Balancing your checkbook gives you power—the power of knowing exactly how much money is available to you. Whether you use a checkbook register, a spreadsheet on your computer or an app on your mobile device, balancing your checkbook is a good habit to form.

**Do you balance your checkbook each month?**

Here are four reasons why you should:

1. **Balancing your checkbook verifies that your records match your financial institution’s records.**
2. **Your credit union or bank can occasionally make a mistake. If you are not balancing your checkbook on a regular basis, it’s unlikely that you’ll notice any errors.**
3. **If you make a mistake or forget to post a transaction in your register, you may start bouncing checks and incurring fees of $25 or more.**
4. **If there’s a problem, you won’t need to wade through months of transactions to figure it out.**

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**CHECKBOOK BALANCING FORM**

<table>
<thead>
<tr>
<th>Outstanding Deposits (not included on your statement)</th>
<th>Outstanding Checks (not included on your statement)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date</td>
<td>Amount</td>
</tr>
<tr>
<td>-------------</td>
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<tr>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
</tr>
</tbody>
</table>

1. Ending balance from your bank statement $$
2. Add total outstanding deposits +
3. Subtract total outstanding checks -
4. Ending balance (should equal your checkbook balance after you record interest and fees in your checkbook register) $$

Take a look at the next page for detailed instructions on how to balance your checkbook.
1. Reconcile your checks
Determine if there are checks that haven’t cleared your account. Sort your canceled checks in check number order, or use the listing of your cleared checks in the order shown on your statement. In your checkbook register, check off each canceled check returned to you or each check that appears on the check listing, making sure that the amount you recorded is the amount shown on your statement.

2. Reconcile your deposits
Make sure each deposit shown on your statement is recorded in your checkbook register (especially if you have direct deposits, which you can easily forget to record). Also, go through your deposit slips and paycheck stubs, and make sure that your statement shows all the deposits you’ve made. Check off the deposits in your checkbook register as you did for checks.

3. Reconcile your ATM withdrawals and debit card purchases
Go through the same process with your ATM withdrawals and debit card purchases, checking off each transaction on your statement in your checkbook register. If the statement shows transactions that aren’t included in your checkbook register, record them now.

4. Record interest earned and fees
Check your statement for any other fees and record them in your checkbook register. Also record any interest earned in your checkbook register.

5. List outstanding deposits
Go through your checkbook register; in column one of the checkbook balancing form, list the outstanding deposits with dates (the deposits that you did not check off in your checkbook register as having cleared the account). Total the column of outstanding deposits.

6. List outstanding checks
Now go through your checkbook register; in column two of the balancing form, list your outstanding checks (the checks that you did not check off in your checkbook register as having cleared your account), as well as any outstanding debit purchases or ATM withdrawals that have not yet cleared your account. Total the column of outstanding checks, debits and ATM withdrawals.

7. Record your ending balance
On line 1 of the bottom section of the checkbook balancing form, enter the ending balance shown on your statement.

8. Enter outstanding deposits
On line 2 of the bottom section of the checkbook balancing form, enter the total outstanding deposits from column one.

9. Enter outstanding checks
On line 3 of the bottom section of the checkbook balancing form, enter the total outstanding checks from column two.

10. Calculate your balance
Use a calculator to total lines 1 through 3, as indicated by the plus and minus signs on the checkbook balancing form, and enter the new total on line 4. This should equal the balance shown in your checkbook register. If it doesn’t, check for math errors in your checkbook register, such as reversed numbers (e.g., $53 instead of $35), subtracting a deposit instead of adding it, adding a check written instead of subtracting it, automatic payments that you forgot to record, etc.

Well done! Now, do this each and every month and you’ll be in control of your checking account.