“Introduction to Banking”

Presented by:

RIVERSIDE BANK

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Table of Contents:

Welcome to Introduction to Banking. This course is designed to assist you in the basic concepts of banking, i.e.: deposit accounts, investments and loans. You will learn how to write a check, complete a deposit slip and reconcile your bank account(s) when your statement arrives. But first, let's take a look a look back at the beginning of banking.

The Beginning of Banking

The roots of modern banking started long ago when people simply traded objects of value they possessed for objects of value they needed from someone else. (The art of bartering)

Of course, there were times when the other guy had something you wanted but he had no use for what you were willing to trade. This is when the problems arose.

Eventually, it dawned on someone that a "symbol of value" rather than the actual "object of value" would be more easily carried around and exchanged for things you wanted. Early symbols of value included gold and other precious metals, jewels, cattle, and even large round stones on some South Pacific Islands.

Gold coins soon became the most popular and widely accepted means of exchanging value between people. "Value" could be associated with artwork, personal services such as a barber, harvested foods, or finished products such as a home. However, there was a limit as to how much gold you were able to carry at one time. It would either be too heavy, or too dangerous.

Around the middle Ages, goldsmiths and silversmiths began the practice of storing their customer's gold for them. They would issue a receipt (or note) to the customer for the amount of gold stored. It wasn't very long until people began to trade their gold notes to each other as a way to exchange value. Eventually, wealthy merchants also held gold and silver for their customers.

> *Here's how it works. Suppose a knight wanted to buy a new suit of armor from the armored suit maker. If the knight and the armored suit maker each used the same goldsmith to store their gold, the knight could give the armored suit maker a piece of his gold note as payment for the suit. Then the armored suit maker would take the note to the goldsmith and ask him to move some gold from the knight's pile (the knight's "account") to his pile (the armored suit maker's "account").*

Today's checks are a direct descendent of that practice. They are simply your authorization to a bank to move money from your pile (account) to someone else's!

This is how the concept of using paper "notes" as objects of value began. If you check any paper money you may have in your wallet or pockets, it says "Federal Reserve Note" at the top. This money is backed by the "full faith and credit of the government." (If we didn't have the government's ability to manage the money supply, the money would be worthless.)

The Origin of Loans and Interest

As the practice of exchanging notes within a community became more common, there was little reason to physically move the gold. The only times the gold was actually moved was when the owner was moving to another community or the piles of gold in a merchant's store grew too large that it was no longer safe to store it there.

(Remember this character from earlier in the story?) It was not long until the merchants realized they could make loans from these stockpiles of their customer's gold and make a little money from the *rental* of that gold to a borrower. The customer trusted them not to loan (rent) their gold to those individuals who could not pay it back. Since the merchants were providing a service to customers needing to borrow some gold, they realized they could charge a fee (rent) for the gold they loaned. Of course, they had to have the permission of the gold owner to rent some of his gold.

The merchant paid the gold owner a fee for permission to use his gold for loans.

Not only would the customer have to pay back the FULL amount of the borrowed gold, *he would also have to pay this fee which is called "interest."* (The word comes from the interest the merchant and the gold's owner had in earning money for the use of his gold. The owner earned interest from the merchant for allowing use of his money in a loan. The merchant earned interest from the borrower for arranging the loan.)

This practice continues today as Riverside Bank earns interest by arranging loans of money entrusted to us by depositors. For example, we may charge 8% on a loan to a borrower and pay 3% interest to a depositor who puts their money in our bank. The difference between the interest charged (8%) and the interest paid (3%) is our profit for arranging the loan (5%). The word "bank" comes from the French "banque" meaning *table, counter, or place of business of a merchant.*

The "Travels of a Check"

Step 1.
You see a sculpture in a catalog from a company based in San Francisco that you like. You mail them a check from your Riverside Bank account. (You are the "drawer" of the check)

Step 2:
The business owner takes your check, and those from other customers from across the country, to his bank, called "*The Artists Bank*" for deposit into his account. He deposits $5,000.00 worth of checks. (He is the "payee" of your check)

Step 3:
The Artists Bank credits his account with the $5,000.00 but he can't withdraw that cash until his bank has collected it from all of the check writer's banks. (Riverside Bank and the other banks used by his customers across the country are called "Drawees".)

His bank must *present your check to Riverside Bank* and demand money from your checking account to pay for your purchase. (His bank is the "presenter".)

Step 4:
No bank can afford to send couriers all over the United States to present checks deposited by their customers. Instead, it sends those checks which are not on its accounts (they are called "transit items") to the local branch of the FEDERAL RESERVE BANK.

Checks that are written by Riverside Bank customers to other Riverside Bank customers can be collected internally. These checks are called "ON-US".

The FED will send those checks through its system to Riverside Bank (and the other banks) to collect (on behalf of Artists Bank) from the catalog customers' accounts. The FED charges its member banks for this service.

Step 5:
Riverside Bank receives your check from the FED and runs it through our sorter. If the sorter can read your check, its amount is electronically debited from your account. If it cannot, then an amount entry clerk will manually key it.

Riverside Bank electronically sends money from your account (with written details in the "cash letter") to the FED so it can forward it to the catalog company's account in Artists Bank in San Francisco.

When Artists Bank receives your electronic money, it deposits it into the business owner's account.

Step 6:
The San Francisco business owner can now go to the ATM and withdraw cash from his account made up from funds transferred from your Riverside Bank account.

The business owner's account had a "Ledger Balance" of $5,000 MORE than the "available balance" while the customers' checks were being presented and collected. Once the money was transferred from the customers' accounts to his, the "ledger balance" and "available balance" became the same amount.

Why the BIG RUSH in processing checks?

You will soon notice that life in a bank is centered on deadlines. You will hear about the 2:00 cutoff in the branches, the Fed release time and other terms which imply great urgency.

Another word you will hear is the "FLOAT". The expression "Time is money" means a lot at Riverside Bank because the speed and accuracy at which we process your work determines how quickly we pay your items or credit your account.

HERE IS HOW IT ALL WORKS

Think back to that check we pretended you wrote to a San Francisco catalog company. We followed its flow from your checking account to the business owner's account. He deposited your check in his bank. Then it went through his bank's items processing department, out to the Federal Reserve System (FED), and back home to Riverside Bank where it will show up on your monthly statement.

The sooner the business owner can get:
Your check deposited to his account at Artists Bank…
Then processed by Artists Bank in San Francisco and sent to the FED…
And the FED to present it to Riverside for collection out of your account
Then collected from Riverside Bank by the FED and transferred to Artists Bank…
And deposited by Artists Bank into his account….
The sooner he has the use of your money you spent on his product.

Remember, the check is only a PROMISE to pay for the product. He cannot take your "promise" to the grocery store and buy food with it. He must wait until his bank actually collects the money that your promise (check) represents before he can use it to buy groceries.

The <u>uncollected</u> funds (the promise to pay) in checking accounts within a bank is called FLOAT.

If he doesn't spend that $5,000 immediately, it sits in his account waiting until he does. There are probably thousands of customers with monies sitting in their accounts overnight waiting to use it. So, as long as the customers haven't used their money, banking laws allow Riverside to invest it overnight for profits in the "Money Market". (The money isn't really taken from their accounts because the bank returns it the next morning.) *The bank can only invest collected funds in the overnight Money Market.* The faster that Riverside can collect funds through the Fed for checks deposited by its customers, the faster it can invest that money overnight.

But if Riverside Bank wants to use the FED's check collection system, it must meet its nightly deadlines for out of town items (transit checks). *When we miss a deadline, we miss a chance to collect more funds for overnight investments.* That is why we rush so hard to meet the deadlines of the Fed!

Typically, a very important deadline occurs nightly at 1:00 a.m. If we want to meet this deadline, we must have our work collected from the branches as quickly as possible (that's why there is a 2:00 cutoff time for that day's work. Deposits after 2:00 are called next day items). *We have only 11 hours to get the work from the branches to proof and then on to the Fed!*

Let’s Do a Little Math!

Suppose that 500 businesses deposit $100,000 each in checks today. We have done an excellent job of getting those checks into the Fed’s collection system, there will be a lot of money waiting in those business accounts for them to use when they write checks for their payroll and operating expenses.

500 customers X $100,000 each = $50 million!

Even though that collected money is credited to the business customers’ accounts, Riverside still has access to it. We can invest the $50 million in overnight financial markets to make profits for us.

For example, if we earned ¼% interest on that money overnight, we could earn $125,000 in clear profits. That nightly interest is added to our annual profits.

Now that you have an understanding of how our current banking functions came about, let’s get in to more specifics.

Checking Accounts:

A checking account is an account that allows you to write checks to buy goods and pay for services. The bank takes the money from your account and pays it to the person or company named in the payee line of your check. You can also deposit and withdraw money from your checking account. The bank sends you a monthly statement of your deposits, checks written, ATM withdrawals and Point of Sale withdrawals. Checking accounts can provide you with convenience, cost savings, safekeeping of your money, and a way to help budget your money.

Determine your Checking Account Needs:

When deciding on a checking account, remember all banks offer different types of checking accounts. To determine what you need, think about how you plan to use the account. The following questions will help to determine your needs in a checking account.

Convenience:

1. How many checks do you think you may write in an average month?
    a. Riverside Bank checking accounts allow unlimited check writing.
2. Do you want a bank that is close to your home or work?
    a. Riverside Bank currently offers over 50 convenient locations throughout Florida.
3. What are your bank's hours of operations?
    a. We offer lobby and drive thru hours, as well as Internet access 24/7.
4. Will you use an ATM often?
    a. ATM machines are a great tool to access your funds 24/7.
5. Does the bank have ATMs close to where you live or work?
    a. In addition to the ATM machines at most Riverside Bank locations, Riverside Bank is a member of Presto! Network which means you have the convenience of using an ATM machine at any Publix location.
6. How often do you plan to visit the bank to use the teller services?
    a. Unlike many banks, Riverside Bank does not charge our customers to visit our tellers. We enjoy seeing our customers.
7. What other bank services are important to you?
    a. Riverside Bank offers consumer loans, mortgages and a full service investment division.

Checking Account Fees:

When comparing checking accounts, be sure and ask the bank for a schedule of fees. This will allow you to compare all of the fees that accompany a checking account. Some of the typical fees charged by a bank are:

Monthly Service Charge: Also called a maintenance fee. The bank may charge you a fee each month just to keep the account open. You may also be charged a fee if your balance drops below a required dollar amount.

Per Check Fee: Some accounts charge a fee for each check you write. Depending on the account, you might pay the fee for each check, or you may be restricted to writing only a certain amount of checks each month, then charged a fee for exceeding that amount.

ATM Use Fee: You can be charged for using what is called a Foreign ATM, which is an ATM that is not owned and operated by your bank. Riverside Bank does charge a fee of $2.00 for the use of a non Riverside Bank ATM.

Overdraft Fees: Also called Non-Sufficient Funds (NSF) fee. Expensive fees apply when you bounce a check. The bank will notify you via U.S. mail when a check is returned to the individual or company to whom it was issued because there was not enough money in the account to cover the check. The bank does charge a handling fee to your account because of the cost to return the check to the payee. Merchants may also charge you a fee for writing them a bad check. These fees can vary and can get expensive.

Example: If a $20.00 check written to Wal-Mart is presented against an account with insufficient funds (NSF), Riverside will charge you $31.93, and Wal-Mart may charge up to $30.00. The item you purchased now costs you $81.93.

Returned Deposit Item: Banks will charge a handling fee if a check that is deposited in to an individual's account is returned to the bank unpaid.

Stop Payment Fee: If you lose a check or need to make sure a check is not paid by the bank for some legal reason, you may place a stop payment order on the check. At Riverside Bank the fee to place a stop payment is $31.93. This stop order does not guarantee the bank can stop the item before it is paid. A written stop payment order is good for six months.

Check Register

It is very important that each time you deposit money, write a check, complete an ATM withdrawal or purchase an item with your debit card that you complete an entry into your check book register. ***It is your responsibility to maintain this register.*** Do not rely on the balances you may receive from the ATM or on-line banking; these balances do not take into account the outstanding checks that have not posted to your account.

1	2	3	4	5	6		7	

1. **Check Number:** If you are writing a check, record the check number in this column. If it is an ATM transaction, record ATM in this column. If it is a Point of Sale (POS) transaction, then record POS in this column.

2. **Date:** Record the date you wrote the check, made the deposit, took money out of the ATM or made a purchase using your debit card.

3. **Description of Transaction:** Record such items as to whom you wrote the check payable to, Deposit, ATM withdrawal, or the name of the store where the purchase was made using your debit card.

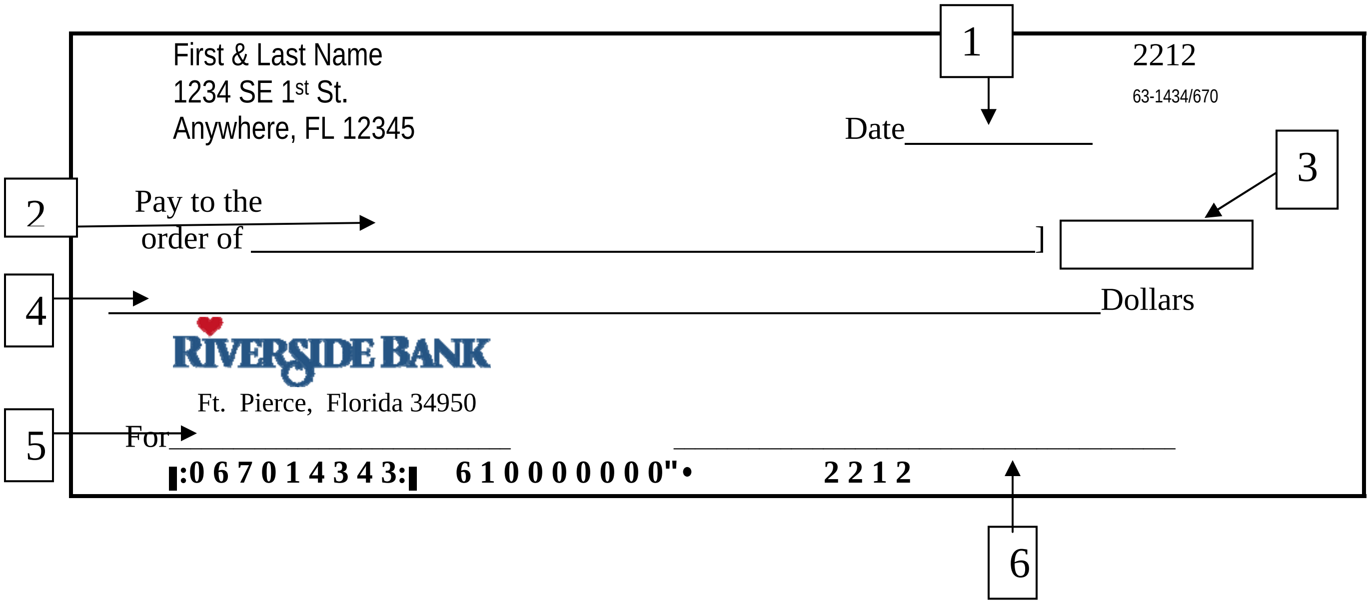
4. **Payment/Fee Withdrawal**: Record the dollar amounts of the checks written, ATM withdrawals, or debit card purchases. Be sure and include any additional fees charged such as foreign ATM fees.

5. **Check Mark:** This column is used when reconciling your account against the monthly statement sent to you by Riverside Bank.

6. **Deposit/Credit:** Record any deposits or credits made to your account. If your employer offers direct deposit and you take advantage of this feature, you would record the ACH deposit of payroll in this column.

7. **Balance:** Add the deposits or credits and subtract any fees, payments or other debits from your account.

Writing a Check:



Complete the Following Areas when Writing a Check:

1. **Date:** Write in today's date.

2. **Pay to the Order of:** Write the name of the individual or company to whom you will give the check. After writing the name, it is recommended writing a line to the end of the line to prevent someone else from altering the payee line of the check.

3. **$:** Write the amount of the check in numbers, such as $500.71.

4. **Dollars:** Write the amount of the check in words, such as Five hundred dollars and 71/100. After writing the amount of the check, it is recommended writing a line to the end of the line to prevent someone else from altering the amount of the check.

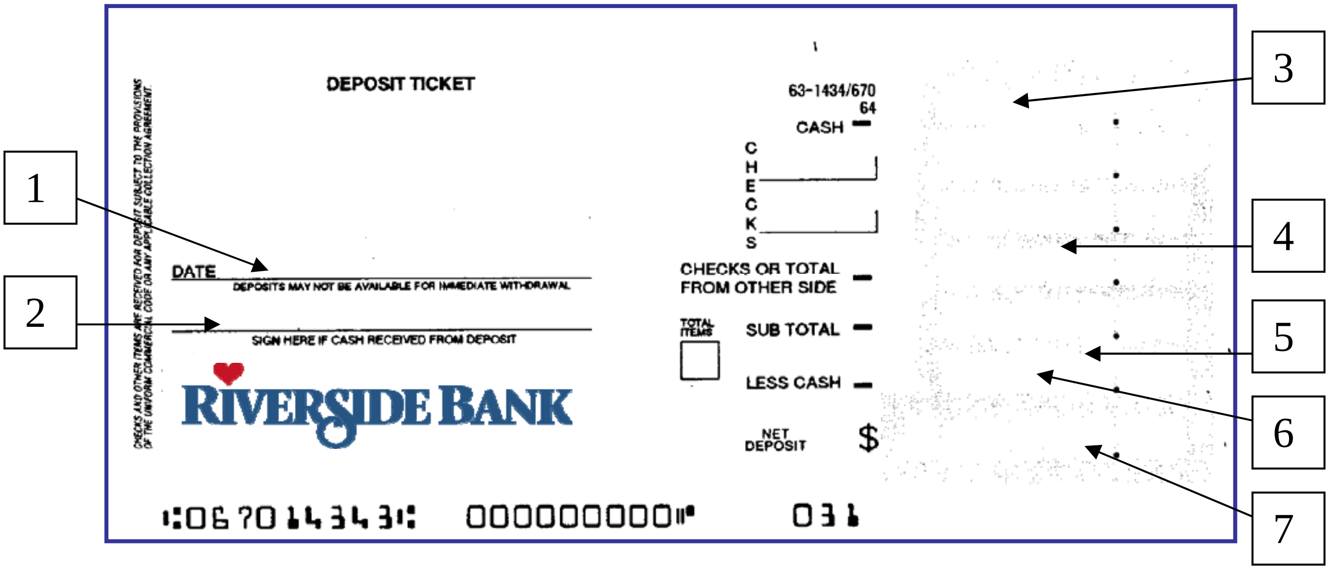
5. **Memo:** This section is optional. You can use this area to remind yourself why you wrote the check or to record the account number of the bill you are paying.

6. **Signature Line:** Sign your name. Please be sure and sign your name the same way you signed it on your signature card when you opened your account as tellers verify signatures prior to cashing any checks. If the signatures do not match to what we have on file, the tellers are not able to cash the check.

Check Writing Tips:

- Always use ink, preferably blue or black ink.
- Write clearly.
- Record each check in your check register.

Completing a Deposit Slip:



Complete the following areas when writing a deposit slip:

1. **Date:** write in Today's date.

2. **Signature for Cash Back:** If you choose to receive cash back from your deposit, it is required that you sign the deposit slip authorizing the teller to give you cash back from your deposit. Again, your signature must match what is on the signature card.

3. **Cash:** Enter the total amount of cash and coin to be deposited.

4. **Checks:** Enter the total amount of checks to be deposited. If necessary you may list additional checks on the back of the deposit and carry the total forward.

5. **Sub-Total:** Enter the sub-total of the cash and checks to be deposited.

6. **Less Cash:** Enter the amount of cash back you wish to receive if you have chosen to receive cash back.

7. **Total:** Enter the total amount to be deposited. This is the sub-total minus any cash back received.

Tips to completing the deposit slip:

- Always use ink, preferably blue or black ink.
- Write clearly.
- Enter the deposit into your check register.

Debit Cards:

A debit card can save you time at the checkout counter. Instead of writing out a check, you slide your card through the magnetic strip reader, and enter your Personal Identification Number (PIN) and away you go. Use your debit card wisely, though. Always write down the date and amount of your purchase in your checkbook right away, because a debit card can deduct from your account almost immediately. There is no grace period and you can bounce checks written on that account if you don't record all your purchases.

Debit cards are also known as check cards. Debit cards look like credit cards or ATM (automated teller machine) cards, but operate like cash or a personal check. Debit cards are different from credit cards. While a credit card is a way to "pay later," a debit card is a way to "pay now." When you use a debit card, your money is quickly deducted from your checking or savings account.

Debit cards are accepted at many locations, including grocery stores, retail stores, gasoline stations, and restaurants. You can use your card anywhere merchants display your card's brand name or logo. (Visa/MasterCard) Carrying and using a Debit card is an alternative to carrying a checkbook or cash.

What is the difference between a debit card and a credit card?

It's the difference between "debit" and "credit." Debit means "subtract." When you use a debit card, you are subtracting money from your own bank account. Debit cards allow you to spend only what is in your bank account. It is a quick transaction between the merchant and your personal bank account.

Credit is money made available to you by a bank or other financial institution, like a loan. The amount the issuer allows you to use is determined by your credit history, income, debts, and ability to pay. You may use the credit with the understanding that you will repay the amount, plus interest if you do not pay in full each month. You will receive a monthly statement detailing your charges and payment requirements.

What you should know about debit cards:

- Obtaining a debit card is often easier than obtaining a credit card.
- Using a debit card instead of writing checks saves you from showing identification or giving out personal information at the time of the transaction.
- Using a debit card frees you from carrying cash or a checkbook.
- Using a debit card means you no longer have to stock up on traveler's checks or cash when you travel.
- Debit cards may be more readily accepted by merchants than checks, especially in other states or countries wherever your card brand is accepted.
- The debit card is a quick, "pay now" product, giving you no grace period.
- Using a debit card may mean you have less protection than with a credit card purchase for items which are never delivered, are defective, or were misrepresented. But, as with credit cards, you may dispute unauthorized charges or other mistakes within 60 days. You should contact the card issuer if a problem cannot be resolved with the merchant.
- Returning goods or canceling services purchased with a debit card is treated as if the purchase were made with cash or a check.

"PIN vs. PEN"

Selecting Debit (PIN):

If you choose "debit" on the merchant's terminal and "swipe" your card through, the transaction will ask for your personal identification number (PIN). You must enter your PIN as you would at an ATM. The system checks your account to see if it has enough money available to cover the transaction.

Selecting Credit (PEN):

If you choose "credit" on the terminal and swipe your debit card through you will be asked to sign the sales slip, just as you would with a credit card. This is where we get PEN from. You must sign your name with a pen. The merchant's terminal reads your card, identifies it as a debit rather than a credit card, and creates a debit against your bank account. However, instead of debiting your account immediately, it stores the debit for processing later -- usually within 2-3 days. In most cases a hold will be placed against the funds in your account equal to the amount of the purchase.

Seven tips for responsible use of debit cards

1. If your card is lost or stolen, report the loss immediately to your financial institution.
2. If you suspect your card is being fraudulently used, report it immediately to your financial institution.
3. Hold on to your receipts from your debit card transactions. A thief may get your name and order goods by mail or over the telephone. Your card does not have to be missing in order for it to be misused.
4. If you have a PIN number, memorize it. ***Do not keep your PIN number with your card.*** Also, don't choose a PIN number that a smart thief could figure out, such as your phone number or birthday.
5. Never give your PIN number to anyone. Keep your PIN private.
6. Always know how much money you have available in your account. *Don't forget that your debit card may allow you to access money that you have set aside to cover a check which has not cleared your bank yet.*
7. Keep your receipts in one place. This is for easy retrieval and better recordkeeping of your bank account.

What if my debit card is lost or stolen?

Just as your money may be stolen and your credit cards may be lost or fraudulently used, a debit card may be lost, stolen, or used without your knowledge. As a cardholder, you need to know the extent of your protection.

Government regulations require debit card issuers to set a maximum liability of $50 if the debit card is reported lost or stolen within two days of discovery. Liability increases to $500 if the lost or stolen debit card is reported within 60 days. Neglect to notify the bank of the theft within 60 days after a bank statement is sent and you could lose everything in your checking and overdraft accounts.

Check with your financial institution about your liability. Many issuers offer consumers better protection than what is required in government regulations. One type of check card offers consumers "zero liability" in cases of fraud, theft, or other unauthorized card usage if reported by the cardholder within two business days after discovery. After the two-day period, the cardholder could be liable for a maximum of $50. Some other cards limit consumers' liability for fraudulent use of stolen debit cards to $50.

Checking Account Statements:

Each month Riverside Bank will send you a statement that includes a summary of all checks written, ATM withdrawals completed, debit card purchases and deposits completed during the statement period. It is important to take the time to reconcile your account monthly. Look for any errors that may have occurred by yourself, the bank or any of the merchants where you may have used your debit card.

Riverside Bank
2211 Okeechobee Rd.
Ft. Pierce, FL 34950

RIVERSIDE BANK
Our heart's in everything we do

FRED FLINTSTONE
WILMA FLINTSTONE
125 ROCKLEDGE ROAD
BEDROCK, ZA 96852

08/22/05 PAGE 1
ACCOUNT 000000000

CHECKING ACCOUNTS

ACCOUNT TITLE: FRED FLINTSTONE
WILMA FLINTSTONE

We have recently joined the Publix Presto! Network. You can now access your Riverside Bank account in Florida; Alabama; South Carolina; North Carolina; Tennessee; and Georgia FREE of charge.

HOMETOWN STUDENT CHECKING ACCT		ITEM TRUNCATION	
ACCOUNT NUMBER	000000000	STMT DATES 07/22/05 THRU 08/22/05	
PREVIOUS BLANCE	.00	DAYS IN STMT PERIOD	30
3 DEPOSITS/CREDITS	1086.60	AVERAGE LEDGER	.00
6 CHECKS/DEBITS	789.68	AVERAGE COLLECTED	.00
SERVICE CHARGE	.00	INTEREST EARNED	.00
INTEREST PAID	.00	ANNUAL PERCENTAGE YIELD	.00
ENDING BALANCE		2005 INTEREST PAID	.00

DEPOSITS AND ADDITIONS

DATE	DESCRIPTION	AMOUNT
08/14	DEPOSIT	528.98
08/18	DEPOSIT	250.09
08/20	DEPOSIT	307.53

WITHDRAWALS and DEBITS

DATE	DESCRIPTION	AMOUNT
08/20	ATM WITHDRAWAL BANK OF AMERICA 100 S DEL PRADO BLVD CAPE CORAL FL	102.00
08/20	ATM TRANSACTION CHARGE	1.50

Your Money, Your Future
Student Activities
Riverside Bank
Revised 07/25/2005

Reconciling your account:

As previously mentioned, it is very important to reconcile your account to your monthly statement when you receive it. When you get your monthly statement, there will usually be a difference between the statement balance and your check book statement. Reconciling your account is a way to find those differences. Below is a sample of the reconciliation form that you will find on the back side of each page of your monthly statement. If you have questions reconciling your account or questions about the items on your statement, please feel free to contact Riverside Bank.

Checkbook Reconciliation

Checks Outstanding

Date or Number	Amount	
Total		

Enter BALANCE THIS STATEMENT $ ____________

Add RECENT DEPOSITS (NOT CREDITED ON THIS STATEMENT) ____________

____

Total ____________

Subtract CHECKS OUTSTANDING ____________

Balance $ ____________

SHOULD AGREE WITH YOUR CHECKBOOK BALANCE AFTER DEDUCTING CHARGES AND ADDING CREDITS INCLUDED ON THIS STATEMENT BUT NOT SHOWN IN YOUR CHECKBOOK, AS FOLLOWS

PLEASE REFER ANY DISCREPANCIES WITHIN 14 DAYS

In Case of Errors or Questions About Your Electronic Transfers

If you think your statement or receipt is wrong or if you need more information about a transfer listed on your statement or receipt, telephone or write us at the number or address shown on the front of this statement as soon as you can. We must hear from you no later than 60 days after we sent the FIRST statement on which the problem or error appeared.

(1) Tell us your name and account number (if any).
(2) Describe the error or transfer you are unsure about, and explain as clearly as you can why you believe it is an error or why you need more information.
(3) Tell us the dollar amount of the suspected error.

We will investigate your complaint and will correct any error promptly. If we take more than 10 business days to do this, we will credit your account for the amount you think is in error, so that you will have the use of the money during the time it takes us to complete our investigation.

Each depositor insured to $100,000

FDIC

FEDERAL DEPOSIT INSURANCE CORPORATION

Online Banking:

Online banking uses technology to give you the option of bypassing the time-consuming, paper-based aspects of traditional banking in order to manage your finances more quickly and efficiently.

Online banking lets you connect to your bank through the Internet and do things such as:

* View your account(s)
* Transfer money between accounts
* View images of checks
* Print copies of those checks
* Pay bills online
* And more….

Many banks make it easier to manage your checking account by allowing you to set up e-mail alerts so you can be notified when checks clear or when your balance falls below a certain amount. There is also a detailed listing of your canceled checks. If you'd like to eliminate paper checks from your life, you'll find that a growing number of companies allow you to make automatic payments through your online banking account.

Online Bill Pay:

Getting started is easy. The bank's website will walk you through the steps of registering the bills you want to pay and the accounts you want to pay them from. You'll only have to enter the information once. You can always make changes and add or subtract bills.

If a monthly bill is for the same amount each month, you might want to schedule a recurring payment. If the amount varies from month to month you can pay the bill each month on a "one-time" basis.

Once you have registered the accounts you wish to pay online, the next step is to schedule payments. Your creditors receive your online payment in one of two ways: electronic payment or check. If the company is set up to accept electronic payments, your payment is automatically debited from your account and deposited electronically into their account. If the company cannot accept electronic payments, your bank issues a check based on your online payment instructions. Most bill payment sites include a payment activity page that lists all of your payments and their status -- scheduled, pending or processed.

Be aware that companies sometimes change the billing address or your account number without warning. It's important to check your statement each month to verify those details as well as your transactions.

Pay Yourself First – Saving for your Future:

There will be many times when you will hear people say "I wish I had started saving for that new home sooner" or "I wish someone had told me to begin my 401K program when I was younger." Saving and investing for your future begins today, whether that is a savings account, a small investment account or contributing to an employer sponsored 401K program.

Paying yourself first means that when you receive a paycheck, you first put away the money that you want to save for future goals. There are many reasons to pay yourself first. Some of the benefits of paying yourself first include:

- ✓ You can learn to manage your money better.
- ✓ You can learn about investment products and services.
- ✓ You can learn how to manage a stock portfolio and watch it grow.
- ✓ You can increase your personal net worth.
- ✓ You can improve your standard of living.

It is important to sit down and determine your savings and investment goals for the immediate future and long term future. Do you want a new car in the next year? Do you need to save money for college expenses? Do you need to save money for an apartment? Do you want to buy a house or a piece of property? So begin by writing down your financial goals.

My Short Term Savings/Investing Goals:

____

____

____

My Long Term Savings/Investing Goals:

____

____

____

Pay Yourself First Plan

What can I do now to begin to save for my goals?

What will I do at the end of every month to save for my goals?

What will I do at the end of the year to save for my goals?

Decision Factors:

How much money do you need to save/invest to reach your short term goals? Long term goals?

How long are you willing to leave your money in the savings account or an investment product?

How do you feel about risking your money? How do you feel about the possibility of losing your investment?

Savings Tips:

1. Consider wants vs. needs. Think about the items you purchase on a regular basis. They add up and add up quickly. Where can you save money?

   a. Do you eat out at restaurants a lot?

   b. Can you cut back on daily expenses, such as coffee, candy or soda?

   c. Do you pay for additional services on your cell phone, cable or internet services that you can cut back or eliminate?

2. Direct Deposit or Automatic Transfer of Funds to a savings account or investment product.

   a. When you get paid, have a portion of your payroll automatically put into your savings account. If you don't see it in your regular check, you can begin to live without it.

   b. If you have a checking account, you can sign up to have the money automatically transferred each month to your savings account/investment product. Again, what you don't see you don't miss.

3. Pay your bills on time. This saves the added expense of:

   a. Late fees

   b. Extra finance charges

   c. Disconnection fees for phone, cell phone, cable, and internet services, etc.

   d. Fees to reconnect your services if disconnected by the vendor.

   e. Reposession

   f. Bill collectors and Collection Agencies.

4. If you use a check cashing store regularly, you might pay between $3.00 and $6.00 for each check you cash. This can easily add up to several hundred dollars in unnecessary fees each year.

5. If you get a raise or bonus, save that additional money.

6. If you pay off a loan, continue to make those regular monthly payments to your savings account or investment account so that you can continue to reach those savings goals for the future quicker.

7. If you receive cash as a gift, save at least 50%.

8. Avoid debt that does not help build long term financial security. For example, avoid borrowing money for things that do not provide financial benefits or do not last as long as the loan. Examples include but not limited to: a vacation, clothes, the latest cell phone, dinner. Examples of debt that helps build long term financial security include:

    - Paying for college through student loans
    - Buying your first home
    - Buying a car

9. Save the loose change in your pocket or purse at the end of the day. Take that change at end of the month and deposit it into your savings account. It adds up quickly.

10. When you get a tax refund, save as much as possible, it is found money.

11. If your employer offers a retirement plan, such as a 401K or a 403B plan that deducts money from your paycheck, join it today! Most employers will match up to $.50 on each dollar you contribute up to a certain percentage. The matched money from your employer is free money for your retirement.

12. If you own stocks, reinvest the dividends to purchase more stocks. Some companies offer a Dividend Reinvestment Program (DRIP). This process increases your investment faster, similar to compounding.

13. If you decide to make investments, do your homework. Know the product or company that you are investing in. Get professional advice. Meet with one of the staff from the Riverside Investments team to begin your investing plan. A good rule of thumb is to have at least 2 to 3 months of living expenses in an emergency savings account just in case.

Interest Compounding:

Interest Compounding Exercise

Annual Compounding	Daily Compounding
$1,000 @ 5% compounded annually $1,000 at the end of the first day	$1,000 @ 5% compounded daily $1,000.14 at the end of the first day On the Second day add the interest earned and compounded to the total amount $1,000.14 @ 5% daily
$1050.00 (end of year 1)	$1051.27 (end of year 1)

With annual compounding, at the end of the first year you would have $1,050.

With daily compounding, at the end of the first year you would have $1,051.27. This is because at the end of the first day you would have earned $.14. The next day, interest is calculated on the entire amount of your original deposit of $1,000 PLUS the previously earned interest of $.14. This "compounding" continues to occur each day throughout the year.

The table shows that the more frequently interest compounds, the faster it grows.

Compound Interest

The chart below further demonstrates the power of compound interest!

	5 Years	10 Years
No interest earned	$1,000.00	$1,000.00
Annual Compounding @ 5%	$1,276.00	$1,629.00
Monthly compounding @ 5%	$1,283.00	$1,647.00
Daily Compounding @ 5%	$1,284.00	$1,649.00

Saving a $1.00 and $5.00 a day

Saving a $1.00 a day

	No Interest	5% Daily Compounding
Year 1	$365.00	$374.00
Year 5	$1825.00	$2073.00
Year 10	$3650.00	$4735.00
Year 30	$10,950.00	$25,415.00

Saving $5.00 a day

	No Interest	5% Daily Compounding
Year 1	$1825.00	$1871.00
Year 5	$9125.00	$10,366.00
Year 10	$18,250.00	$23,677.00
Year 30	$54,750.00	$127,077.00

Savings and Investment Accounts – Frequently asked Questions: __________

What is an Individual Retirement Account?

Individual Retirement Accounts (IRA) are special accounts for the sole purpose of saving for your retirement. Individuals are permitted to deposit a maximum amount per year, set by the government, currently (2006) at $4,000.00 (plus a $500 "catch-up" contribution for people age 50 and older), into this account. Some contributions may be tax deductible, depending upon what type of IRA you deposit the money into. It is best to meet with a professional financial planner to assist you in mapping out your financial road to retirement. Our Riverside Investments team is more than willing to assist you with this. In order to participate in this type of an account, you must have earned income equal to or greater than the amount deposited.

What is a section 529 plan? (Hint: Tell Mom and Dad about this one!)

A Section 529 Plan is a prepaid savings program for higher education. Any person can set up a plan for a child to pursue higher education. The money grows tax-deferred and is taxed at the child's rate when withdrawn for education purposes. The savings can be applied to any college or university in any state. Many plans can be started for as little as $25.00 per month. More information regarding a 529 plan can be obtained from the Riverside Investment team.

What are 401K and 403B Retirement Plans?

401K plans are retirement plans that private corporations offer to their employees. A 403B plan is similar to a 401K, but is offered to employees working for a non-profit organization.

In both types of plans, you choose to deduct a percentage of your paycheck and place it into the investment strategy you choose. The money you place into the account is pre-tax dollars and thus lowers your taxable income. The employer usually matches a portion of your contribution, sometimes up to 50%. The funds grow tax free until the money is withdrawn during retirement. If the money is withdrawn prior to retirement, there are stiff penalties to pay.

What are Stocks?

When you purchase shares of stock, you become an owner of the company. If the company does well, you may receive periodic payments called dividends. Dividends are a part of the company's profits it gives back to the shareholders. Also, your stock may continue to increase in value. If the company does poorly, you may not receive any dividends and your stock shares may lose value.

What are Bonds?

When you purchase a bond, you are essentially loaning your money to a corporation or government entity for a certain period of time, called a term. The bond certificate promises that the corporation or government entity will repay you on a specific date with a fixed rate of interest. The interest paid on most bonds issued by government entities is tax free and therefore very attractive to investors.

What are United States Savings Bonds?

United States savings bonds are one type of Treasury securities. They are a long term investment option backed by the full faith and credit of the United States government. Purchasing these bonds is an easy way to save small amounts of money and often is purchased for a child's education; however they may be used for any purpose. Savings bonds can be purchased at Riverside Bank for as little as $25.00.

What are Unites States Treasury Securities?

U.S. Treasury Securities are debt instruments. When you purchase a Treasury Security, you are loaning money to the government. Treasury Securities are backed by the full faith and credit of the United States government, which means the government guarantees interest and principal payments will be paid on time. Treasury Securities include:

- Savings Bonds, which can earn interest for up to 30 years, but can be cashed in after 1 year.
- Treasury Bills, which mature in one year or less from their issue date.
- Treasury Notes, which mature in more than one year, but not more than 10 years from the issue date.
- Treasury Bonds, which mature in more than 10 years from issue date.

Treasury Bills, Notes, and Bonds are transferable, which means you can buy or sell them in the securities market. You can buy Treasury Bills, Notes, and Bonds for a minimum of $1,000.00.

What are Mutual Funds?

A mutual fund is a professionally managed collection of money from a group of investors. A mutual fund manager invests your money in some combination of various stocks, bonds, and other products. The fund manager determines the best time to buy and sell the products in the fund. By combining your resources with other investors in a mutual fund, you can diversify even a small investment, which should reduce your risk.

What is Diversification?

Diversification means you spread the risk of loss of your principal investment into a variety of savings and investment options. It is the concept of "don't put all your eggs in one basket."

Risk vs. Return:

This means that the more risk you are willing to take with your principal investment the greater the potential for a higher rate of return. However, the opposite can also be true – the greater the risk, the greater the potential for loss.

Budgeting:

Just as important as saving and investing for the future is the ability to budget your earnings in order to be able to save and invest. Budgeting is about choices – choosing how to make money and choosing how to spend the money.

Remember the last time you got $20.00 and at the end of the day not knowing where you spent the money or what you spent the money on? It is critical you understand where your money goes. Knowing what your income is and expenses are every month will help you take control of your financial situation.

Taking control of your financial situation helps reduce the anxiety of not knowing whether you have the money to pay bills when they are due. It is important to have a sense of control over your money, rather than letting money have control over you. Budgeting will help you build assets. Building assets improves your quality of life.

A good place to start taking control of your financial situation is to develop a savings and spending plan. This is called a budget. A budget is a step by step plan for meeting expenses in a given period of time.

On the next page is a Daily Spending Diary. You are encouraged to keep track of all your spending for one week. It is important not to leave anything off. At the end of the week, sit down and review your spending habits and see if there are some areas that maybe you can cut back and save some funds for future spending/saving goals. It may even be interesting to complete the diary for an entire month. Be sure and include all expenses, whether you pay by cash, check or debit card.

Day/Date	What did I spend my money on today?
Sunday	
Monday	
Tuesday	
Wednesday	
Thursday	
Friday	
Saturday	

Tips to Decrease Your Spending:

- Carry only small amounts of cash with you. If you don’t have it with you, you can’t spend it.
- Use Direct Deposit for your paycheck. You will be less likely to spend the money if it is deposited directly into your account.
- Control the use of your debit card and/or credit cards.
- Don’t go shopping just for fun.
- Take your written savings goals with you as a reminder of what you wish to accomplish.
- Buy only what you need. Don’t buy it just because it is on sale.
- Use coupons when possible. A penny saved is a penny earned.
- Take your lunch to work or school instead of eating out.
- Shop around for the best prices when buying large ticket items such as electronics.
- Pay your bills on time to avoid late fees, extra finance charges, utilities being turned off, repossessions and the cost of a bad credit rating.

Borrowing Basics

At one time or another almost everyone will need to borrow money for one use or another. Used wisely, credit can benefit you. But first, there are some things that you should understand about the value of credit and some of the costs associated with it.

What is Credit?

Credit is money you borrow to pay for things. Credit is usually referred to as a loan. You make a promise to pay back the money you borrowed plus some extra. The extra is the cost of borrowing the money in the form of fees and interest.

If you use credit carefully, it can be useful to you. If you are not careful in the way you use credit, it can cause you problems and additional expenses.

Good credit means you make your payments on time and repay the money you owe. If you have a good credit score, it is easier to borrow money and you will get better “terms” (ie: lower interest rates, you can borrow for a longer period of time, etc.). A credit record that shows problems will make it harder and more expensive to borrow money in the future.

Why is Credit Important?

- Credit can be useful in times of emergencies.
- Credit is sometimes more convenient than cash.
- Credit allows us to buy large purchases such as cars and homes.

Did you know that your credit rating is a determining factor in the amount of money you pay for your car insurance? Yes, it is true, your insurance company will not only run your drivers license to check on your driving record but will also run a credit report to see if you are timely in your payments.

Some employers even pull credit before making job offers!

Types of Loans

Consumer Installment Loans:

A consumer installment loan is used to pay for personal expenses for you and your family. The following are examples of consumer loans:

- Auto loans are used for buying a car. The automobile you are buying is used as collateral for the loan. Collateral is what you promise to give to the bank if you do not pay back the loan.
- Personal loans are unsecured loans for short term needs like buying a computer. Generally personal loans carry a much higher rate of interest due to the fact they are unsecured and a higher risk to the bank.

Credit Cards:

Credit cards give you an ongoing ability to borrow money for household, personal or family expenses. Basically the credit card company extends to you a line of credit for a certain amount based upon your credit score. You make purchases with the credit card, borrow from the line of credit, and then make payments to pay off the line of credit.

Many credit cards carry annual fees and the interest rate will vary by Credit Card Company and based on your credit rating.

Home Loans:

Home loans are secured by your home. There are three main types of home loans:

- Mortgages are used for the purchase of a home. Most mortgages are for a term of 30 years.

- Refinancing a home is done when a new mortgage is created and the original mortgage is paid off. This is usually done when the homeowner is getting a lower interest rate of their mortgage. Sometimes this is also done if the homeowner wishes to reduce the term of the mortgage.

- Home Equity Loans and Lines of Credit are secured by the property of the borrower. The amount of equity is the current market value minus the balance due on the first mortgage. Home Equity loans are also known as second mortgages on a home. If the borrower does not pay or defaults on the Home Equity loan, the bank can foreclose on the home. Home Equity Loans can generally be used for any purpose. The interest paid on a Home Equity Loan may be tax deductible, check with your tax advisor.

Cost of Credit

When you apply for a loan and are approved, there are generally two costs associated with the loan that must be paid: Fees and interest.

Fees:

A fee is the money charged by the bank to review your application for a loan or to service your loan. Examples of such fees include:

- Maintenance Fees
- Service Charges
- Late Fees

Interest:

Interest is the amount of money the bank charges you for letting you use their money. Interest is only part of the total cost of credit.

The interest rate can either be variable or fixed.

- Variable interest rate means that the interest rate may change at any time during the term of the loan as written in the loan contract. The interest rate can go up and the interest rate may go down.
- A fixed rate means the interest rate will remain the same for the term of the loan.

Checklist for Credit Decisions

Here are some questions you might be asked when applying for credit:

- How long have you been at your job?
- How much money do you make each month?
- What are your monthly expenses?
- How much money do you have in your checking and savings accounts?
- Do you own a house?
- Do you have investments or other assets? (i.e. a car)
- Have you had credit in the past?
- How many credit accounts do you have?
- Have you ever been denied credit?
- Have you ever filed for bankruptcy?
- Have you had any outstanding judgments, property repossessed or foreclosed upon?
- Have you ever made late payments?

Tips Before Applying for Credit:

Ask yourself these basic questions before applying for credit:

- Do I need this?
- Do I need it now?
- Can I wait until I have the cash to pay for it?
- Can I get credit?
- How much more will I pay if I buy this on credit?
- Are there any fees associated with the credit?
- What is the annual percentage rate?

Tips to Manage Your Credit:

Once you get credit:

- If possible, pay off the entire balance each month. If you can't, try and pay more than the minimum balance due. This will reduce finance charges and total interest paid.
- Pay on time to avoid late fees and to protect your credit. If you cannot pay on time, call your creditor immediately and explain the situation. They may waive the fees or be willing to make different payment arrangements.
- Always check your monthly statements to verify the transactions. Call the creditor immediately if any errors or unauthorized charges are noticed on the statement.
- Ignore offers creditors may make to you to reduce or skip payments. You will still be charged finance charges during this period.
- Think about the cost difference if you purchase your item with cash versus if you purchase your item with credit.

Remember, if you purchase a $500.00 stereo with a credit card with a 20% APR, it will cost $1,084.00 and take you nine years to pay it off if you only pay the $10.00 minimum monthly payments.

Helpful Resources:

Books:

Don't Spend Your Raise and 59 Other Money Rules You Can't Afford to Break, by Dara Duguay

Web Sites:

Fdic.gov

Teenanalyst.com

MoneyInstructor.com

Glossary of Banking Terms:

A.B.A TRANSIT NUMBER: (a.k.a. routing number) numeric coding system used among banks within the Untied States to identify each bank within the Federal Reserve Bank. The numbers are assigned and managed by the American Bankers Association. All ABA numbers are 9 digits. The ABA number is printed in the upper right hand corner of the check in the fraction as well as in the MICR (magnetic ink character recognition) line found on the bottom of the check.

ACCOUNT NUMBER: Each checking account is assigned an account number which identifies the holder(s) of the account. The account number is found in the MICR line on the bottom of each check.

ALTERED CHECK: A check on which a material change, such as the dollar amount, has been made.

ATM – AUTOMATED TELLER MACHINE: A computer terminal activated by a magnetically encoded bank card along with a personal identification number (PIN), allowing customers to make deposits, withdrawal cash from their checking and savings accounts. ATM's can be accessed 24/7. Customers may withdrawal funds from an ATM not owned by Riverside Bank but will be subject to additional fees.

AVAILABLE FUNDS: The funds that are in the customer's account that may be used for immediate withdrawal or to pay for checks being presented for payment. Banks do reserve the right to hold certain types of checks and the time the funds are held will vary.

BANK STATEMENT: A statement of the customer's account is sent to the customer at certain time intervals, depending on the type of account. Checking account statements are sent on a monthly basis. Statements list all deposits made, all checks paid, all ATM withdrawals, and all debit card activities as well as balances. It is important that the customer reconciles their account when the statement is received.

BAD CHECK: is any check that is not paid by the bank, for wrong type of endorsement, a lack of a proper endorsement, insufficient funds, account closed, etc.

BOUNCED CHECK: a check drawn on an account with insufficient funds. A bank may choose to pay the *overdraft* if the customer has a satisfactory credit relationship with the bank or an overdraft line of credit. The customer may still be responsible for overdraft charges to cover the bank's costs of processing the item.

CANCELLED CHECK: a check voided by endorsement, indicating it has been paid by the drawee bank and cannot be renegotiated. Cancelled checks can either be returned to the account holder or held by the customer's bank.

CASH ADVANCE: cash loan against a personal line of credit, obtained by presentment of a *credit card* at a bank teller window, at an ATM, or by mail. Finance charges are paid from the transaction date.

Glossary of Banking Terms Continued….

CASHIER’S CHECK: a bank issued check, also called an *official check* or *treasurer’s check*, signed by an officer of the bank and drawn against funds of the bank itself. A cashier’s check is generally regarded as good as cash.

CERTIFICATE OF DEPOSIT: receipt for a *time deposit* issued for a stated period of time and normally paying a fixed rate of interest. Bank CD’s, issued in negotiable and non-negotiable form, have maturities as short as seven days and as long as five years and pay a fair market rate of interest. Cashing in a bank CD prior to the maturity date may trigger an early withdrawal penalty, usually a partial loss of the interest earned. Penalties are set by the issuing bank.

CHARGEBACK: paying bank’s refusal to honor a check or draft, causing the check to be returned to the presenting bank.

CHECK: a demand draft drawn on a bank, payable to the writer or to a third party. Checks are *negotiable instruments*, transferable to another person. A check signed by the maker can be voided by a stop payment order.

CHECK HOLD: the number of days that a bank may legally hold uncollected funds before crediting deposited funds to the customer’s account. This is governed under the Expedited Funds Availability Act of 1987.

COMPOUND INTEREST: interest added to interest previously earned on a principle balance. Compounding increases the depositor’s rate of return on bank balances and the lender’s effective yield on unpaid loans.

CURRENCY: circulating money accepted as a medium of exchange for payment of debts.

DEBIT CARD: Debit cards are also known as check cards. Debit cards look like credit cards or ATM (automated teller machine) cards, but operate like cash or a personal check.

DEMAND DEPOSIT: ***A demand deposit is a deposit that can be withdrawn on demand at any time and in any amount up to the full amount of the deposit.*** The most common example of a demand deposit is a checking account. Money orders and traveler’s checks are also technically demand deposits.

Checking accounts are also considered transaction accounts in that payments can be made to third parties-that is, to someone other than the depositor or the bank itself via check, telephone, or other authorized transfer instruction.

Checking accounts are popular because as demand deposits they provide perfect *liquidity* (immediate access to cash) and as transaction accounts they can be transferred to a third party as payment for goods or services. As such, they function like money.

<u>DEPOSIT SAVINGS:</u> Savings accounts pay interest to the depositor, but have no specific maturity date on which the funds need to be withdrawn or reinvested. Any amount can be withdrawn from a savings account up to the amount deposited. Under normal circumstances, customers can withdraw their money from a savings account simply by presenting their "passbook" or by using their automated teller machine (ATM) card.

Savings accounts are highly liquid. **They are different from demand deposits, however, because depositors cannot write checks against regular savings accounts**. Savings accounts cannot be used directly as money to purchase goods or services.

<u>DEPOSIT SLIP:</u> A listing of items given to a bank for credit to an account.

<u>DIRECT DEPOSIT:</u> The process by which a payer delivers data by electronic means directly to the payee's account for credit.

<u>DRAWEE BANK:</u> The bank upon which the negotiable instrument is drawn. Riverside Bank is the drawee when its customers write checks on their accounts in Riverside Bank.

<u>ELECTRONIC BANKING:</u> In recent years, banks have made their services increasingly convenient through *electronic banking.* Electronic banking uses computers to carry out transfers of money. For example, **automated teller machines (ATMs)** enable bank customers to withdraw money from their checking or savings account by inserting an ATM card and a private electronic code into an ATM. The ATMs enable bank customers to access their money 24 hours a day and seven days a week wherever ATMs are located, including foreign countries. Banks also offer debit cards that directly withdraw funds from a customer's account for the amount of purchase, much like writing a check. Banks also use electronic transfers to deposit payroll checks directly into a customer's account and automatically pay a customer's bills when they are due. Many banks also use the Internet to enable customers to pay bills, move money between accounts, and perform other banking functions.

<u>ENDORSEMENT:</u> is defined as a signature on the back of a negotiable item, such as a check. Endorsement legally transfers ownership from one party to another.

<u>ENDORSER:</u> person who, by signing on the back of a check or negotiable instrument, transfers his/her ownership interest to another party. The endorser promises to make good on the check if it is dishonored for any reason.

<u>FORGERY:</u> The legal term for counterfeiting a check or other document with the intent to defraud.

<u>FRAUD:</u> Intentionally misrepresenting a material fact to cheat someone.

<u>INSUFFICIENT FUNDS:</u> When an account doesn't have enough money in it to cover checks written against it. Commonly called "NSF" (Non Sufficient Funds).

<u>MAKER:</u> The person who "makes" (writes) the check or negotiable instrument.

ON US CHECK: A check deposited or negotiated for cash at the bank on which is drawn. A Riverside Bank check deposited at Riverside Bank is on "On Us" item.

OVERDRAFT: A negative (minus) balance in an account resulting from the paying (posting) of checks for and amount greater than depositor's balance.

PAYEE: The person to whom payment is to be made.

PIN: Personal Identification Number: This is a number that only you should have access to. This number is generally linked to an ATM or Debit Card and once you enter this number correctly at an ATM or at a Point of Sale, the card will work correctly. A PIN is the first line of defense to protecting your account and card.

POINT OF SALE (POS): The location in a business where a sale is consummated by payment for goods or services. This is frequently the card reader you slide a credit card or check card through when you check out.

POSTDATED CHECK: A check with a future date. A postdated check is not valid until that date is reached.

SAVINGS ACCOUNT: An interest bearing relationship used by a customer to accumulate funds. Savings accounts have no fixed maturity such as a Certificate of Deposit (CD).

SIGNATURE CARD: A legal contract between the bank and the customer(s) agreeing to the terms and conditions set forth within the signature card. The signature card containing the customer's original signature is then scanned into a database to be used by the teller's at Riverside Bank when negotiating an item at the teller line. If the signature does not match, the teller has the right to refuse the transaction.

SPLIT DEPOSIT: A transaction that has a check credit to an account and the remainder paid in cash.

STALE DATED CHECK: a check presented to the paying bank six months or more after the original issue date. Banks are not required by the Universal Commercial Code to honor checks that are stale dated and can return the checks unpaid.

STOP PAYMENT: A depositor's instruction to a Bank not to honor the check. A stop payment order is good for 180 days and can be renewed there after. A bank will charge a fee for this service.

TELLER: a bank employee who accepts deposits, cashes checks, and performs other bank services for the customer base. In most banks, tellers work from behind a counter or enclosure.