

ACCOUNT MANAGEMENT EXERCISE

Everyone in the military must maintain an account at a financial institution to receive their pay through direct deposit from DFAS. The purpose of this exercise is to develop skills in managing accounts including debit transactions, online banking and statements, check writing and recording automatic payments by electronic transfer.

Let's assume that you are Joe Sailor, an E3 with one year of service, and you are currently stationed aboard USS Alwaysgone. You have opened your account at a credit union and are having your military pay deposited into that account. We will use a debit card register to record debits, automatic electronic funds transfers (EFT) and check transactions, and to reconcile the account at the end of the month.



EXERCISE:

Please use the register attached to record the following transactions that are reflected on your online account statement. Your starting balance is: **\$350.00**

1. **May 1** Record that your military paycheck was deposited by DFAS into your account: **\$608.33**.
2. **May 1** Record that your EFT for your car loan with the credit union is transferred from your checking account to your loan: **\$200.00**.
3. **May 3** Record that you used your ATM card and withdrew **\$100.00** for the weekend.
4. **May 4** Record that you used your debit card to pay for a movie: **\$9.00**.
Record that you used your debit card to pay for dinner: **\$21.00**
5. **May 6** Record that you used your debit card at the NEX for a new set of coveralls with a name tag: **\$24.00**.
6. **May 9** Record that you used your debit card to pay for flowers to be delivered to your mom for Mother's Day online: **\$50.00**.
7. **May 12** Record that you had an automatic payment for your cell phone made through online bill pay for **\$90.00**.
8. **May 15** Record that your military paycheck was deposited by DFAS into your account: **\$608.33**.
9. **May 15** Record that your ETF for your car loan with the credit union is transferred to your loan: **\$200.00**.
10. **May 16** Record that you used your ATM card and withdrew **\$100.00** for the weekend.
11. **May 20** Record that you transferred your payment for your credit card from your checking account to your credit card online: **\$120.00**. (credit card paid in full each month).
12. **May 25** Record that you wrote a check for your monthly car insurance payment: **\$120.00**. Practice by writing the check to ABC Insurance — use the check attached.
13. **May 26** Record that you used your debit card to pay for dinner: **\$8.00**.
14. **May 28** Record that you used your debit card at the commissary to pay for laundry soap and toiletries: **\$30.00**.
15. **May 30** Record that you used your debit card at Karen's Corner Bookstore: **\$24.00**.
16. **May 30** Record that \$100 was transferred from your checking account to your emergency savings account.
17. Use your register and your online account statement to reconcile your account. Record in your register if you received a dividend, and calculate the balance. Does the online statement and your register agree?

The Credit Union

https://www.thecreditunion.com

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The Credit Union

The Credit Union ACCOUNT ACCESS

Account Details for 1234567891 Checking

All Transactions | Electronic Debits | POS Transactions | Paid Checks | ATM Withdrawals | Deposits

Available Balance: \$396.36
 Current Balance: \$396.36
 Last Statement Balance: \$396.36
 Last Statement Date: 05/30/2010

All Transaction Activity

Date	Description	Amount	Balance
05/01/2008	Deposit – DFAS-CLEVELAND NAVY ACT	\$608.33-	\$958.33
05/01/2008	Transfer – Auto Loan #987654321	200.00-	758.33
05/03/2008	Withdrawal – ATM ABC001	100.00-	658.33
05/04/2008	POS Debit – Movie Theater	9.00-	649.33
05/04/2008	POS Debit – Frank’s Restaurant	21.00-	628.33
05/06/2008	POS Debit – NEX Uniform Shop	24.00-	604.33
05/09/2008	POS Debit – Flowers Online	50.00-	554.33
05/12/2008	ACH Transaction – Online payment ABC Cell Phone Co.	90.00-	464.33
05/15/2008	Deposit – DFAS-CLEVELAND NAVY ACT	608.33	1,072.66
05/15/2008	Transfer – Auto Loan #987654321	200.00-	872.66
05/16/2008	Withdrawal – ATM KLPM3	100.00-	772.66
05/20/2008	Transfer – Credit Card-Visa #####3456	120.00-	652.66
05/25/2008	Paid Check – 246 ABC Insurance	120.00-	532.66
05/26/2008	POS Debit – Fast Food Restaurant	8.00-	524.66
5/28/2008	POS Debit – DECA Commissary	30.00-	494.66
5/30/2008	Transfer to Savings Acct #456789123	100-	394.66
05/30/2010	Dividend	1.70	396.36

CHECKING ACCOUNT RECONCILIATION

Outstanding Drafts

Ending balance shown on this statement _____

Plus deposits not shown on this statement _____

Sub total _____

Less total outstanding drafts _____

Equals adjusted ending balance _____

Balance shown in your register: _____

Adjusted ending balance shown above should agree with the balance shown in your transaction register.

Note: be sure to deduct any charges, fees, or withdrawals shown in your statement (but not in your transaction register) that may apply to your account. Also, be sure to add any dividends or any deposits shown on your statement (but not in your transaction register) that apply to your account.

Notes: _____
