

The E-Banking Experience



ASSESSMENT ONE:

- **Knowledge**

- T / F Internet banking is available 24 hours a day.
- T / F “E-banking” means easy banking.
- T / F Pre-authorized payments allow regular bills to be paid without writing a check.

- **Comprehension**

- Explain in your own words what a pre-authorized payment is.

- **Application**

- Sketch a poster for a financial institution which shows different types of e-banking options and reasons why an individual might want to try e-banking.

- **Analysis**

- Compare and contrast the different types of e-cards.

- **Synthesis**

- Create a list of rules or standards that can help protect your confidentiality when using e-banking services. Provide an explanation of how each rule or standard will help protect your identity.

- **Evaluation**

- In a brief paragraph discuss whether or not e-banking is right for you. Explain your feelings about using the computer, internet, or phone to monitor your finances.

The E-Banking Experience



ANSWER KEY FOR ASSESSMENT ONE:

- **Knowledge**

- TRUE Internet banking is available 24 hours a day.
 - FALSE “E-banking” means electronic banking.
 - TRUE Pre-authorized payments allow regular bills to be paid without writing a check.

- **Comprehension**

- Does the teen accurately describe pre-authorized payments? Use the description below to assess the teen’s answer.
 - ◆ Pre-authorized payments are automatic electronic withdrawals of money taken from an account on the same day each month and deposited into another account. To set up this payment method, a customer must fill out a form from the lender or merchant. The form asks for personal information (e.g., name, address, business account number and bank account number), as well as the opportunity to select the day that funds will be taken each month. While it takes away personal control of when and to whom a bill will be paid, this payment method ensures that bills will always be paid on time. In addition, many businesses that have monthly membership fees (e.g., gyms) offer discounted rates to customers who sign up for a pre-authorized payment plan.
 - ◆ When using this payment method, customers need to speak to their financial institution about the requirements for setting up and discontinuing payments. If it is necessary to stop a bill payment, usually a three-business-day notice must be given before the scheduled transfer. This notice may be in writing or oral, however, the institution may require a written follow-up within 14 days of making the oral notice.
 - ◆ In addition to businesses, individuals can use pre-authorized payments to transfer money between personal accounts or into other consumer accounts. Some people use pre-authorized payments to regularly add to savings accounts.



The E-Banking Experience

• Application

- o Does the teen provide pictures or descriptions of e-banking options and reasons for e-banking? Use the following lists as a guide to assess the poster for accuracy.
 - ◆ E-banking options include:
 - ◆ ATMs
 - ◆ Direct deposit
 - ◆ Pay-by-phone
 - ◆ Point-of-sale transactions
 - ◆ Electronic check conversion
 - ◆ Pre-authorized payments
 - ◆ Online banking / Internet banking
 - ◆ Virtual banking
 - ◆ Home banking
 - ◆ Reasons for e-banking include:
 - ◆ Gain immediate access to bank account information 24 hours a day, 7 days a week
 - ◆ View current account balances
 - ◆ View account histories
 - ◆ Search history of checks by number, amount or date
 - ◆ See if checks and deposits have cleared
 - ◆ Transfer funds between accounts
 - ◆ Pay bills
 - ◆ Request stop payments
 - ◆ Download information into personal finance software

• Analysis

- o Automated Teller Machine (ATM) cards
 - ATM cards can be used to: withdraw cash, make deposits, transfer funds and check account balances. They can be used at: the customer's financial institution and its' ATMs, foreign ATMs, and most businesses. Some may be used to pay bills and loans. ATM cards can have limitations, such as how often they can be used or which /ATM machines they can be used in without having to pay fees.
- o Debit cards
 - Debit cards permit merchants to deduct the cost of a purchase directly from a customer's checking/savings account. They often have ATM capabilities and may have an overdraft line of credit. *Note: Some businesses charge a transaction fee for debit card payments.*

The E-Banking Experience



- o Pre-paid cards

Pre-paid cards look and work like a debit card, but are issued with a specific dollar amount. Card holders can make purchases where most debit and credit cards are accepted and withdraw money at ATM or POS terminals. The amount of each withdrawal or purchase is deducted from the card immediately. Prepaid cards may have high activation fees and a membership fee. There also might be per transaction fees, and load fees—a fee to put money on the card.

- o Gift Cards

Gift cards are a different kind of electronic card. They look like credit cards but are essentially gift certificates and have no tie to a financial account. While most gift cards do not have expiration dates, service fees, and other strings attached, it is always a good idea to check with the businesses that issued them for exceptions.

- **Synthesis**

- o Does the teen provide rules or standards that can truly help protect a person's identity? Does the teen give a rationale for each rule or standard? Use the following list of rules as a guide.

- ◆ Do not share passwords or any other confidential information
- ◆ Keep passwords out of sight both at home and at work
- ◆ Select a unique password
- ◆ Memorize your password and PIN instead of writing it down or telling anyone
- ◆ Use a security or virus protection software on your computer to protect against intrusions from outsiders
- ◆ Use log-on passwords, screen saver passwords, or other devices to prevent anyone else from using your computer without permission
- ◆ Verify that your bank web site uses security features like encryption

- **Evaluation**

- o Does the teen provide logical reasons and explanations for their response?

The E-Banking Experience



ASSESSMENT TWO:

Things I picked up:

| | Before doing the <i>The E-Banking Experience Unit</i> | | | After doing the <i>The E-Banking Experience Unit</i> | | |
|--|--|----------|-------------|---|----------|-------------|
| | Not at All | A Little | Pretty Well | Not at All | A Little | Pretty Well |
| I understand how to use pre-authorized payment plans | | | | | | |
| I am aware of the different types of e-banking | | | | | | |
| I know the risks of e-banking | | | | | | |

Fact or Fiction?

| | Before doing the <i>The E-Banking Experience Unit</i> | | | After doing the <i>The E-Banking Experience Unit</i> | | |
|--|--|---------|----------|---|---------|----------|
| | Fact | Fiction | Not Sure | Fact | Fiction | Not Sure |
| When I use an ATM to deposit a check, there is no need to keep the receipt | | | | | | |
| Most financial institutions offer online services that include account inquiries, transfers, electronic bill payment, and an electronic account register | | | | | | |
| Internet banking is available only during business hours | | | | | | |
| When I use my debit card at the store, I have about two days before the money is taken from my account | | | | | | |
| I should ask my banking institution if they charge any e-banking fees before signing up | | | | | | |



The E-Banking Experience

1. These are some things I liked most about this Teen Guide and Activities:

2. The most important things I learned are:

3. I will use what I learned by...

The E-Banking Experience



ANSWER KEY FOR ASSESSMENT TWO:

Fact or Fiction?

| | Fact | Fiction |
|--|------|---------|
| When I use an ATM to deposit a check, there is no need to keep the receipt | | X |
| Most financial institutions offer online services that include account inquiries, transfers, electronic bill payment, and an electronic account register | X | |
| Internet banking is available only during business hours | | X |
| When I use my debit card at the store, I have about two days before the money is taken from my account | | X |
| I should ask my banking institution if they charge any e-banking fees before signing up | X | |