CHAPTER 22

Banking Services and Procedures

Vocabulary Review

Fill in the blanks with the correct vocabulary terms from this chapter.

1. Judy was unaware that checks were processed through ____________ before they arrived at her bank.

2. Because Alicia was the person who wrote the check, she was considered to be the ____________

3. When the Blackburn Clinic purchased the ultrasound machine, they paid $10,000 toward the ____________ so that they would be charged less interest.

4. Pamela wrote a check to Samantha, so Pamela is the ____________ and Samantha is the ____________

5. The ____________ of a check is the person who is presenting it for payment and may not be the person named as the payee.

6. Grace studied the ____________ ____________ ____________, which is a series of laws that regulates sales of goods, commercial paper, secured transactions in personal property, and many aspects of banking.

7. First National Bank is considered the ____________ for Dr. Lopez’ business checking accounts.

8. Instruments that are legally transferable to another party are considered ____________.

9. Rhonda made several ____________ from the clinic checking account to pay monthly bills and order supplies.

10. As soon as the monthly bank statement arrives, Rhonda does a ____________ ____________ ____________ to make certain that the statement and checkbook balance are in agreement.
**Skills and Concepts**

**Part I: Short Answer Questions**

Provide the answers to the questions in the blanks below.

11. List the four requirements of a negotiable instrument.
   a. __________________________
   b. __________________________
   c. __________________________
   d. __________________________

12. Name several advantages to online banking.
    __________________________
    __________________________
    __________________________

13. Why is customer service such an important aspect of today’s medical offices?
    __________________________
    __________________________
    __________________________

14. List seven types of checks.
    a. __________________________
    b. __________________________
    c. __________________________
    d. __________________________
    e. __________________________
    f. __________________________
    g. __________________________

15. Describe each type of endorsement.
    a. blank
       __________________________
    b. restrictive
       __________________________
    c. special
       __________________________
    d. qualified
       __________________________
16. List five reasons that checks should be deposited promptly.
   a. 
   b. 
   c. 
   d. 
   e. 

17. Provide five guidelines for check acceptance.
   a. 
   b. 
   c. 
   d. 
   e. 

18. List three reasons that an individual might stop payment on a check.
   a. 
   b. 
   c. 

19. Explain the ABA number and what each part of the number means.

20. List the three basic steps for preparing a deposit slip.
   a. 
   b. 
   c. 

Part II: Writing Checks for Disbursement of Funds

Write checks to pay the following bills. The beginning balance in the checkbook is $4562.79. Use the checks numbered 5648 to 5651 on p. 287.

21. Write check #5648 to the American Medical Association for $356.00 for new coding books.
22. Write check #5649 to the Blackburn Utility Company for $46.90 to pay the water bill.
23. Write a check for the office mortgage payment to First National Bank, in the amount of $1,700.00. Use check #5650.
24. Write check #5651 to pay a pharmacy bill of $98.34.
25. Determine the balance of the account after the funds in questions 21 to 24 have been deducted.

**Part III: Writing Refund Checks**

Write checks for the following refunds. Use the ending balance from question 25 to determine the final balance in the checking account. Use the checks numbered 5652 to 5655 on page 288.

26. Ms. Patty Bailey should receive a refund in the amount of $34.55 for an overpayment. Use check #5652.

27. Write a check for Julie Smithy for $224.12. Her insurance company paid more than expected, so she is entitled to a refund. Use check #5653.

28. Cindy Chan paid $10 more than she owed when she was seeing Dr. Hughes. Refund her money using check #5654.

29. Carter Graves decided to postpone his knee surgery when his wife suddenly became ill. Use check #5655 to refund his $500 deposit.

30. Determine the balance of the checking account after the funds in questions 26 to 29 have been deducted.

**Part IV: Prepare a Bank Deposit**

Prepare a bank deposit detail for a $2250.00 deposit. Use the information in questions 31 to 34. Record your answers on the figure in Work Product 22-1.

31. Cash receipts total $646.68; $2.68 was in coins.

32. Check payments were #2387 for $67.00 from Sue Patrick and #460 for $50.00 from Ronald Rodriguez.

33. Credit card payments were $25.00 and $67.00. Pam Adtkins paid the $25.00 payment, and Brad Wilson paid the $67.00 payment.

34. An insurance payment for Alejandro Sanchez arrived in the amount of $1374.32. The payment was from Aetna and was check #309.

**Part V: Reconcile a Bank Statement**

Reconcile the bank statement using the facts and figure that follow. Use the figure on page 289 to show your work.

35. The checkbook balance is $4616.96.

36. The statement balance is $6792.79 (this amount includes the deposit of $2250.00—do not add that amount in again).

37. Three checks are outstanding: check #5648 for $356.00; check #5649 for $46.90; and check #5650 for $1770.00.

38. Does the checkbook reconcile with the statement?
22 BANKING SERVICES AND PROCEDURES

5648

DATE
TO
FOR

BALANCE BROUGHT FORWARD

DEPOSITS

BALANCE

AMT THIS CK

BALANCE CARRIED FORWARD

BLACKBURN PRIMARY CARE ASSOCIATES, PC
1900 Turquoise Drive
Blackburn, WI 54937
608-659-8857

PAY TO THE ORDER OF

DERRY SHIRE SAVINGS
P.O. BOX 8923
Blackburn, WI 54937

\$055003\* 446782011\* 678800470

5649

DATE
TO
FOR

BALANCE BROUGHT FORWARD

DEPOSITS

BALANCE

AMT THIS CK

BALANCE CARRIED FORWARD

BLACKBURN PRIMARY CARE ASSOCIATES, PC
1900 Turquoise Drive
Blackburn, WI 54937
608-659-8857

PAY TO THE ORDER OF

DERRY SHIRE SAVINGS
P.O. BOX 8923
Blackburn, WI 54937

\$055003\* 446782011\* 678800470

5650

DATE
TO
FOR

BALANCE BROUGHT FORWARD

DEPOSITS

BALANCE

AMT THIS CK

BALANCE CARRIED FORWARD

BLACKBURN PRIMARY CARE ASSOCIATES, PC
1900 Turquoise Drive
Blackburn, WI 54937
608-659-8857

PAY TO THE ORDER OF

DERRY SHIRE SAVINGS
P.O. BOX 8923
Blackburn, WI 54937

\$055003\* 446782011\* 678800470

5651

DATE
TO
FOR

BALANCE BROUGHT FORWARD

DEPOSITS

BALANCE

AMT THIS CK

BALANCE CARRIED FORWARD

BLACKBURN PRIMARY CARE ASSOCIATES, PC
1900 Turquoise Drive
Blackburn, WI 54937
608-659-8857

PAY TO THE ORDER OF

DERRY SHIRE SAVINGS
P.O. BOX 8923
Blackburn, WI 54937

\$055003\* 446782011\* 678800470

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THIS WORKSHEET IS PROVIDED TO HELP YOU BALANCE YOUR ACCOUNT

1. Go through your register and mark each check, withdrawal, Express ATM transaction, payment, deposit, or other credit listed on this statement. Be sure that your register shows any interest paid into your account, and any service charges, automatic payments, or Express Transfers withdrawn from your account during this statement period.

2. Using the chart below, list any outstanding checks, Express ATM withdrawals, payments, or any other withdrawals (including any from previous months) that are listed in your register but are not shown on this statement.

3. Balance your account by filling in the spaces below.

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<thead>
<tr>
<th>ITEMS OUTSTANDING</th>
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**ENTER**
The NEW BALANCE shown on this statement___________________________$

**ADD**
Any deposits listed in your register $ __________
or transfers into your account $ __________
which are not shown on this statement. $ __________
TOTAL +$ ______

**CALCULATE THE SUBTOTAL______________$**

**SUBTRACT**
The total outstanding checks and withdrawals from the chart at left___________-$

**CALCULATE THE ENDING BALANCE**
This amount should be the same as the current balance shown in your check register_______________________$
Case Study

The Internet has changed the way that business is conducted, both in the United States and beyond the U.S. borders. Some individuals are quite comfortable in making purchases and paying bills on the computer. How safe are these practices? How can the medical assistant know that online bill-pay services are safe and secure? Research this information, and prepare a report for the class.

Workplace Application

The more versatile the medical assistant is, the more valuable he or she will be to the physician-employer. Often, new graduates hesitate in asking patients to pay their accounts. However, the MA who is able to collect patient accounts increases the cash flow in the office. How might the medical assistant gain useful skills in the area of collections?

Internet Activities

1. Explore several types of billing software. Determine which seems to be the best option for a medium-sized family practice clinic. Pay special attention to software that has banking features.
2. Investigate the history of banking, and prepare a report for the class.
3. Research safety measures that are designed to keep confidential banking information private. How do privacy policies affect Internet banking? How can the medical assistant ensure that private information remains private? Prepare a paper or report for the class on this subject.
Chapter 22 Quiz

Name: ________________________________

1. The ABA number is on the bottom of a check.
   a. True
   b. False

2. Always write the check stub ________________________________.

3. A(n) ________ check has an itemized stub.

4. Why might an individual stop payment on a check?

5. Check washing is a type of ________________________________.

6. The person presenting a check for payment is the ________________________________.

7. The person who writes a check is the ________________________________.

8. The person named on a check as the recipient of the amount shown is the ________________________________.

9. Funds paid out are called ________________________________.

10. M-banking is banking by ________________________________.
Fill in the bank deposit figure on the next page using the information in Part IV, Questions 31-34.

### BANK DEPOSIT DETAIL

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**TOTALS**

- CURRENCY
- COIN
- CHECKS
- CREDIT CARDS
- TOTAL RECEIPTS

**LESS CREDIT CARD $**

**TOTAL DEPOSITS**

- DEPOSIT
- DATE: __________  FIRM: __________