

A graphic with a blue and red background containing the text "LESSON 4.4" in white.

Bank Statements

Vocab:

Bank Statement - a month report of your account records.

- withdraws
- deposits
- service charges
- interest

Service Charge -

- ↻ fee for using a bank's services.
- ATM
- overdraft fee
- not maintaining the min bal.

LESSON 4.4

EXAMPLE 1

Margaret Miller received her bank statement for March. (See Figure 4.6 on p. 190.) She checks the statement. Verify her present balance.

First City Bank				Monthly Statement				
Margaret Miller 175 LaPlas Court San Diego, California				Statement Period 3/2 through 3/31		Account Number 87652		
$ \begin{array}{r} 313.54 \\ + 913.40 \\ - 554.54 \\ \hline \$ 672.40 \end{array} $				3/1	Previous Balance	313.54		
					2 Deposits	913.40		
					5 Withdrawals	554.54		
					Service Charge			
					Interest Earned			
				4/1	Present Balance	672.40		
CHECKS								
Check	Date	Amount	Check	Date	Amount	Check	Date	Amount
202	3/2	45.78	203	3/12	137.42	204	3/19	275.81
DEPOSITS/CREDITS				PAYMENTS/DEBITS				
Date	Amount	Description		Date	Amount	Description		
3/10	240.32	Deposit		3/5	52.55	TransNation Phone 11564		
3/15	673.08	Appliance Corp. Payroll 25760		3/28	42.98	So. Cal. Elec. 11020		
DAILY BALANCE								
Daily Balance	Daily Balance	Daily Balance	Daily Balance	Daily Balance	Daily Balance	Daily Balance	Daily Balance	
3/1	313.54	3/5	215.21	3/12	318.11	3/19	715.38	
3/2	267.76	3/10	455.53	3/15	991.19	3/28	672.40	

Prev Bal
\$313.54

Dep.
+240.32
+673.08
→ \$913.40

with
-52.55
-42.98
-45.78
-137.42
-275.81
→ -554.54
S.C. & Int.

LESSON
4.4

Complete the problems. Check your answers in the back of the book.

	Previous Balance	+	Deposits	-	Withdrawals	-	Service Charges	+	Interest	=	Present Balance
1.	\$290.00	+	\$120.00	-	\$140.00	-	\$2.70	+	\$0.25	=	307.55 307.55
		+	150.00	-	110.00						

LESSON
4.4
EXAMPLE 2 Algebra

Toby Allen received his bank statement in the mail and checked it to verify his pay increase. His employer deposits his monthly pay directly into his account. The previous month's pay was \$4,176.80. Toby's account activity showed a \$397.90 previous balance, checks of \$3,876.90, ATM withdrawals of \$200.00, and a service charge of \$4.50. If Toby's new balance is \$618.30, what increase in pay was direct deposited?

$$\text{Prev. Bal.} + D - W - S.C. + Int = \text{Present Bal.}$$

$$397.90 + (4176.80 + x) - 200 - 3876.90 - 4.50 = 618.30$$

$$\begin{array}{r} 493.30 + x = 618.30 \\ -493.30 \quad -493.30 \\ \hline \end{array}$$

$$x = \$125$$


 LESSON
4.4

Complete the problem. Check your answer in the back of the book.

3. Juanita and Luis Rodriguez expected the automatic withdrawal of their fuel oil bill to be more than last month's bill of \$259.85 but did not know by how much. The activity on their account showed a previous balance of \$528.76, checks processed of \$416.79, an automatic deposit of \$400.00, and interest earned of \$3.56. If their new balance was \$228.58, by how much did this month's fuel oil bill exceed last month's bill?

$$\text{Prev Bal} + D - W - S.C. + Int = \text{Present Bal.}$$

$$528.76 + 400 - 416.79 - (259.85 + x) + 3.56 = 228.58$$

$$255.68 - x = 228.58$$

$$- 255.68 \quad - 255.68$$

$$- x = -27.10$$

$$x = \$27.10 \text{ more}$$



Bank Statement Reconciliation

Vocab:

Reconcile -

to make your reg. and statement agree.

**LESSON
4.5****EXAMPLE 1**

Your statement balance is \$598.67. You have an outstanding check for \$125.44 and an outstanding debit of \$235.42. You also have an outstanding deposit of \$231.98. What is your adjusted balance?

$$\begin{array}{r} 598.67 \\ -125.44 \\ -235.42 \\ +231.98 \\ \hline \boxed{\$469.79} \end{array}$$

LESSON
4.5

Find the adjusted balance. Check your answers in the back of the book.

1. Statement balance \$ 374.47
 Outstanding checks -238.98
 Outstanding deposits +140.00

\$275.49

**LESSON
4.5**

EXAMPLE 2

Margaret Miller’s check register balance is \$2,261.50. She compares her statement and check register. For each check and deposit listed on her statement, she places a check mark (✓) next to the information in her register. She indicates that the bank paid her \$0.86 in interest. Margaret finds these outstanding checks and deposits:

Check 525: \$341.50 Check 527: \$266.25 Deposit: \$709.75

How does Margaret reconcile her statement?

Reconciliation Statement				
Check Register Balance	\$2,261.50	Statement Balance		\$2,160.36
Service Charges		Outstanding Checks/ Payments/Debits		
		Check 525	341.50	
Interest	0.86	Check 527	266.25	
		(Total outstanding checks/payments/debits)		-607.75
		Outstanding Deposits/ Credits		
		Deposit	709.75	709.75
New Balance	2262.36	Adjusted Balance		2262.36

**LESSON
4.5**

Complete the problem. Check your answer in the back of the book.

Reconcile the statement in Figure 4.8 by filling in the information at the letters.

3. Joseph Lee's check register balance is \$8,754.33. He compares his statement with his check register. He notes that the bank paid him \$2.86 in interest and deducted a \$1.20 service charge for bill payment. He finds these outstanding checks and deposits:

Check 845: \$751.75 Check 847: \$2,455.89 Deposit: \$805.14.

Reconciliation Statement				
Check Register Balance	\$8,754.33	Statement Balance		\$11,158.49
Service Charges	a. \$1.20	Outstanding Checks/ Payments/Debits		
		Check 845	\$ 751.75	
Interest	b. \$2.86	Check 847	2,455.89	
		(Total outstanding checks/payments/debits)		d. 3207.64
		Outstanding Deposits/ Credits		
		Deposit	805.14	e. 805.14
New Balance	c. \$8755.99	Adjusted Balance		f. \$8755.99