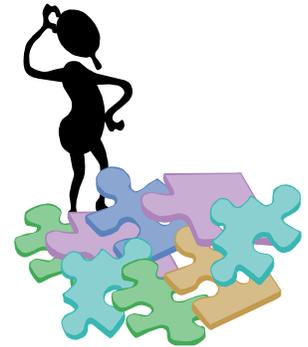


Banking 101

Putting
the pieces
together



Getting Started: Common Q & A

Q: Why should I keep my money in a financial institution?

A: Safety. The money you deposit in an institution is safe from theft, loss and fire. Keeping your money in an account is safer than keeping cash at home or carrying cash with you. In most cases, money in your account is insured.

Q: How do I choose a financial institution?

A: Shop and compare. The following questions will help you:

- Does it offer services I need?
- Is its location convenient?
- Does it have ATMs? If so, are they conveniently located?
- What fees will I be charged?

Q: What is the difference between banks and credit unions?

A: Banks are businesses and credit unions are not-for-profit, member-owned cooperatives. Both operate under federal and provincial laws, and are regulated so your money is safe. They generally offer loans, credit cards, safe deposit boxes, investment services, and chequing and savings accounts.



STOP! Read this before cashing a cheque, especially at a cheque cashing outlet or "money store".

Many other businesses cash cheques and sell money orders. These include finance companies, cheque cashing outlets, pawn shops, post offices, grocery stores, and wire services. Cheque cashing is often subject to a fee, usually much greater than what you would pay at a bank or credit union. If you already have or are planning to get an account at a financial institution, you should cash or deposit your cheques there.

Opening an Account

If you have decided you do want to open an account at a bank or credit union, you should know:

- ◆ You will need a minimum of two pieces of ID to open an account
- ◆ Picture ID is best
- ◆ ID must show your current address
- ◆ You will also need to know your Social Insurance Number

Having the proper ID with you when you go to the bank or credit union will save you time and help the process of opening an account go smoothly.



Choosing Services

The next decision to make is the type of account you wish to open. This can be decided by the types of services you want, such as:

- ◆ An ATM card
- ◆ The ability to write cheques
- ◆ Direct deposit

The two most common types of accounts are chequing accounts and savings accounts. Most people have one of these types of accounts for daily use and money management. The bank or credit union representative you meet with will be able to give you the features of each type of account and help you decide what is best for you.

You may even wish to set up more than one account if you want some of your money to be used for specific purposes and want it to be in separate accounts to help you keep track of it.

Questions to Ask

Be an informed customer, and don't be afraid to ask questions. Some good ones are:

- ◆ What type of accounts are available, and what are the features of each?
- ◆ What are the service fees?
- ◆ What services are available to me at the branch?
- ◆ Are other services, such as telephone or online banking available? Is there an extra fee for using them?
- ◆ Are there ATM holds on deposits?

Always keep in mind, how you handle your chequing and savings accounts is a reflection of you and can affect your ability to get future services such as loans or mortgages.

Do:

- ◆ Always be responsible with your accounts. A bank account is a privilege, not a right.
- ◆ Use a chequing account for your day-to-day banking, as they usually have lower transaction costs than savings accounts.
- ◆ Have your employer directly deposit your pay into your account. There is no cost and it saves you time.
- ◆ Tell your financial institution about any changes in your address, employer, etc.

Don't:

- ◆ Don't write cheques if you have no money in your account. This can ruin your credit rating, and you could be charged with a criminal offence.
- ◆ Don't lend out your bank card. You are responsible for anything that happens on your account.



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