CollegeBoard
connect to college success™

Balancing Your Checkbook

With only a little effort and discipline, you can keep track of your money by balancing your checkbook each month. A balanced checkbook not only helps you keep tabs on your cash flow, it also alerts you to the fees you pay for banking services and warns you about problems like errors in your checking account or overdrawing your account.

Your checkbook comes with a ledger in which to record the checks you write, check card purchases, deposits, and automated teller machine (ATM) withdrawals. By comparing your ledger against your monthly bank statement, you'll be able to keep a fairly accurate account of your financial transactions and detect errors.

Although bank statements are usually correct, errors can and do occur. Cross-check your records—especially your ATM receipts and deposit receipts. Most banks will allow you 60 days from the date of the statement on which the error first appeared to report any mistakes that you find.

To balance your checkbook, just follow these easy steps:

- Make sure all deposits shown on your bank statement, including any interest on your checking account or direct deposit, are added to your checkbook register.
- Make sure all withdrawals shown on your statement, including account maintenance fees, ATM fees, and automatic payments, are subtracted in your checkbook register.
- Calculate the current balance of your checkbook as of the last transaction you made.

The following worksheet provides five quick steps for balancing your checkbook.

over, please

1. Enter the ending balance shown on the front of your statement. $ ______

2. List all checks or other withdrawals recorded in your checkbook but not shown on your statement.

- \- $ ______
- \- $ ______
- \- $ ______
- \- $ ______
- \- $ ______
- \- $ ______
- \- $ ______
- \- $ ______
- \- $ ______
- \- $ ______

3. Subtract the withdrawals shown in Step 2 from the ending balance in Step 1. Enter the difference. = ______

4. List all deposits added to your checkbook register that are not on your statement.

- \+ ______
- \+ ______

5. Add the amount in Step 3 and all the deposits listed in Step 4. Enter the total here. This figure should match your checkbook balance. = $ ______