

Instructor Guide

# *Money Smart*

Credit Unions:  
Here to Serve You



NATIONAL ASSOCIATION OF FEDERAL CREDIT UNIONS

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# Instructor Information

## **Before the Session**

To properly present the “*Credit Unions: Here to Serve You*” course, you should:

- Review all materials in the Instructor Guide and the Participant Take-Home Guide.
- Make copies of Participant Take-Home Guide.
- Copy the slides (overheads) onto transparencies.
- When appropriate, prepare the chart paper examples.
- Make copy slides and cut play money.
- When appropriate, prepare chart paper examples.
- Identify potential trouble spots in the exercises, as well as hints for assisting participants.
- Select and prepare anecdotes from real-world experiences that can be used to illustrate special scenarios, generate discussion, and maintain participant interest.
- Call NAFCU at (800) 336-4644 for questions and further assistance.

## **Materials & Equipment**

- Transparency projector
- “*Credit Unions: Here to Serve You*” transparencies
- Chart paper and easel
- Markers for chart paper and transparencies
- Name tents
- Pencils or pens for each participant
- Envelopes
- Play money
- Container marked “*Financial Institution*” (e.g., box, hat)
- Participant Take-Home Guides

## Instructor Steps

Step-by-step directions are provided for the instructor. The text below is an example of an instructor step:

Instructor Cue	Instructions
<b>Slide 2</b>	Show Slide 2 (You Will Know). ➤ Review course objectives.

Generally, these steps enable the instructor to ask questions, provide explanations, show slides, hand out materials, and introduce exercises.

## Icons

Icons alert the instructor to discussion questions, exercises, transitions, and summaries. They appear in the left margin:



Ask questions or conduct a discussion.



Distribute a handout.



Report out exercise information or record the results of a brainstorm.



Refer to activity material.



Indicate the beginning of an individual activity or exercise.



Indicate the beginning of a group activity or exercise.



Summarize an activity or check for understanding.



Summarize the course.



Transition to the next topic.

# Credit Unions: Here to Serve You

## Time

65 Minutes


## Objectives

By the end of this course, participants will be able to build a relationship with a financial institution. To achieve this objective, the participants will be able to:


- Recognize the major types of insured financial institutions
- Distinguish the differences between credit unions, banks, thrifts and check-cashing services
- Understand basic financial terms
- Understand the different types of financial accounts
- Describe financial services
- Identify credit union employees and understand their jobs

# I. Course Introduction



## A. Why This Class Is Important

Instructor Cue	Instructions
	<p>➤ Before the start of the class, hand out the following materials to each participant:</p> <ul style="list-style-type: none"><li>• Participant Take-Home Guide</li><li>• Name tent</li><li>• Pencil or pen</li><li>• \$100 of play money</li><li>• Envelope</li></ul>
Slide 1	<p>Show Slide 1 (Credit Unions: Here to Serve You).</p> <p>➤ <b>“Welcome to <i>Credit Unions: Here to Serve You!</i>”</b> Introduce yourself (e.g., your name and experience as an instructor or credit union employee).</p> <p>➤ Explain: <b>“By taking this course, you are making an important step to building a better financial future for yourself and your family. It all starts with understanding the basics of personal finances.”</b></p>

## B. You Will Know


Instructor Cue	Instructions
<p style="text-align: center;">Slide 2</p>	<p>Show Slide 2 (You Will Know).</p> <p>➤ Explain: <b>“By the end of the course, you will be able to build a relationship with a financial institution.</b></p> <p><b>You will know:</b></p> <ul style="list-style-type: none"> <li>• <b>The major types of insured financial institutions</b></li> <li>• <b>Basic terms</b></li> <li>• <b>Differences between credit unions, banks, and check-cashing services</b></li> <li>• <b>Types of accounts</b></li> <li>• <b>Types of services, and</b></li> <li>• <b>Employees and their jobs.”</b></li> </ul>
	<p>➤ Show the Participant Take-Home Guide to the class.</p> <p>➤ Explain: <b>“Each of you has a copy of the <i>Credit Unions: Here to Serve You</i> Take-Home Guide which contains highlights of the course. We will be using this throughout the course. When we finish, you can take it home and use it as a reference.”</b></p>

## C. Introduction to Materials

Instructor Cue	Instructions
	<ul style="list-style-type: none"> <li>➤ Explain: <b>“Take out the last page of your Take-Home Guide, the ‘What Do You Know?’ form.”</b></li> </ul>
	<ul style="list-style-type: none"> <li>➤ Explain: <b>“The What Do You Know form lets you measure how much you have learned from the course.”</b></li> </ul>
	<ul style="list-style-type: none"> <li>➤ Read the instructions and walk the participants through each statement.</li> <li>➤ Explain: <b>“Complete the Before-the-Course column only. You will complete the other column at the end of the course.”</b></li> </ul>
	<ul style="list-style-type: none"> <li>➤ Provide enough time for participants to complete the What Do You Know form. (1-2 minutes)</li> <li>➤ Have participants put these forms aside until the end of the course when they will complete the After-the-Course column.</li> </ul>
	<ul style="list-style-type: none"> <li>➤ Transition: <b>“You will notice other materials in your packet (envelope, fake money, etc.). We will get to those later in the course.”</b></li> <li>➤ <b>To begin, let’s talk about the basic types of financial institutions.”</b></li> </ul>

## II. Basic Types of Financial Institutions







### A. Credit Unions, Banks & Thrifts

Instructor Cue	Instructions
Slide 3	<p>Show Slide 3 (Types of Financial Institutions).</p> <ul style="list-style-type: none"><li>➤ Remind the participants that the term “credit union,” “bank,” and “financial institution” are used interchangeably in this course. All types of institutions are regulated by state and federal rules.</li><li>➤ Explain: <b>“There are three major types of financial institutions:</b><ul style="list-style-type: none"><li>• <b>Credit Union – A member-owned, nonprofit financial institution whose members have a common interest based on employment, industry, association, or community.</b></li><li>• <b>Bank – A for-profit financial institution owned by public or private stockholders.</b></li><li>• <b>Thrift – A savings bank or savings and loan association. A thrift’s main business is to make home loans.”</b></li></ul></li></ul>
	<ul style="list-style-type: none"><li>➤ Transition: <b>“No matter what type of financial institution you use, all of them use some basic financial terms.”</b></li></ul>

## B. How Are Credit Unions Different?


Instructor Cue	Instructions
<p>?</p>	<ul style="list-style-type: none"> <li>➤ Ask: <b>““I am here representing _____ Credit Union. Does anyone here currently belong, or know someone who belongs to a credit union?”</b></li>   <li>➤ Get a feel for your class’s knowledge of and experience with credit unions.</li> </ul>
<p>Slide 4</p>	<p>Show Slide 4 (Credit Unions).</p> <ul style="list-style-type: none"> <li>➤ Explain: <b>“Credit unions provide members with a safe place to save and borrow money”</b></li>   <li>➤ Explain: <b>“Most credit unions offer the same services that you would find at any bank, but they are different in the way they are organized and operated:</b> <ul style="list-style-type: none"> <li>• <b>Credit unions are nonprofit, cooperative financial institutions owned and run by its members</b></li> <li>• <b>Members of credit unions share what is called a common bond, meaning that they share something in common with other members of that particular credit union</b></li> <li>• <b>Common bonds can be based on where you live, where you work, worship or attend school, or what organizations you belong to</b></li> <li>• <b>To become a member of a credit union, you must check with the credit union to see if you meet its membership requirements.”</b></li> </ul> </li> </ul>

## C. Impressions and Experiences with Financial Institutions


Instructor Cue	Instructions
	<ul style="list-style-type: none"> <li>➤ Guide a brief group discussion by asking the next three questions to help you understand the participants' experiences and understanding of basic banking.</li> </ul>
	<ul style="list-style-type: none"> <li>➤ Ask: <b>“What has been your experience with financial institutions?”</b></li> </ul>
	<ul style="list-style-type: none"> <li>➤ Ask: <b>“Where do you keep your money?”</b></li> </ul>
	<ul style="list-style-type: none"> <li>➤ Ask: <b>“What are some reasons for you to keep your money at a financial institution?”</b></li> </ul>
	<ul style="list-style-type: none"> <li>➤ Write participants' responses to the last questions on chart paper.</li> </ul>
	<ul style="list-style-type: none"> <li>➤ Transition: <b>“Many people keep their money in a financial institution. Let's take a look at some reasons why you might want to keep your money there.”</b></li> </ul>

### III. Reasons to Keep Your Money in A Financial Institution

#### A. List of Reasons

Instructor Cue	Instructions
Slide 5	<p>Show Slide 5 (Keep Your Money in An Account). <i>Show one reason at a time.</i></p> <ul style="list-style-type: none"><li>➤ Relate each of the reasons below to the participants' discussion in the beginning of the course. If participants do not address all the factors, provide the missing answers.</li><li>➤ Answer:<ul style="list-style-type: none"><li>• <b>Safety</b> – Money is safe from theft, loss and fires.</li><li>• <b>Convenience</b> – You can get money quickly and easily.</li><li>• <b>Cost</b> – Using a financial institution is probably cheaper than using other businesses to cash your check.</li><li>• <b>Security</b> – The basic insured amount of a federally insured account holder is \$100,000. This means that if for some reason your federally insured financial institution closes and cannot give you your money, you are automatically insured up to \$100,000. However, not all financial institutions are federally insured.</li><li>• You can tell if a financial institution is insured by looking for the NCUA or FDIC logo.</li><li>• Credit unions are insured by the National Credit Union Administration (NCUA) and banks are insured by the Federal Deposit Insurance Corporation (FDIC).</li><li>• <b>Financial Future</b> – Building a relationship with a financial institution will establish a record of paying bills, can help you save money, and is necessary for getting a loan.</li></ul></li></ul>
	<ul style="list-style-type: none"><li>➤ Transition: <b>“During this discussion we talked about why you should keep your money in a financial institution. Now let’s see how it all works...”</b></li></ul>

## B. Interactive Exercise

Instructor Cue	Instructions
	<ul style="list-style-type: none"> <li>➤ Explain: <b>“Pull out the envelope and play money.”</b></li> <li>➤ Walk participants through adding up the money. Write out the totals on chart paper.</li> <li>➤ Explain: <b>“Each of you should have \$100.</b> <ul style="list-style-type: none"> <li>• <b>Two \$20s = \$40</b></li> <li>• <b>Four \$10s = \$40</b></li> <li>• <b>Three \$5s = \$15</b></li> <li>• <b>Five \$1s = \$5”</b></li> </ul> </li> </ul>
	<ul style="list-style-type: none"> <li>➤ Explain: <b>“The envelope represents an account. Opening an account is usually very simple.”</b></li> </ul>
	<ul style="list-style-type: none"> <li>➤ Explain: <b>“In addition to your application, the credit union or bank will need your picture identification, usually a driver’s license, and your Social Security number to verify your information.</b></li> <li>➤ <b>A credit union will also need for you to show that you are within its field of membership. That is, you must show that you share a common bond of work, association, or community with other members of the credit union.</b></li> <li>➤ <b>Before opening an account, a financial institution may want to review your account history at other institutions. Sometimes it will run a full credit report.</b></li> <li>➤ <b>If you have a history of bouncing checks or misusing your accounts, you may be offered limited account privileges. For example, you may be offered a share or savings account, but not a checking account.”</b></li> </ul>



Instructor Cue	Instructions
	<ul style="list-style-type: none"> <li>➤ Explain: <b>“After the financial institution determines if you are eligible to open an account, you deposit money into your new account.”</b></li> <li>➤ <b>At a credit union, you buy an initial share or par. This money, usually \$5.00, starts your account.”</b></li> </ul>
<p style="text-align: center;"><b>Slide 6</b></p>	<p>Show Slide 6 (Deposit)</p> <ul style="list-style-type: none"> <li>➤ Explain: <b>“A deposit is money you add to your account. When you add money to your account, you must fill out a deposit slip.</b></li> <li>➤ <b>A deposit slip tells the financial institution how much money you are adding to your account.</b></li> <li>➤ <b>Depending on what you deposit – cash, a payroll check, or a check drawn on an out-of-state bank, you may not have immediate use of the funds.</b></li> <li>➤ <b>The credit union or bank must first make sure there are funds at the originating bank to cover your check. You can ask the teller when you can use the money you deposited.”</b></li> </ul>
<p style="text-align: center;"><b>Slide 7</b></p>	<p>Show Slide 7 (Share)</p> <ul style="list-style-type: none"> <li>➤ Explain: <b>“At a credit union, the money in your account is an investment represented by what are called shares.</b></li> <li>➤ Explain: <b>Sometimes credit unions will refer to your account as a share account.”</b></li> </ul>
	<ul style="list-style-type: none"> <li>➤ Prompt: <b>“Now put <u>all</u> the money into the envelope.”</b></li> <li>➤ Explain: <b>“What you just did was make a deposit.”</b></li> </ul>


Instructor Cue	Instructions						
Slide 8	Show Slide 8 (Balance). ➤ Explain: <b>“Balance is the amount of money you have in your account.”</b>						
?	➤ Ask: <b>“What is your balance?”</b> ➤ Answer: \$100						
	➤ Draw on chart paper a three column table to track the balance of upcoming transactions. For example:  <table border="1" data-bbox="560 674 1214 785"> <thead> <tr> <th data-bbox="560 674 885 709">Description</th> <th data-bbox="885 674 1101 709">+/-</th> <th data-bbox="1101 674 1214 709">Balance</th> </tr> </thead> <tbody> <tr> <td data-bbox="560 747 885 785">Opening Balance</td> <td data-bbox="885 747 1101 785">+\$100</td> <td data-bbox="1101 747 1214 785">\$100</td> </tr> </tbody> </table>	Description	+/-	Balance	Opening Balance	+\$100	\$100
Description	+/-	Balance					
Opening Balance	+\$100	\$100					
	➤ Explain: <b>“When you make a withdrawal, you are taking money from your account. You do this by writing a check, giving a teller a withdrawal slip, or by using an ATM.”</b>						

Instructor Cue	Instructions												
Slide 7	<ul style="list-style-type: none"> <li>➤ Show Slide 9 (Withdrawal).</li> <li>➤ Explain: <b>“A withdrawal slip looks similar to a deposit slip, except you are taking money out rather than adding money to your account.</b></li> <li>➤ <b>Know how much is in your account so you won’t try to withdraw more money than you have. With a checking account, if you overdraw, or ‘bounce a check’, you will be charged a fee.”</b></li> </ul>												
	<ul style="list-style-type: none"> <li>➤ Prompt: <b>“Take \$20 out of the envelope.”</b></li> <li>➤ Explain: <b>“You just made a withdrawal.”</b></li> </ul>												
	<ul style="list-style-type: none"> <li>➤ Ask: <b>“What is your balance now?”</b></li> </ul> <p>Show calculation of the new balance on chart paper. (\$100 - \$20 = \$80)</p> <table border="0" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left; border-bottom: 1px solid black;">Description</th> <th style="text-align: center; border-bottom: 1px solid black;">+/-</th> <th style="text-align: right; border-bottom: 1px solid black;">Balance</th> </tr> </thead> <tbody> <tr> <td>Opening Balance</td> <td style="text-align: center;">+\$100</td> <td style="text-align: right;">\$100</td> </tr> <tr> <td>Withdrawal</td> <td style="text-align: center;">- \$ 20</td> <td style="text-align: right;"><u>-\$ 20</u></td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;">\$ 80</td> </tr> </tbody> </table>	Description	+/-	Balance	Opening Balance	+\$100	\$100	Withdrawal	- \$ 20	<u>-\$ 20</u>			\$ 80
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		\$ 80											

Instructor Cue	Instructions																		
Slide 10	<p>Show Slide 10 (Fees).</p> <ul style="list-style-type: none"> <li>➤ Explain: <b>“Financial institutions charge you fees for different services. For example, a monthly maintenance fee might be charged for keeping your account open.”</b></li> <li>➤ <b>In addition, you might also be charged a penalty fee if you misuse your account, such as by bouncing a check.”</b></li> </ul>																		
	<ul style="list-style-type: none"> <li>➤ Prompt: <b>“Take \$4 out of your envelope and give the money to the financial institution.”</b></li> <li>➤ <b>Instructor Note:</b> Collect money from participants and put it in the box called “financial institution.”</li> <li>➤ Explain: <b>“This demonstrates a monthly maintenance fee being charged to your account.”</b></li> </ul>																		
?	<ul style="list-style-type: none"> <li>➤ Ask: <b>“What is your balance now?”</b></li> </ul> <p>Show calculation of the new balance on chart paper. (\$80 - \$4 = \$76)</p> <table border="0" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left; border-bottom: 1px solid black;">Description</th> <th style="text-align: center; border-bottom: 1px solid black;">+/-</th> <th style="text-align: right; border-bottom: 1px solid black;">Balance</th> </tr> </thead> <tbody> <tr> <td>Opening Balance</td> <td style="text-align: center;">+ \$100</td> <td style="text-align: right;">\$100</td> </tr> <tr> <td>Withdrawal</td> <td style="text-align: center;">- \$ 20</td> <td style="text-align: right;"><u>-\$ 20</u></td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;">\$ 80</td> </tr> <tr> <td>Fees</td> <td style="text-align: center;">- \$ 4</td> <td style="text-align: right;"><u>-\$ 4</u></td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;">\$ 76</td> </tr> </tbody> </table>	Description	+/-	Balance	Opening Balance	+ \$100	\$100	Withdrawal	- \$ 20	<u>-\$ 20</u>			\$ 80	Fees	- \$ 4	<u>-\$ 4</u>			\$ 76
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		\$ 76																	

Instructor Cue	Instructions																								
Slide 11	<p>Show Slide 11 (Interest).</p> <ul style="list-style-type: none"> <li>➤ Explain: <b>“Interest is any money paid to your account that you are paid for keeping your money at that financial institution. One of the advantages of having a savings account is the money you earn.”</b></li> </ul>																								
	<ul style="list-style-type: none"> <li>➤ Hand out \$1 additional play money to each participant.</li> <li>➤ Prompt: <b>“Add the \$1 to your envelope.”</b></li> <li>➤ Explain: <b>“This demonstrates your account earning interest.”</b></li> </ul>																								
?	<ul style="list-style-type: none"> <li>➤ Ask: <b>“What is your balance now?”</b></li> </ul> <p>Show calculation of the new balance on chart paper. (\$76 + \$1 = \$77)</p> <table border="0" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left; border-bottom: 1px solid black;">Description</th> <th style="text-align: center; border-bottom: 1px solid black;">+/-</th> <th style="text-align: right; border-bottom: 1px solid black;">Balance</th> </tr> </thead> <tbody> <tr> <td>Opening Balance</td> <td style="text-align: center;">+ \$100</td> <td style="text-align: right;">\$100</td> </tr> <tr> <td>Withdrawal</td> <td style="text-align: center;">- \$ 20</td> <td style="text-align: right;"><u>-\$ 20</u></td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;">\$ 80</td> </tr> <tr> <td>Fees</td> <td style="text-align: center;">- \$ 4</td> <td style="text-align: right;"><u>-\$ 4</u></td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;">\$ 76</td> </tr> <tr> <td>Interest</td> <td style="text-align: center;">+ \$ 1</td> <td style="text-align: right;"><u>+\$ 1</u></td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;">\$77</td> </tr> </tbody> </table>	Description	+/-	Balance	Opening Balance	+ \$100	\$100	Withdrawal	- \$ 20	<u>-\$ 20</u>			\$ 80	Fees	- \$ 4	<u>-\$ 4</u>			\$ 76	Interest	+ \$ 1	<u>+\$ 1</u>			\$77
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		\$ 76																							
Interest	+ \$ 1	<u>+\$ 1</u>																							
		\$77																							
Slide 12	<p>Show Slide 12 (Dividend)</p> <ul style="list-style-type: none"> <li>➤ Explain: <b>“At a credit union, your account earns dividends instead of interest.”</b></li> <li>➤ Explain: <b>“The reason you receive dividends rather than interest is because every member is also an owner of the credit union and the dividend is a return on the member’s investment”</b></li> </ul>																								



Instructor Cue	Instructions
	<ul style="list-style-type: none"> <li>➤ Ask: <b>“Who uses a check-cashing service?”</b></li> <li>➤ Ask a volunteer participant.</li> <li>➤ <b>“How many checks do you cash per month?”</b></li> <li>➤ <b>“How much are you charged per check?”</b></li> </ul>
	<ul style="list-style-type: none"> <li>➤ Write the participant’s responses on the left side of the chart paper.</li> <li>➤ If no one volunteers information, use this example:   <b>“One of the participants in an earlier class used a check-cashing store to cash her checks. She cashed four checks a month and was charged \$5 each time.</b></li> <li>➤ <b>That means she paid \$20 a month (4 x \$5) or \$240 a year (\$20 x 12 months) just to cash her checks.”</b></li> </ul>

Instructor Cue	Instructions
	<ul style="list-style-type: none"> <li>➤ Compare the total yearly cost of using a check-cashing service to using the services of a financial institution on the right side of the chart paper.</li>   <li><b>“Another participant had an account at a financial institution that charged a monthly fee of \$5, which included 8 free checks per month and free use of the ATM.</b></li>   <li>➤ <b>Additionally, ordering a box of 100 checks cost her about \$18, since she purchased the checks through the financial institution.</b></li>   <li>➤ <b>In this case, using a checking account for one year cost her \$78 (\$5 x 12 months = \$60 + \$18 = \$78).”</b></li>   <li>➤ Explain: <b>“Even though you are sometimes charged monthly fees, these examples show it is much cheaper to use an account.”</b></li> </ul>
	<ul style="list-style-type: none"> <li>➤ Transition: <b>“Understanding these basic terms will help you choose the best type of account for you. Let’s see what types of accounts are available.”</b></li> </ul>




## C. Types of Share Accounts/Deposit Accounts

	<ul style="list-style-type: none"> <li>➤ Explain: <b>“Accounts that allow you to add money to the account are called share accounts at credit unions and deposit accounts at banks. Checking and savings accounts are two examples of these products.”</b></li> <li>➤ <b>Sometimes a credit union will call a checking account a share draft account.”</b></li> </ul>
<p>Slide 13</p>	<p>Show Slide 13 (Accounts).</p> <ul style="list-style-type: none"> <li>➤ Explain: <b>“A checking or share draft account is an account that lets you write checks to pay bills or to buy goods. The financial institution takes the money from your account and pays it to the person named on the check. The financial institution sends you a monthly record of the deposits and withdrawals made. This is called a periodic statement.”</b></li> </ul>
	<ul style="list-style-type: none"> <li>➤ Explain: <b>“A savings account is an account that earns interest. You can only make a limited number of transfers and withdrawals from a savings account.</b></li> <li>➤ <b>You can open a savings account with a few dollars, but you might pay a monthly fee if the balance is below a certain amount.</b></li> <li>➤ <b>At a credit union, you can open a savings account with an initial investment, called a par. Par is usually \$5.00.</b></li> <li>➤ <b>Your financial institution will help you keep track of your account by either sending you a statement or providing you with a booklet called a passbook.”</b></li> </ul>

## D. “Choosing An Account Checklist

Instructor Cue	Instructions
	<ul style="list-style-type: none"> <li>➤ Explain: <b>“It is a good idea to compare the rules of the different accounts. For example, you might be required to have a certain balance to open an account, earn interest, or avoid fees. This is usually called a minimum balance.”</b></li> </ul>
	<ul style="list-style-type: none"> <li>➤ Prompt: <b>“Turn to page 5 of your Take-Home Guide, <i>Choosing an Account</i>.”</b></li> <li>➤ Explain: <b>“Carry this checklist with you when you look for an account. As you compare different credit unions and banks, ask these questions to help you choose which account is right for you.”</b></li> </ul>
	<p><b>BE AWARE</b></p> <ul style="list-style-type: none"> <li>➤ Explain: <b>“Many financial institutions also offer nondeposit products that are not insured by the government. Stocks, bonds, and mutual funds are examples of nondeposit investment products.</b></li> <li>➤ <b>Institutions must provide a written explanation that these products are not insured by the U.S. Government and may lose value. You can find out more about these nondeposit products at your financial institution.</b></li> <li>➤ <b>Do not buy any product or service you do not understand.”</b></li> </ul>
	<ul style="list-style-type: none"> <li>➤ Transition: <b>“Most financial institutions offer these primary types of products and services. In addition, there are sometimes other convenient services you receive when you open an account with a financial institution.”</b></li> </ul>

## IV. Additional Financial Services

Instructor Cue	Instructions
	<p>➤ Explain: <b>“Credit unions and banks provide various additional services for free or a low fee with some savings and checking accounts. It is important to keep track of the fees charged, if any. The following are common services that are offered:</b></p> <ul style="list-style-type: none"> <li>• <b>Direct Deposit</b></li> <li>• <b>Money Order</b></li> <li>• <b>Wire Transfer</b></li> <li>• <b>Telephone Banking</b></li> <li>• <b>ATM, and</b></li> <li>• <b>Debit Card.</b></li> </ul> <p><b>Also, most financial institutions offer</b></p> <ul style="list-style-type: none"> <li>• <b>Loans.”</b></li> </ul> <p>➤ Write the above list of additional services on chart paper.</p>
	<p>➤ Transition: <b>“Let’s see if you can guess which financial service I’m describing. I’ll describe one of the services from the list. You say which one it is.”</b></p>
	<p>➤ Read: <b>“This is a computer kiosk where you can deposit, withdraw, or transfer money from one account to another 24 hours a day.”</b></p>
	<p>➤ Ask: <b>“Who can guess what I am describing?”</b></p> <p>➤ Answer: <b>“Automated Teller Machine (ATM)”</b></p>

## A. ATM

Instructor Cue	Instructions
Slide 14	<p>Show Slide 14 (ATM).</p> <ul style="list-style-type: none"> <li>➤ Explain: <b>“Use of an ATM requires a card issued by your financial institution and a personal identification number or PIN. A PIN is a special password or set of numbers to use your ATM card. The PIN is used for security purposes, so no one else can access your account.</b></li> <li>➤ <b>You can use the ATM for many services, but there might be a fee involved. Most people use the ATM to get cash from their account. If you use another bank’s ATM, you might be charged an additional fee. Generally, you can only make deposits at your own financial institution’s ATM.”</b></li> </ul>
	<ul style="list-style-type: none"> <li>➤ Read: <b>“When you use this card to buy something from a store or other business, the money comes out of your account immediately.”</b></li> </ul>
?	<ul style="list-style-type: none"> <li>➤ Ask: <b>“Who can guess what I am describing?”</b></li> <li>➤ Answer: Debit Card</li> </ul>

## B. Debit Card

## C. Direct Deposit

Instructor Cue	Instructions
Slide 15	<p>Show Slide 15 (Debit Card).</p> <ul style="list-style-type: none"><li>➤ Explain: <b>“A debit card is a plastic card sometimes called a ‘Check Card’. The debit card usually has a MasterCard or Visa logo and a magnetic strip on the back that allows you to pay for goods and services at stores and other businesses that accept MasterCard or Visa credit cards.</b></li><li>➤ <b>A debit card also functions as an ATM card. With ATM cards, you can make deposits to or withdrawals from your checking account at ATMs and pay for purchases at some stores. Most debit cards require a PIN if you use the card as an ATM card.”</b></li></ul>
	<ul style="list-style-type: none"><li>➤ Read: <b>“This is one method your employer or a government agency might choose to give you your paycheck or benefits check.”</b></li></ul>
?	<ul style="list-style-type: none"><li>➤ Ask: <b>“Who can guess what I am describing?”</b></li><li>➤ Answer: Direct Deposit</li></ul>
Slide 16	<p>Show Slide 16 (Direct Deposit).</p> <ul style="list-style-type: none"><li>➤ Explain: <b>“With direct deposit, your paycheck or benefit check is electronically transferred and directly deposited into your account. Sometimes you will not be charged a monthly fee if you use direct deposit.”</b></li></ul>

## D. Loans

Instructor Cue	Instructions
	<ul style="list-style-type: none"> <li>➤ Read: <b>“This is money you borrow from a financial institution with a written promise to pay it back later.”</b></li> </ul>
<p>?</p>	<ul style="list-style-type: none"> <li>➤ Ask: <b>“Who can guess what I am describing?”</b></li> <li>➤ Answer: Loans</li> </ul>
<p>Slide 17</p>	<p>Show Slide 1717 (Loans).</p> <ul style="list-style-type: none"> <li>➤ Explain: <b>“A credit union or bank will charge you fees and interest for loans. This is extra money you pay to borrow the money. You can talk to a member service representative for more information about loans that are offered.”</b></li> </ul>
	<ul style="list-style-type: none"> <li>➤ Read: <b>“This is used like a check to pay a bill.”</b></li> </ul>
<p>?</p>	<ul style="list-style-type: none"> <li>➤ Ask: <b>“Who can guess what I am describing?”</b></li> <li>➤ Answer: Money Order</li> </ul>



## E. Money Order

Instructor Cue	Instructions
Slide 18	<p>Show Slide 18 (Money Order).</p> <ul style="list-style-type: none"> <li>➤ Explain: <b>“A money order is similar to a check. It is used to pay bills or make purchases when cash or checks are not accepted. Many businesses sell money orders for a fee. If you need to use a money order, it is best to shop around for the best price.”</b></li> </ul>
	<ul style="list-style-type: none"> <li>➤ <b>Instructor Note:</b> Refer to the definitions below, if participants ask about the differences between:</li> <li>➤ Cashier’s check – For a cashier’s check, you provide cash or money from your account in the amount of the check plus a service charge (usually from \$2 to \$5). You also tell the institution who is receiving the check. The institution writes a check (also called a bank check or teller’s check) payable to that person for you. This check is guaranteed not to bounce. A cashier’s check is available from financial institutions.</li> <li>➤ Certified Check – A certified check is a check you write and take to your financial institution. The credit union will mark it “certified” for a fee (usually \$2-\$5) and place a hold on the money in your account until the check is processed. A certified check is guaranteed not to bounce.</li> <li>➤ Teller’s check – A teller’s check is similar to a money order, but a teller’s check is provided by a financial institution instead of other businesses.</li> </ul>

## F. Telephone Banking

## G. Wire Transfer

	<b>Instructions</b>
	➤ Read: <b>“This allows you to check your account balance by phone.”</b>
<b>?</b>	Ask: <b>“Who can guess what I’m describing?”</b>  Answer: Telephone Banking
<b>Slide 19</b>	Show Slide 19 (Telephone Banking)  ➤ Explain: <b>“Telephone banking may allow you to:</b> <ul style="list-style-type: none"><li>• <b>Check account balances</b></li><li>• <b>Transfer money between accounts</b></li><li>• <b>Obtain account history, such as most recent deposits or withdrawals</b></li><li>• <b>Stop payment on a check</b></li><li>• <b>Obtain information on branch hours and other information, and</b></li><li>• <b>Report a lost, stolen, or damaged card”</b></li></ul>
	➤ Read: <b>“This is a method of electronically transferring money from one financial institution to another.”</b>


	<ul style="list-style-type: none"><li>➤ Ask: <b>“Who can guess what I am describing?”</b></li><li>➤ Answer: Wire Transfer</li></ul>
	<ul style="list-style-type: none"><li>➤ Transition: <b>“Now that you’ve learned some basic financial terms, the types of accounts and services, let’s talk about the people who work in a credit union or a bank.”</b></li></ul>

## V. Credit Union Employees—Serving You



Instructor Cue	Instructions
	<p>Explain: <b>“A financial institution has people who can help you with different financial services. Understanding the jobs of these credit union employees will allow you to know who you should talk to when you go to the credit union.”</b></p>
	<ul style="list-style-type: none"> <li>➤ Ask four participants to volunteer.</li> <li>➤ Assign a person to each of the following:               <ul style="list-style-type: none"> <li>• Member/Customer</li> <li>• Teller</li> <li>• Loan Officer</li> <li>• Branch Manager</li> </ul> </li> </ul>
	<ul style="list-style-type: none"> <li>➤ Prompt the participant assigned as a member/customer to begin walking through the “credit union.”</li> </ul>
	<ul style="list-style-type: none"> <li>➤ Greet and introduce yourself as a Member Service Representative.</li> <li>➤ Take the member/customer on a tour of the credit union.</li> <li>➤ Explain: <b>“As a Member Service Representative, I can:</b> <ul style="list-style-type: none"> <li>• <b>Help you open your account</b></li> <li>• <b>Explain services</b></li> <li>• <b>Answer general questions</b></li> <li>• <b>Refer you to a person who can help you, and</b></li> <li>• <b>Provide written information explaining the financial products”</b></li> </ul> </li> </ul>

Instructor Cue	Instructions
	<ul style="list-style-type: none"> <li>➤ Introduce the teller.</li> <li>➤ Explain: <b>“The teller stands behind a counter and:</b> <ul style="list-style-type: none"> <li>• <b>Takes money</b></li> <li>• <b>Answers questions</b></li> <li>• <b>Cashes checks, and</b></li> <li>• <b>Refers you to other persons who can help you.</b></li> </ul> </li> <li>➤ <b>The teller is often the main contact at the credit union. When you come into the credit union, you can go to any teller.”</b></li> </ul>
	<ul style="list-style-type: none"> <li>➤ Introduce the loan officer.</li> <li>➤ Explain: <b>“The loan officer:</b> <ul style="list-style-type: none"> <li>• <b>Takes applications for loans offered at the credit union</b></li> <li>• <b>Answers questions</b></li> <li>• <b>Provides written information explaining loan products, and</b></li> <li>• <b>Helps you fill out a loan application.”</b></li> </ul> </li> </ul>
	<ul style="list-style-type: none"> <li>➤ Introduce the branch manager.</li> <li>➤ Explain: <b>“The branch manager:</b> <ul style="list-style-type: none"> <li>• <b>Supervises the daily operations, and</b></li> <li>• <b>Helps fix problems that cannot be solved by other credit union employees.”</b></li> </ul> </li> </ul>

## VI. Conclusion



Instructor Cue	Instructions
	<p>➤ Explain: <b>“Here are some key points to remember:</b></p> <ul style="list-style-type: none"> <li>• <b>If you don’t know who to talk to, ask for help. Someone will take you to the right person.</b></li> <li>• <b>Always ask questions until you are clear on all the information, and don’t sign anything you don’t understand.</b></li> <li>• <b>Ask for written information to take home to review.”</b></li> </ul>
	<p>➤ Prompt: <b>“Turn to page 6 of your Take-Home Guide, <i>Choosing a Financial Institution.</i>”</b></p> <p>➤ Explain: <b>“Remember you can use this checklist and the checklist on page 5 to help you choose a credit union or bank and the account that’s right for you.”</b></p> <p>➤ Review the content of the forms with the participants.</p>

## A. Course Summary

Instructor Cue	Instructions
	<p>➤ Summarize the course: <b>“Congratulations! You’ve completed the <i>Credit Unions: Here to Serve You</i> course. We’ve covered a lot of information today:</b></p> <ul style="list-style-type: none"> <li>• <b>Types of insured financial institutions</b></li> <li>• <b>Basic financial terms</b></li> <li>• <b>Differences between credit unions, banks, and check-cashing services</b></li> <li>• <b>Credit union employees and their jobs</b></li> <li>• <b>Types of accounts, and</b></li> <li>• <b>Types of account services.</b></li> </ul> <p>➤ <b>Remember, financial institutions offer more services than a check-cashing service. Using the information you’ve learned in this course, you should be able to begin using the services of a credit union or bank.</b></p> <p>➤ <b>Building a relationship with a credit union or bank can help you establish a record of paying bills, can help you save money, and is necessary for obtaining credit.”</b></p>
	<p>➤ Transition: <b>“To improve the course, we will need your feedback. The After-the-Course column and Course Evaluation will identify changes that can make this course better.”</b></p>

## B. Handouts/Course Evaluation

## C. Contact Information

Instructor Cue	Instructions
Slide 20	Show Slide #20 (Thanks for Participating)
	➤ Explain: <b>“Please complete the After-the-Course column and the Course Evaluation. These forms are the last two pages of your Take-Home Guide.”</b>
	➤ Allow time for participants to complete both forms.
	➤ Collect the What Do You Know and Course Evaluation forms.
	➤ Conclusion: <b>“Great job on completing this course! Thank you for participating.”</b>
	➤ <b>“If you have any further questions or concerns, you may contact me at the credit union at phone #_____.”</b>