

# Basic Banking

## ***Objectives:***

Students will learn about ATM machines, checking and savings accounts, and online banking

## ***Time:***

1 hour

## ***Materials:***

1. Blank check and balance sheet
2. Sample Checking scenarios
3. Pencils
4. Paper

## **Activity: Checks and Balances**

The idea of this activity is to ensure that students understand basic banking skills

Prior to activity:

1. Make copies of the blank check and balance sheet
2. Make copies of the checking scenarios
3. Sharpen pencils

## ***Roles of Facilitator(s) and Volunteers***

1. **Facilitator**- facilitates the activities for the group

## ***Start of Activity***

1. When participants arrive distribute:
  - Name Tags
  - Sharpened Pencils
  - Paper
2. Group participants into teams of 2

**Leader's Notes** - Once you have divided participants into teams, begin the activity by doing the following:

1. Ask participants if they know what is the purpose of a bank?
2. Explain to students that a bank is safe place to put money
3. A bank is safe place to put money because if it is lost or stolen while in the bank, the bank will give you up to \$100,00 of your money back
4. Explain that people usually have checking and saving accounts at banks
5. Write definitions below on a flipchart. (**View Banking flipchart below**)
6. **Checking Accounts**- allows people to use or have access to their money quickly through the bank
7. **Saving Accounts** – an account for people who save money
8. **Saving Accounts** – allow people to earn interest or extra money just from having a saving account
9. **Online banking** - is when people can see how much money is in their account on the computer; people can also pay bills through the company; people can also transfer or move money into their checking and savings accounts
10. Explain how banks work. (Draw a stick man story on a flipchart or chalkboard to help explain how banks work.)
11. First, a customer or customers goes to a bank, opens up a checking and savings account, and deposit or puts money into those two accounts.
12. Second, the Bank pays the customer interest or extra money just for having money in the savings account
  - For example: If David has \$100 in his savings account, then the bank pays David 50 cents for having a savings account every month
13. Third, the Bank uses the money that customers put in their accounts to give out loans
  - For example: If David borrows \$100 from the bank as a loan, the bank charges David \$7 in interest for borrowing the money
14. Fourth, the customer or customers must go the bank and withdraw or take some money out of their checking account. The customer must balance their account by using the check balance.
15. Fifth, if the bank loses your money, then you can get up to \$100,000 of it back through insurance
16. Show students a picture of the blank check and balance sheet
17. Show students how to fill out a check and balance their account by reviewing Bill Parks' Check and Balance Sheet.
18. Do the Activity in this lesson

## **Banking Flipchart**

**Checking Accounts**- allows people to use or have access to their money quickly through the bank

**Saving Accounts** – an account for people who save money

**Saving Accounts** – allow people to earn interest or extra money just from having a checking account

**Online banking** - is when people can see how much money is in their account on the computer; people can also pay bills through the company; people can also transfer or move money into their checking and savings accounts

## **Check and Check Balance Activity**

1. In this activity, students will complete a check and check balance as a class
2. Write the following scenario on top of the flipchart or chalk board
  - Donnie Smith bought a pair of Nike Shoes from Footlocker for \$110.00. He has \$240.00 in his checking account. Complete the check and check balance.
3. Draw a picture of a blank check and check balance under the scenario in number 2
  - Have one student complete the “Pay to the Order of” line
  - Have another student complete the “Check Amount” Box
  - Have another student complete the “Dollars” Line
  - Have another student the “For” line and “Date” line
4. Make sure that the students are filling out the Check and Check Balance correctly. Please view the answer key.

## **Check and Balance Role Play**

1. In this activity, students will do a role play with writing checks, balancing their bank account, acting out the role of banks
2. Break the students into groups of 3 or 4
3. Make copies of the blank check and check balance give it to each group to use in their role play
4. Tell students that they must make up a role play that includes the 5 banking steps. Students must include the following steps below...
  - John Doe goes to a bank, opens up a checking and savings account, and deposit or puts money into those two accounts (must deposit at least \$50 into each account) (Students must write one check to deposit in the checking account and another check to deposit in the savings account)
  - The Bank pays the customer interest or extra money just for having money in the savings account
    - For example: If John has \$100 in his savings account, then the bank pays John 50 cents for having a savings account every month
  - The Bank uses the money that John Doe put in his check and saving accounts to give out loans (Use the example below as a guide, but make up your own example)
    - For example: If David borrows \$100 from the bank as a loan, the bank charges David \$7 in interest for borrowing the money
  - David must go the bank and withdraw or take some money out of their checking account. The customer must balance their account by using the check balance.
  - If the bank loses your money, then you can get up to \$100,000 of it back through insurance
5. Give a prize to the best role-play
6. In order for students to get their prize their check must be writing correctly and they must balance their check books correctly
7. Students should add more characters to their role-plays

8. Facilitator should check the students work

### **Leader's Notes**

#### **Debrief the activity**

1. Ask students what they have learned about banks.
  2. Ask someone to tell you how banks make money...
- *Answer: Banks make their money by giving out loans to people and charging interest*

# Check and Balance Sheet

## Check

David Parker 222 Take Place St. Louis, MO 22222	Date _____
Pay to the Order of _____	\$ <input type="text"/>
Dollars _____	
Moon Bank	
For _____	
1234567870 55555555555555 55555	

## Check Balance

David Parker 222 Take Place St. Louis, MO 22222	\$ _____	000
Pay to the Order of _____	<input type="text"/>	<input type="text"/>

**Whenever you write a check you must balance it!!!**

**Bill Parks went to Hill's Grocery Store and bought \$89.57 worth of groceries. Complete the check and balance it. (Bill has \$100 in his checking account.)**

### Check

Bill Parks 111 Money Moves Fast, Illinois 60305	Date: <u>Today's Date</u>
Pay to the Order of <u>Hill's Grocery Store</u>	<b>\$89.57</b>
<u>Eighty-nine dollars 57/100</u> Dollars	
Moon Bank	
For <u>Grocery</u>	<i>Bill Parks</i>
1234567870 555555555555 55555	

### Check Balance

David Parker 111 Money Moves Fast, Illinois 60305	\$ <u>89.57</u> 000
Pay to the Order of <u>Hill's Grocery Store</u>	This Payment <span style="border: 1px solid black; padding: 5px; display: inline-block;">\$89.57</span>
Balance (How much money is left in the checking account.)	Balance <span style="border: 1px solid black; padding: 5px; display: inline-block;">\$10.83</span>
	In order to get \$10.83, subtract \$89.57 from \$100.00

# Answer Key

**Donnie Smith went to Foot Locker and bought Nike Shoes for \$110.00. Complete the check and balance it. (Donnie has \$240.00 in his checking account.)**

## Check

Donnie Smith 333 4 <sup>th</sup> Street Philadelphia, PA 11111	Date: <u>Today's Date</u>
Pay to the Order of <u>Foot Locker</u>	<b>\$110.00</b>
<u>One hundred and ten dollars 00/100</u>	Dollars
Moon Bank	
For <u>Shoes</u>	<i><u>Donnie Smith</u></i>
1234567870 55555555555555 55555	

## Check Balance

David Parker 222 Take Place St. Louis, MO 22222	\$ <u>110.00</u> 000
Pay to the Order of <u>Foot Locker</u>	This Payment <b>\$110.00</b>
	Balance <b>\$240.00</b> (how much money is left)
	In order to get \$130.00, subtract \$110.00 from \$240.00

