

PERSONAL FINANCE LESSON PLAN**Lesson Title: Balancing a Checkbook**

This lesson describes the process for reconciling your checking account. The importance of balancing your checkbook each month and how balancing your checking account each month helps to achieve your financial goals. Essential Question Chp 12: Why is balancing your checking account an important part of your financial plan?



Lesson Author: Celeste Rogers, Sandhills Public School

Econ/Personal Finance Standards:

Financial Responsibility and Decision Making:

Standard 1: "Take responsibility for personal financial decisions."

Planning and Money Management:

Standard 3: "Develop a system for keeping and using financial records."

"Describe how to use different payment methods."

Key Concepts:

Review Basics of checking accounts; how checking accounts work.

Recording Cash/Debit card transactions.

Balancing Your Account, the process that need to be followed each month.

Why it's important to reconcile each month.

How reconciling your checking account affects your financial goals.

Introduction:

Review with students how to write a check if necessary

Ask students to recall the information covered in the last lesson. They should be able to tell you about writing checks and recording transactions in a checking account register. Ask students to tell you more about the checking account register. Students will understand the need to record accurate information, the need to record all transactions, and neatness.

Review with students other items that might affect their checking account

- service charge
- bank fees

In order to successfully complete this lesson, students will have to understand that it is important to keep track of your checking account because:

- will always know how much money you have in the bank
- banks can make errors too
- it will keep you from being overdrawn
- additional fees that are involved if this happens

“Today we are going to learn about reconciling a checking account register and a checking account statement.”

Go over steps involved with reconciling (balancing) the checkbook (steps from Chp 12 pg. 230)

- at the end of each month the bank sends a bank statement
- either use the form that comes with your statement or use a sheet of paper, divided into two columns—one for bank statement balance and one for the checkbook register balance
 1. in one column, write the balance given on the statement
 2. add any deposits that may have been made and did not show up on the bank statement
 3. from the total, subtract any ATM withdrawals, and any checks that (or debit card transactions) you wrote in the last few days after the statement was prepared. This is important otherwise you may think you have more money in your checking account than you really do.

The total you have after completing steps 1-3 is the reconciled balance.

- now, move to the other column and record the balance listed in your check register
- to this amount. add any interest earned and deduct any fees the bank has charged you in the last month. These amounts should be listed on the bank statement.
- compare the two balances and they should be equal. if they don't equal you need to find the mistake

Go over examples and any questions students may have.

How reconciling your checking account affects your financial goals.

from econolink – Using an Excel Checkbook

1. Using the [checkbook guide](#), complete January's monthly transactions and reconciliation with them. They will now have a model to refer to and will be off to a good start.

2. Make sure that the students see that the bank balance agrees with the checkbook before they are allowed to proceed to February. Don't forget the service charge.

3. Assign the remaining months.

Resources:

Personal Financial Literacy. 2nd Edition. Prentice-Hall/Pearson Education. 2014 ©.
Authors: Jeff Madura, Mike Casey, Sherry J. Roberts; Chapter 12. Pages 227-230, 241.

<http://www.tdbank.com/wowzone/lessons/Gr9-12Lesson2.pdf>

© Family Economics & Financial Education – April 2006 – Get Ready to Take Charge of Your Finances – Checking Account & Debit Card Simulation

www.econedlink.org/teacher-lesson/1013 Using an Excel Checkbook
Students will use a spreadsheet to enter checkbook transactions and reconcile

http://www.econedlink.org/lessons/docs_lessons/1013_Checkbook.pdf

This handout is the checkbook guide for the students to use in the process of completing and reconciling a bank statement

- Check Register Template: Introduced during step one of the Process section of the lesson.
[Template](#)
- Checkbook Key: Monthly transactions and bank statements for January, February March, April, May, and June.
[Checkbook](#)

Process:

Go over steps involved with reconciling (balancing) the checkbook (steps from Chp 12 pg. 230)

- at the end of each month the bank sends a bank statement
- either use the form that comes with your statement or use a sheet of paper, divided into two columns—one for bank statement balance and one for the checkbook register balance
 4. in one column, write the balance given on the statement
 5. add any deposits that may have been made and did not show up on the bank statement
 6. from the total, subtract any ATM withdrawals, and any checks that (or debit card transactions) you wrote in the last few days after the statement was prepared. This is important otherwise you may think you have more money in your checking account than you really do.

The total you have after completing steps 1-3 is the reconciled balance.

- now, move to the other column and record the balance listed in your check register
- to this amount. add any interest earned and deduct any fees the bank has charged you in the last month. These amounts should be listed on the bank statement.
- compare the two balances and they should be equal. if they don't equal you need to find the mistake

Conclusion:

Review items that need to be checked if checkbook doesn't balance.

Checking Account and Debit Card Simulation: can be used as a review if needed.

Discuss how student's spending can affect their financial goals—what purchases were needs, which ones were wants. How much of each deposit was saved?

REVIEW IDEAS:

Use a **Kahoot** for review.

Quizbowl: Separate the students into two teams and ask questions related to the lesson, i.e. What does the bank send to you so that you can balance your checkbook? How can a customer access account information after business hours?

Jigsaw: Jigsaw students into three groups and assign each a specific question from the lesson to answer together, with one person from each team acting as the spokesperson.

Sample questions:

Describe why it is important to record all transactions.

What can you do if you forget the amount you wrote a check for?

Misinformation: Quote information from the day's lesson purposely erroneous. Call on various students to restate the information correctly. What's left out? Supply students with statements that have some information missing. This can be done orally or it can be done on a blackboard. Ask students to provide the missing information.

Pair and Share: Group students into pairs and ask each pair to exchange two or three new things learned during the day's lesson. Call on select pairs to share with the whole class what has been learned.

Assessment Activity:

For assessment, have students complete April and reconcile.

Extension Activity:

Some of the review activities could also be used as an extension activity.

Introduce budgeting: Prepare a budget based on expenditures recorded in your check register. Decide if every purchase was necessary or could be eliminated from budget.

**Graphics are from clipart.com