



Business Virtual Learning

HS/Accounting I

Topic: Check Registers in the digital world

May 5, 2020



Lesson Topic: Check Registers

Lesson Objectives:

1. Understand the purpose of tracking payments and deposits in a checking account.
2. Practice recording payments and deposits in a check register.

Lesson Instructions:

1. Read through the slides on why keeping a check register is important.

Source of information: <https://www.thebalance.com/use-check-registers-315289>

Lesson Topic: Check Registers

Back in the olden days (or when I was younger, 😄), people used paper check ledgers to record expenses and deposits to their bank accounts to keep track of their balance. This is called a check register - have you ever seen one???

Today many people prefer the convenience of checking balances and keeping records online or in an app, allowing the banks to do the work for them. While this system certainly gets points for ease of use, many times keeping a check ledger makes sense - **ESPECIALLY for businesses!** In the world of technology this can be done easily with a spreadsheet!

See the examples on the next page. . .

Lesson Topic: Check Registers & Documentation

Why Use a Check Register?

A check register helps you stay on top of Transactions (payments or deposits) in your account. Even if you check your account balance online, your available balance might give you misleading Information. Banks sometimes make mistakes, and you also might occasionally forget about transactions.

Continue reading on why keeping a check register is important.



Your check register will help you:

Identify bank mistakes: These are rarely in your favor and should be reported as soon as possible.

Catch identity theft: If you see something you didn't expect, report it as quickly as possible to get full protection under U.S. law.

Avoid overdraft fees: These are expensive and create a ripple effect on your finances.



Lesson Topic: Check Registers & Documentation

Know how much you can afford to spend: By keeping track of your expenses and a running balance, you will know how much you have to spend. You can avoid overdraft fees by keeping track of the balance after each payment.

Know what you've paid: Sometimes, even in the digital banking world, payments get lost, applied to a wrong account or other misfortunes. Keeping track of your payments can give you proof of payment.

See spending trends: Entering your spending manually forces you to pay attention to what your spending and make changes if needed.





Lesson Topic: Check Registers

When should you record your payments in the register?

You should get in the habit of updating your check register with every transaction so it serves as a reliable source of your financial activity. When you write a check or use your debit card, you should record the transaction in your check register immediately. This is especially important in business.

If you are shopping and don't want to take the time to record at the time of purchase, keep receipts and update when you get home or at the end of a business day.



Lesson Topic: Check Registers

What will you use the register for?

Each month, you should compare your register to the bank statement that comes from your bank. Also, bank statements show items that may not yet be in your check register, including:

- Fees you paid the bank
- Interest payments from the bank
- Automatic/ACH transactions, such as direct deposit of your paycheck or bills that get paid automatically from your bank account

This will be covered in an upcoming lesson!



Lesson Topic: Lesson Activity

Questions:

1. What is the purpose of a check register?
2. Why is it important to keep track of your expenses and income even if you have online banking or an app on your phone?
3. Summarize the 6 reasons given in the slide for keeping a register.

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