

Most of us open our first checking account by age 20. But just because we've had one for years, that doesn't mean that we manage it properly. When is the last time you balanced your bank account? If it's not part of your monthly routine, your inattention could carry a price. If you lose track of how much money is in your account you could get slapped with expensive insufficient funds fees. But it's not hard to get a handle on your account. These three simple steps can help you keep your checking account under control by using your Bank Statements:



1. Keep good records.

The more informed you are about your checking account, the better equipped you'll be to read and analyze your bank statement. "You have to have something to compare it to in order to know whether it's right or wrong," says Michael Stahl, author of *Early to Rise: A Young Person's Guide to Investing*. That means keeping track of account activity. And you do have choices. You can keep a handwritten record of transactions using the register that comes with your checks. Or use a software program, such as Intuit's Quicken or an online version of your favorite financial program. The point is to have a record of every check, deposit and electronic fund transfer that's involved with the account.

2. Open your mail.

When the bank statement arrives, open it and put your record keeping to good use.

"Do it right when you get the statement," Stahl says. "Don't wait."

It's better to examine your bank statement sooner than later for two reasons.

First, if there are any mistakes, reporting them to your bank quickly will ensure they get corrected. Banks usually will disavow errors if they are reported more than 60 days after you received the statement. Second, the fewer days that pass between when the bank issues a statement and when you read it, the more in synch your records will be with the bank's numbers. "It's less confusing and easier to balance your bank statement if you do it as soon as you get it, not three months later," Stahl says.

3. Scan first.

If you're pressed for time, you can get away with examining just the account summary, says Susan Zimmerman of the Zimmerman Financial Group in St. Paul, Minn. It's usually listed at the top of the page and it recaps the state of your account: previous balance, deposits and credits, checks and debits, service charges, interest paid and current balance. "At a bare-bones minimum, look over the summary information and see if the figures are in the ball park," Zimmerman says. For example, you can see if the balance is roughly what you think it should be or whether the amount of withdrawals is way too high. Look for any unusual or unexpected fees.

Keep in mind that bank statements cover a set time period, say from Jan. 18 to Feb. 17, so any checks you've written around or after the closing date won't be on the statement. Ditto any deposits you've made in the meantime.