

Hi everyone, Jerry Manor here. Last week on SeaComm Money we discussed why it is important to balance or reconcile your checkbook. Today, a few tips on how to do it.

The traditional place to log your transactions in a checkbook is called a "check register." This provides a place to input all pertinent information related to every transaction, including purchases, deposits and any account fees. If you don't have a check register, you could download a free check register template online or create one yourself on paper. There are also many apps available but make sure you get one from a reliable source.

I still prefer to balance on paper and if that's the way you want to go, here is how to go about it. You will need the monthly statement from your financial institution which may come in the mail or if you have eStatements, you can obtain it from your online service such as NetTeller at SeaComm. Go through your statement and make sure all deposits to your account agree with the deposits you have notated in your register. Then go through the statement and make sure that every check that cleared during the month as well as any debit transaction that occurred had been notated in your register. Also make sure that any automatic payments that show up on your statement also appear in your register. If you missed something during the month make sure to either add or subtract it from the total in your register depending on whether it is a deposit or withdrawal. At this point, the ending balance on your statement may not agree with the balance in your register because there may be outstanding deposits that may have occurred after the statement date and checks and other withdrawals that may have not yet cleared the account. Once you add in any deposits and subtract any checks or other debits, the ending balance on your statement should agree with the amount in your checkbook register.

If your check register and bank statement *don't* balance, double-check your math to see if there are any adding or subtracting errors on your register. Next, make a note of unusual transactions and missing deposits to investigate further. Financial institutions may hold checks to verify funds or bounce a check entirely if the check writer's account has insufficient funds. If a check doesn't clear for several months, you may need to contact the check writer for another payment. It doesn't happen all that often but financial institutions can make a mistake. In this situation, gather up any information to make your case and contact the financial institution. Merchants also make mistakes. They could overcharge you or double charge you for an order or purchase, causing your check register and statement to be off. In this scenario, contact the merchant to dispute the charge and then report the transaction to the financial institution. If you return an item, sometimes it can take several weeks for a retailer to issue a refund. In this situation, you may need to hold off on recording the refund credit to your check register until the merchant processes it and it shows up as a refund on your statement. Your account balance at month's end also may end up being lower than expected if someone is making unauthorized purchases. It's important to let your credit union or bank know about fraudulent charges right away because reporting it quickly can limit your liability for unauthorized charges.

The term "balancing your checkbook" sounds like it might only mean tracking check payments, but it involves tracking every transaction and double-checking them against your monthly bank statement. So even if you never write paper checks there are still transactions going on in your account and it's important to make sure that everything is accurate and accounted for.

As I mentioned last week, always balancing your account will help avoid bounced checks and overdrawn accounts which will not only will cause embarrassment but will hit your wallet with fees. It's also a great way to spot any fraud to your account quickly.

Well, that's it for today. Have a great weekend and a Happy Thanksgiving!