

# IMPROVING YOUR FINANCIAL HEALTH

## How To Find a Safe & Affordable Account

There are two types of accounts that can fit your money management goals: checking and savings. Banks and credit unions may charge fees for these accounts, but there are multiple safe and affordable options available.

**Checking Accounts** are designed to be used frequently for depositing money, paying bills, making purchases in person and online, and getting cash. When you open a checking account, you may be offered a debit card, an ATM card, checks, or some combination of those items. A debit card, also known as a bank or check card, can be used instead of cash to make purchases. Fees may apply, so ask the tellers or bank staff to explain how bank or check cards can add fees.

Fees for overdrawing your account are common and expensive. An overdraft happens when a transaction goes through when you do not have enough money in your account to cover it. Examples of how you might overdraw your account include:

- an ATM withdrawal for more money than is in your account
- a debit card purchase for more money than is in your account
- a check for more money than is in your account
- a vendor, such as a phone company, withdrawing money from your account (perhaps to pay a bill) and you don't have adequate funds to cover the full amount

Bank On certified accounts cannot be overdrawn so that you don't have to worry about incurring unexpected fees. Financial institutions also offer programs to cover overdrafts for ATM and debit card purchases for a fee. Federal rules allow you to choose whether to "opt-in" to this service, allowing the bank to honor a transaction that is more than your account balance.

**Savings Accounts** can be used to build your savings and earn interest.

You can generally deposit or withdraw money in person, by direct deposit, by transferring money from another account, through online banking, an automated teller machine (ATM), or mobile app. Learn what your financial institution's withdrawal and transfer rules are for savings accounts. The staff can help you find the right answer – you might be able to make more than the 6 withdrawals or deposits per month, but you should plan on being limited to 6 or fewer. Fees may be charged if you don't abide by your financial institution's rules.

Use the **Choosing Your Checking and Savings Accounts worksheet** on page 16 to help you compare your options.

### SMART MONEY TIPS

Bank On Milwaukee supports financial institutions with accounts that have been certified as safe and affordable. These accounts include features such as:

- No ability to overdraw
- Low to no minimum monthly balance
- Low to no opening deposit
- Direct deposit

Visit [bankonmilwaukee.org/accounts](http://bankonmilwaukee.org/accounts) for a list.

### Choosing to Opt-Out...

If you are worried about overdraft fees and have an ordinary checking account, contact your financial institution to opt-out of overdraft protection.

If you do this, the financial institution will decline your ATM withdrawals and debit card transactions if there is not enough money in your account to cover the withdrawal or purchase. The financial institution will not charge you a fee if the transaction is declined, but a vendor may.

### How to Manage Account Fees

- Read the rules of your account (disclosure statement). Be sure you understand the fees and recurring charges.
- Ask the teller or call customer service when you have questions.
- Keep track of your deposits and withdrawals.
- Review your account statements. Question anything that doesn't look right.
- Set up email or text alerts, if possible. They will notify you when balances fall below a certain level or if a transaction over a certain amount or outside of the United States gets processed.
- Stay safe online. Go to [onguardonline.gov](http://onguardonline.gov) to learn more about staying secure online.



## Choosing Your Checking & Saving Accounts

Finding the right bank account can be a challenge. Banks offer accounts with different features, costs, and requirements. Use this checklist to help you understand and compare accounts before deciding.

1. Is the account insured by the FDIC? .....  Yes  No
2. Does the account have a monthly fee? .....  Yes  No  
If Yes, how much is the fee? \_\_\_\_\_
3. Is there a way to avoid or reduce the monthly fee? .....  Yes  No  
If Yes, how? \_\_\_\_\_
4. Does the account charge overdraft fees for spending more than is in the account? .....  Yes  No  
If Yes, how much is the fee? \_\_\_\_\_  
What overdraft protection services are available? \_\_\_\_\_
5. Will I have to pay a fee to use the bank's or credit union's ATMs to withdraw cash? .....  Yes  No  
If Yes, how much is the fee? \_\_\_\_\_
6. Will I be charged a fee if I use another bank's or credit union's ATM or an ATM in a store to withdraw cash? .....  Yes  No  
If Yes, how much is the fee? \_\_\_\_\_
7. Does the account send out emails or text message alerts that I can use to manage my money? .....  Yes  No
8. Does the bank allow me to pay my bills for free by using online bill payments on my phone or on a computer, or to tell the bank to send digital checks or make electronic transfers? .....  Yes  No
9. Is it important to have a bank or credit union branch or ATM that is conveniently located (for example, near my home or work)? .....  Yes  No  
Are their locations convenient? .....  Yes  No
10. Does the account have a fee for conducting transactions with a bank teller or talking to a customer service representative? .....  Yes  No  
If Yes, how much is the fee? \_\_\_\_\_

## Collecting Your Important Documents

Do you know where your documents are? Collect these important documents and keep them in a safe place. You'll want to protect them from prying eyes and dangerous conditions.

### Proof of Identity and Relationship

- Social Security Card
- Birth Certificate
- Passports
- Death certificates of close relatives
- Marriage certificates
- Divorce certificates and settlement documents
- Household Utility Bills

### Tax Returns

- Income tax returns
- Most recent W-2 forms

### Banking Information

- Checking accounts
- Savings accounts
- Loans or Mortgages

### Other Important Documents

- Insurance Policies (Life, Health, Car, Home, Renter)
- Leases or Titles (Apartment, Home, Vehicle)
- Retirement and Employee Benefits
- Will