

## CHAPTER FOUR:

# Get smart about megabyte money.

**Megabyte money** is a medium of exchange, frequently replacing currency and checks as a system of payment.

While you need to know a few basic concepts to access this world of e-banking and e-commerce (the “e” stands for electronic), you must still plan, keep good financial records, budget and save. There is also a great need for security.



When you navigate cyberspace, use ATMs, or debit cards, guard your identity, account numbers, access codes, and personal identification numbers (PIN). You must do research and be fully aware of where, how and with whom you do business, especially on the Internet.

**H**igh tech money! Thanks to the power of computers and the Internet, consumers can get cash, pay bills, invest in stocks, transfer funds and buy anything from musical downloads to a car with a few clicks of a mouse. This capability has revolutionized personal finance, giving individuals financial options that a few years ago existed only in science fiction. While consumers and investors enjoy unprecedented speed, flexibility, convenience and sophistication in managing their money, the actual value of money continues to be measured by its purchasing power — by the quantity of goods and services it can buy.

### Megabyte Money and the Internet

The Internet is a global network of computers that talk to each other. On the Internet, you can perform many investing, shopping and personal finance functions, 24 hours a day, 7 days a week (24/7), allowing instant communication and rapid movement of vast quantities of information.

Networked computer systems make **electronic funds transfer** (EFT) possible.

EFT substitutes electronic signals for cash and checks.

Because of its speed, flexibility and reach, EFT can streamline savings and payments.

Through computer programs, EFT allows you to receive a direct deposit of your paycheck from your employer, make automatic loan payments every month and even automate your savings.

Having funds automatically transferred from your checking to your savings account is a great way to save.

**Keep Your Balance**

Your account is **overdrawn** when the amount of the checks you write is greater than the amount of money in your account. A check written on an overdrawn account is said to “bounce” because, instead of being paid, your financial institution returns (bounces) the check back to the person or company to whom it was written, marked “insufficient funds.”

A bounced check hurts your financial reputation. If you gain a reputation for bouncing checks, merchants will stop trusting you and will stop accepting your checks. A bounced check is pretty expensive, also. Your financial institution and most businesses charge steep fines if your check overdraws your account. (An example of fines: \$30 to your financial institution and \$25 to the business. Keep in mind you would still be responsible for the original check as well.)

Few people bounce checks on purpose. It just happens when you don’t keep good records and don’t know how much money is in your account. Situation B, which begins on the next page, shows you how to make sure your check register is in balance with your statement.

1234-56/7890 **130**

YOUR NAME  
YOUR ADDRESS  
HOMETOWN, STATE 12345

DATE \_\_\_\_\_ 20\_\_\_\_

Pay to the Order of \_\_\_\_\_ \$

\_\_\_\_\_ Dollars

**Safe & Secure Financial**  
INSTITUTION IN YOUR COMMUNITY

Memo \_\_\_\_\_

⑆05⑆10⑆7⑆3⑆7⑆⑆ 873⑆⑆904⑆7⑆⑆ 0130

SAMPLE-VOID

1234-56/7890 **131**

YOUR NAME  
YOUR ADDRESS  
HOMETOWN, STATE 12345

DATE \_\_\_\_\_ 20\_\_\_\_

Pay to the Order of \_\_\_\_\_ \$

\_\_\_\_\_ Dollars

**Safe & Secure Financial**  
INSTITUTION IN YOUR COMMUNITY

Memo \_\_\_\_\_

⑆05⑆10⑆7⑆3⑆7⑆⑆ 873⑆⑆904⑆7⑆⑆ 0131

SAMPLE-VOID

DEPOSIT TICKET

YOUR NAME  
YOUR ADDRESS  
HOMETOWN, STATE 12345

Date \_\_\_\_\_

Sign here if cash received from deposit.

**Safe & Secure Financial**  
INSTITUTION IN YOUR COMMUNITY

⑆05⑆10⑆7⑆3⑆7⑆⑆ 873⑆⑆904⑆7⑆⑆

	Dollars	Cents
CASH		
CHECKS		
TOTAL FROM OTHER SIDE		
TOTAL		
LESS CASH RECEIVED		
NET DEPOSIT		

1234-56/7890

ENDORSE HERE

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

DO NOT WRITE, STAMP OR SIGN BELOW  
RESERVED FOR FINANCIAL INSTITUTION USE

(This is the back of your paycheck.)

figure A

DEPOSIT TICKET

YOUR NAME  
YOUR ADDRESS  
HOMETOWN, STATE 12345

Date \_\_\_\_\_

Sign here if cash received from deposit.

**Safe & Secure Financial**  
INSTITUTION IN YOUR COMMUNITY

⑆05⑆10⑆7⑆3⑆7⑆⑆ 873⑆⑆904⑆7⑆⑆

	Dollars	Cents
CASH		
CHECKS		
TOTAL FROM OTHER SIDE		
TOTAL		
LESS CASH RECEIVED		
NET DEPOSIT		

1234-56/7890

ENDORSE HERE

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

DO NOT WRITE, STAMP OR SIGN BELOW  
RESERVED FOR FINANCIAL INSTITUTION USE

(This is the back of the check for painting.)

figure B