



UnionBank
We Want to Know You.

The Road Map to Your Financial Success



Member FDIC

Course Outline

- Money & Banking Terms
- Keeping Up with the Ins & Outs
- Debit or Credit, What's the Difference
- Insufficient/Non-Sufficient Funds
- Tools to Keep Track of Your Money and Avoid Overdrawing your Account
- What Happens when Mistakes Occur?
- Plan for the Unexpected
- Choosing the Right Account for You

Money & Banking Terms

- Credit

- A credit is any transaction that increases your balance.
 - Credits can come from deposits, direct deposits, refunds of fees, transfers from another account, etc.

- Debit

- A debit is any transaction that decreases your balance.
 - Debits can come from checks, ATM withdrawals, debit card POS transactions, transfers to another account, service fees, etc.

Money & Banking Terms



- Transfer

Union Bank offers convenient online banking services to allow you to transfer funds between accounts 24 hours a day, 7 days a week.



We also offer telephone banking services that allow you to transfer funds between your accounts and make loan payments. Simply call 1-877-354-8853.

Money & Banking Terms

- Deposit

- **Union Bank** offers convenient lobby hours Monday through Thursday 9:00 am – 5:00 pm and Fridays until 6:00 pm. We also have drive-thru hours* beginning at 8:30 am Monday through Friday.

* Refer to our website at www.unionbanknc.com for a listing of locations that offer drive-thru banking.

Money & Banking Terms

- Direct Deposit
 - A direct deposit is when funds are electronically deposited to your account through the Automated Clearing House (ACH) network.

To get set up for direct deposit, you simply need to contact your employer or other payer and complete paperwork they can provide. This usually involves either providing a voided check or a letter from your Bank confirming the Bank routing number and your account number and account type for deposit.

Money & Banking Terms



- Debit Cards

- POS

- When you use your debit card to purchase something at a store or online, this creates a Point of Sale (POS) transaction that will debit your account.
 - The purchase can be processed as a “debit” transaction, in which you enter in your Personal Identification Number (PIN), or a “credit” transaction where you will most likely have to sign the receipt for the purchase.
 - Either way, when you use your debit card for a POS transaction, the money comes out of your account immediately. Note: It may take a day or so for the debit to post to your account as the merchant may not transmit your purchase information and the debit transaction to the Bank immediately for clearing on your account.

Debit or Credit, What's the Difference

- Many times when you are at a store making a purchase with your debit card, the merchant will ask you if you want to process it as a “debit” or a “credit.”
- It is important to know that whichever you choose, it is still a debit card transaction and the funds will be immediately deducted from your account balance (or may be a pending transaction that will deduct from your account soon).
- Either way, you should deduct the amount of the purchase from your check register, as you have spent those funds and will no longer have access to it.



Money & Banking Terms

- Debit Cards – cont.
 - Pending or Pre-Authorized Transactions
 - A pending transaction is one that has not posted or cleared your account.
 - You have completed the transaction using your POS debit card or ATM card but the transaction has not been deducted from your account.
 - Watch out for pending transactions!!! Even though they have not posted to your account, you should still deduct them from your balance as you have already spent that money.

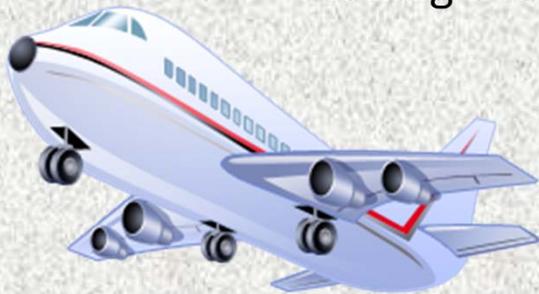
Money & Banking Terms



- Debit Cards – cont.

- Examples of pre-authorized holds

- Sometimes when you do a POS transaction, a pre-authorized hold is placed on your account.
- A pre-authorized hold is the practice of authorizing electronic transactions that are being done with a debit card and holding this balance as unavailable either until the merchant clears or “settles” the transaction or until the hold “falls off.” If the purchase is processed and the merchant settles the account in a few days, the “hold” will fall off at the same time as the actual “debit” posts to your account. If you decided not to proceed with the purchase transaction, the hold will generally “fall off” your account, thus making the funds available again, anywhere from 1-5 days.



Common merchants who do pre-authorized holds (sometimes referred to as “pre-auths”) include gas stations, hotels, rental car companies, restaurants, etc.



Money & Banking Terms

- ATM Withdrawal
 - ATM withdrawals can be done 24 hours a day, 7 days a week at no cost at any little bank owned ATM* or at any Cash Points network ATM.
- Checks
 - With electronic clearing and processing, checks clear an account much quicker than they used to. Checks are sometimes converted into an electronic transaction, such as an ACH, which ensures they clear even quicker.
 - As soon as you write a check, you should deduct those funds from your account balance in your check register, as you have spent those funds and they will soon be deducted from your bank account, making them unavailable to you for other expenses.



* Refer to our website at www.unionbanknc.com for a listing of ATM locations.

Keeping Up with the Ins & Outs



- Your Balance

- Current Balance

- Your current balance reflects transactions that have cleared your account. It does not include any pending transactions that will affect your balance once they post.
 - Remember: Pending transactions are those that you have already made but the money has not yet been taken from your account.

- Available Balance

- Your available balance reflects the current balance plus any additional funds available. These additional funds might include any additional overdraft limits available to you.
 - Note: **Union Bank** does not include any Bounce Protection overdraft limits in your available balance. Since these limits are not actual money you have in your account, we do not want to mislead you into thinking you have more money than you actually do.

Keeping Up with the Ins & Outs



Remember: It is important to always balance your account at least monthly to ensure you have recorded all transactions.

It is also important to balance your account so that any fraudulent or unauthorized transactions are quickly identified and reported to your financial institution.



Insufficient/Non-Sufficient Funds

- When does it occur?
 - If you do not have enough money available in your account to cover the checks you've written and the POS transactions or other electronic debits you've authorized, you have non-sufficient funds.
 - When this occurs, it can result in the item being returned to the merchant, creating a returned item fee from the merchant, and the Bank charging a non-sufficient funds (NSF) fee.



NSF

Insufficient/Non-Sufficient Funds

- What does it cost and what are the alternatives?
 - You have several options at the little bank to avoid having NSF items.
 - NSF fee amounts vary by bank. Refer to the Bank's current service fee schedule for the charge for an NSF item.

Ways to Cover Overdrafts at the little bank	Example of Associated Fees ¹
Good account management	\$0
Link to savings account	\$2 transfer fee
Overdraft line of credit	12% APR ²
Bounce Protection	Paid item OD fee of \$29 for each item

1 – These costs are provided only as examples. Please ask about our special products and fees.

2 – Annual Percentage Rate.

Tools to Keep Track of Your Money and Avoid Overdrawing your Account

- Check register

- A check register is a great way to record all of your transactions. You begin with your balance and then deduct any debits and add any credits.
- If you don't have a check register, we will be happy to provide you with one. You may also use Microsoft Excel to create one or simply use a notebook to record the transactions and activity in your account.

Remember: You need to record any POS transactions and ATM transactions as soon as you do them, as the funds are no longer available, even though they may be a pending transaction at the moment.



Tools to Keep Track of Your Money and Avoid Overdrawing your Account

- Online banking
 - You can keep track of your account balance and items that have cleared or posted to your account through our 24/7 online banking system.
 - You also have access to images of your cleared checks and copies of your statements.
 - By signing up for our electronic statement service, you get your statements faster than having them mailed.

Alerts are also available where you can set up personalized alerts in your online banking account to notify you when various situations occur. These may include, when your balance gets below a certain level, when an item clears your account, etc.



Tools to Keep Track of Your Money and Avoid Overdrawing your Account

- ATM for balance inquiry

- But be careful of the balance. There may be items that have not cleared yet that you have already spent. Examples – POS transaction, outstanding checks.



- Telephone banking

- You can keep track of your account balance and items that have cleared or posted to your account through our 24/7 telephone banking system. The number is 1-877-3-LITTLE (1-877-354-8853).



