expenses that flow through your checking account.
 - Make sure to record:
 - All automatic payments
 - All debit card purchases
 - All electronic transactions which include, ATM transactions, Direct deposits and online bill payments

Your **Transaction Register** if kept current will be an accurate view of your checking account activity. Do not depend on checking account inquiries to define your balance as there may be items that have not been posted and processed.

Always keep a running balance.

Date	Number or Code	Payee/Transaction Description	Category	R	Withdrawal, Payment (-)	Deposit, Credit (+)	Balance
							\$1,423.65
2/28	650	American Mortgage Company	Housing		\$950.45		\$473.20
1	2	3	4	5	6	7	8

1. Date
2. Check number or Transaction code
3. Description of Transaction
4. Category
5. Checkmark for reconciliation
6. Payment/debit
7. Deposit/credit
8. Balance

Reconciling your **Transaction Register** with your **Bank Statement** :

- Add and subtract each transaction to find a total
- Reconcile: Compare Transaction Register and Bank statement
- Be sure your records and the bank’s records agree
- Leave “R” column blank to note which transactions the bank has not yet processed
- Put a mark on your Transaction Register expressing where you last stopped your reconciliation

Each **Bank Statement** will show:

- Each check that has been processed
- Each deposit/credit that has been made during the month
- Each withdrawal/debit that has occurred during the month. Checks written, debit card purchases, electronic and cash withdrawals
- Fees, charges or interest applied to your account
- The balance in your account at the end of the month

The goal of reconciliation:

- To make sure that what the bank has withdrawn and deposited into your account matches what you have recorded

If your results do not match:

- Verify additions and subtractions since you last reconciled this checking account both in your Transaction Register and on your bank statement
- Compare the deposit amounts listed in your Transaction Register with the amounts shown on the statement
- Compare the amounts of the canceled checks and debits with what you recorded in your Transaction Register
- Verify that you have accounted for all other transactions shown on the bank statement
- If you still do not balance, consult your banking office, they will be happy to help you

Transaction Register (Checkbook Register):

Are available free from your bank and can be useful to track:

- Payroll cards
- SSI/SSDI
- Bridge cards
- Child support cards

Cash only users will still need to track spending using the transaction register.

Note: Use a separate register for each account that you track.

Bank Statement:

- Lists approximately one month's worth of banking history
- Includes all of your accounts
- Provides information on breaks in check sequence, interest earned, penalties applied

Only a Bank Statement can be used for reconciliation

Account Activity Sheet

- View posted and pending transactions
- Occurs chronologically (by date)
- Lists recent activity
- Use a separate register for each account you are tracking, including your "Cash Account"

Debit Cards

Works like Cash/Checks

Beware of overdraft protection programs

Pros:

- Convenient (when properly used and recorded)
- Ability to track and verify purchases
- Do not have to carry cash
- Tangible record of purchase

Cons:

- Can encourage impulse buying
- Requires “at the time of purchase” recording
- Can tempt one to make impulsive choices

Use the sample bank statement to balance and reconcile Susan and Bob's checkbook register on the following page.

1st Bank of the Lakeshore

Customer Service information
 Service Center: 1-800-642-8743
 Website: www.lakebank.com

Monthly Statement

Susan and Bob Jones
 1412 5th St.
 Grand Haven, MI 49417

Account Number: 989054814
 Prior Period Ending Date: July 26, 2017
 Current Period Ending Date: August 25, 2017

CHECKING SUMMARY

BEGINNING BALANCE-----	\$146.32
+ Deposits and Additions	+ \$5133.49
- Checks paid	- \$3159.91
- ATM and Debit Card withdrawals	- \$609.41
- Electronic Withdrawals	- \$491.00
ENDING BALANCE-----	\$1019.49

Deposits and Additions

Date:	Explanation	Amount
7/27	Deposit- Payroll	1695.46
8/3	Deposit- Payroll	231.61
8/10	Deposit Payroll	240.82
8/15	Deposit Payroll	1761.13
8/17	Deposit	226.42
8/23	Transfer from Annualized Savings	750.45
8/24	Deposit	227.60
Total:		5133.49

Checks Paid

ATM & Debit Card Withdrawals

CHECK NO.	DATE	AMMOUNT	DATE	DESCRIPTION	AMMOUNT
650	7/28	95.46	8/2	MediHealth co-pay	40.00
651	7/28	950.45	8/3	Aldi	96.50
652	8/5	167.02	8/8	Gas Station	19.75
653	8/10	281.15	8/11	Gas Station	28.45
654	8/14	10.00	8/14	Home Depot	44.80
655	8/15	182.25	8/15	Meijer	125.75
656	8/16	35.86	8/15	Cinema Carousel	40.00
657	8/17	86.84	8/20	Aldi	23.20
658	8/20	250.43	8/23	Gas Station	44.21
660*	8/23	750.45	8/25	Meijer	146.75
661	8/25	350.00		Total	609.41
	Total	3159.91			

* DENOTES BREAK IN SERIAL NUMBER SEQUENCE
 If no description is available it means that we received only electronic information about the check, not the original or an image of the check.

Electronic Withdrawals

Date	Description	Amount
8/2	Visa Bill online bill pay	300.00
8/15	Transfer to annualized savings	191.00
Total		491.00

Love in action Tri Cities

CHECKING ACCOUNT RECONCILIATION FORM

Note: Ensure your checkbook register is up to date with all transactions to date whether they are included on your statement or not.

1. Write the Ending balance as shown on this statement: Step 1 Balance: \$ _____

2. List and total all deposits & additions not shown on this statement:

Date	Amount	Date	Amount	Date	Amount
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

Step 2 Total: \$ _____

3. Add Step 2 Total to Step 1 Balance.

Step 3 Total: \$ _____

4. List and total all checks, ATM withdrawals, debit card purchases and other withdrawals not shown on this statement.

Check # or Date	Amount	Check # or Date	Amount
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

Step 4 Total: \$ _____

5. Subtract Step 4 Total from Step 3 Total This should match your checkbook balance.

Balance Total: \$ _____

In case of errors or questions about your transactions please contact your bank immediately.

In case of errors or questions about your electronic funds transfers: call or write to us at the phone number or address on the front of this statement if you think your statement or receipt is incorrect or if you need more information about a transfer listed on the statement or receipt. We must hear from you no later than 60 days after we sent you the FIRST statement on which the problem or error appeared. We will investigate your complaint and will correct any error promptly.

In case of errors or questions about non-electronic transactions: contact the bank immediately if your statement is incorrect or if you need more information about any non-electronic transactions (checks or deposits) on this statement. If any such error appears you must notify the bank in writing no later than 30 days after the statement was made available to you. For more complete details, see the Account Rules and Regulations or other applicable account agreement that governs your account.

YOUR Bank



Susan and Bob's Checkbook Register during the dates on their bank statement

BP=online bill pay DC=Debit Card, Ad= Automatic Deposit, TF=Transfer, ATM=Teller Withdraw, AP=Automatic Payment

Number code	Date	Transaction Description	Payment Amount	v	Deposit Amount	Balance \$146.32
AD	7/27	Payroll Deposit			1,695.46	+1,695.46
						1,841.78
650	7/28	Gas Company	95.46			-95.46
						1,746.32
651	7/28	Homeowners Mortgage	950.45			-950.45
						795.87
BP	8/2	VISA Bill	300.00			-300
						495.87
DC	8/2	MediHealth Co-pay	40.00			-40.00
						455.87
AS	8/3	Susan Payroll			231.61	+231.61
						687.48
DC	8/3	Meijer Groceries	96.50			-96.50
						590.98
652	8/5	Electric Company	167.02			-167.02
						423.96
DC	8/8	Gas Station Cigarettes	19.75			-19.75
						404.21
AD	8/10	Susan Payroll			240.82	+240.82
						645.03
653	8/10	Cell Phone Company	281.15			-281.15
						363.88
DC	8/11	Gas Station Cigarettes	28.45			-28.45
						335.43
DC	8/14	Gas Station Gasoline	44.80			-44.80
						290.63
654	3/14	Walmart Prescription	10.00			-10.00
						280.63
DC	8/15	Aldi Groceries	125.75			-125.75
						154.88
655	8/15	Trailer Loan Company	182.25			-182.25
						-27.37
AD	8/15	Bob Payroll			1761.13	+1761.13
						1733.76
DC	8/15	Cinema Carousel	40.00			-40.00
						1693.76
TF	3/15	To Annualized Savings	191.00			-191.00
						1502.76
656	8/16	Home Phone Company	35.86			-35.86
						1466.90
657	8/17	Meijer Groceries	86.84			-86.84
						1380.06
AD	8/17	Susan Payroll			226.42	+226.42
						1606.48

DC	320	Dollar Store	23.20			-23.20
		Birthday Supplies				1583.28
658	8/20	1 st Shore Credit Union	250.43			-250.43
		Car Loan				1332.85
659	8/21	Cable Company	80.50			-80.50
						1252.35
660	8/21	Charter Township	750.45			-750.45
		Summer Taxes				501.90
TF	8/23	From Annualized Savings			750.45	+750.45
		Winter Property Taxes				1252.35
DC	8/23	Gas Station	44.21			-44.21
		Gasoline				1208.14
AD	8/24	Susan Payroll			227.60	+227.60
						1435.74
DC	8/25	Meijer	146.75			-146.75
		Groceries				1288.99
661	8/25	Discover Card	350.00			-350.00
						938.99

Group Discussion:

- What types of work do you love to do? Are there ways you can earn income from that kind of work?
- Are there any areas in your finances that would benefit from practicing more self control and discipline?

**Homework:**

1. Continue to put all receipts into your receipt envelope.
2. Continue using your Small Pocket Notebook to record every amount spent on any items and label which category each item would qualify. Total the amounts for each day, and place the totals into the corresponding box on your Daily Spending Record by next week.
3. Make sure any money that is withdrawn, debited, deposited, paid a bill with, etc. is entered into your Transaction Register (either the one provided from the bank or the Love in Action form). Please balance (add and subtract to get a total) and reconcile your checking account to your most recent bank statement by next week.
 - a. Do this to the best of your ability. If you have not done this in a while your account may not reconcile accurately, but you must keep working on this assignment and attempt to figure out any discrepancies
 - b. Ask for help if you need it
4. If you do not have a checking account and use cash, please use the Transaction Register provided by Love in Action to track money received (deposited) and spend (debited).
5. You will continue to record your daily spending and use All the above tools the entire time that you are in Financial Fitness.

Reminder!! Always continue to use the following tools even if not listed as homework:

- Receipt Envelope & Organizational Folders
- Small Pocket Notebook
- Payment Calendar
- Daily Spending Record
- Transaction Register – Keep it balanced! Reconcile against bank statement monthly!