



## Managing Financial Accounts

**Actively managing your accounts ensures that you always know your account balances, even when the true balance may differ from the amount printed on your last statement or ATM receipt.**

By tracking your deposits, transfers, and withdrawals, you reduce your chances of overdrawing your account - and the hefty fees that accompany each mistake. Proactively managing your accounts also increases the chances of spotting serious issues such as identity theft.

Managing your accounts doesn't have to be complicated. You just need to review your transactions at least once per month. Make sure all ATM or credit card debits are correct, that any checks you have written have cleared, and that any deposits were credited to your account. That way, you'll know if the "available balance" stated on your ATM receipts is accurate. Performing these simple tasks regularly helps to ensure that you are in complete control of your account.

### Online Banking

Most banks and credit unions offer online banking tools that make managing your accounts easier. Even if you are managing your accounts online already, there may be features and strategies that you're not yet using.

There are several advantages to managing accounts online:

- **Easy Account Access** – Rather than waiting for a statement, calling an automated information line, or visiting an ATM, online account management gives you near real-time access to your balance and transactions. Just keep in mind that some charges may be considered "pending" for a day or two, giving you an artificially high account balance.
- **Electronic Bill Payment** – Paying bills online not only saves stamps and envelopes, automated bill payment helps to reduce the chances that you'll miss a payment as the result of a simple oversight. Just make sure to discontinue

any automatic bill payments *before* changing or closing your account.

- **Custom Alerts** – You may set up alerts for common events or situations. For example, you may be able to set up an alert when your balance reaches a certain threshold or as a reminder to pay a bill.
- **Staying Organized** – Being organized reduces the risk of missed payments and helps to keep your credit score as high as possible – the key to saving money on all types loans. It's not necessary to manage accounts online in order to be organized, but it can be much easier organizing everything online than with physical folders that could be lost or stolen.

Most banks offer the option of either electronic or paper statements. No matter which type of statement you prefer, remember to save your statements for a minimum of three years - you may need them to document tax deductible education expenses, for financial aid verification, or in the event of a tax audit. If you bank exclusively online, make sure you understand your bank's statement archiving policy – if they save statements for just one year, for example, you will need to download the statements periodically and store them yourself. Otherwise, you may have to pay a retrieval fee for statements if you need them later.

### Protecting Your Account

One big advantage to managing your accounts online is that your financial institution offers advanced data backup and security systems. But no matter how well your financial institution guards your data, they cannot force you to choose secure passwords, keep your passwords confidential, keep your computer and documents safe from other people, or use only trusted computers when accessing your account. Please review the material on preventing ID theft if you have questions about safe computing practices.

**It is ultimately your responsibility to monitor the activity of all financial accounts.**

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