

Hi everyone, Jerry Manor here. This week and next on SeaComm Money Matters we are going to talk about balancing your checkbook. Today, why to do it and next week, how to do it.

You may wonder if anyone balances their bank account manually anymore given how many aspects of personal finances have become electronic. Today, paychecks are deposited digitally, automatic bill pay sends your money wherever it needs to go, and smartphones enable check deposits anytime, from anywhere with internet access. Despite this, tracking withdrawals and deposits via a checkbook ledger and tallying up amounts can have value. Monitoring your checking account in this way can help you identify errors or whether you've been victimized by fraud. It can reveal charges and fees you may not have known you were being assessed. It can also put you in better touch with your money and where it's going.

Back in the not-so-distant past, most people who had a checking account received a paper statement once a month in the mail with the past month's withdrawals and deposits along with the account balance as of the day the statement was printed. While some considered the process of balancing or monitoring a bank account tedious and frustrating, others including yours truly, diligently did the math every month. Times have changed. Though financial institutions are legally required to mail statements to customers who want them, most have been touting the benefits of going paperless for years. Plus, customers now have 24/7 access to their account information using a website like SeaComm's NetTeller or an app like our Mobile Branch. Many financial institutions including SeaComm still provide a monthly online statement with the same data as the old paper statement, and we'll send a notification when the statement is ready. But since this requires taking the time to log on, review the numbers, check for errors, and maybe do some math, many people procrastinate or simply skip regular account reviews. But monitoring and balancing a bank account still plays an important role in responsible money management. Remember, people make mistakes and financial institutions can also make mistakes. Balancing your checkbook each month can catch these mistakes and quickly fix them. In most cases, the Electronic Fund Transfer Act (EFTA) gives an account holder 60 days after receiving the bank statement with evidence of an error to challenge a problem with a direct deposit, ATM use, phone transfer, and other transactions. Reviewing an account regularly can help limit a consumer's liability. It also can be a good idea to check on vendor charges. Reviewing debit card, pay-by-phone, and even recurring automatic charges on a bank statement every month can help catch small errors before they become bigger problems.

Another good reason to balance your checkbook is to spot scams and fraud. Scammers sometimes start by making small purchases and, if no one seems to notice, bump up the spending to a more serious level. Consumers who check their accounts regularly may have a better chance of spotting fraud faster, limiting their liability.

Reconciling Regularly Can also Help Manage Automatic Payments. Account holders who check their statements regularly may find they're more aware of and prepared for the amount and timing of their auto pay charges. They also might find they're ready to dump or reduce the cost of some of the services and subscriptions they've been paying for every month or year.

Reviewing financial institution statements may help those who need or want to take more control of their spending to see exactly where their money is going every day, week, or month. Regularly scheduled reconciliations enable people to see exactly how much they're spending frivolous purchases. This kind of information can help people budget more effectively and help bring them closer to their savings goals, such as a down payment on a home or their retirement.

So, those are some of the good reasons to take the time to balance your checkbook. Next week, how to do it! Thanks for listening to SeaComm Money Matters, Have a great weekend!