

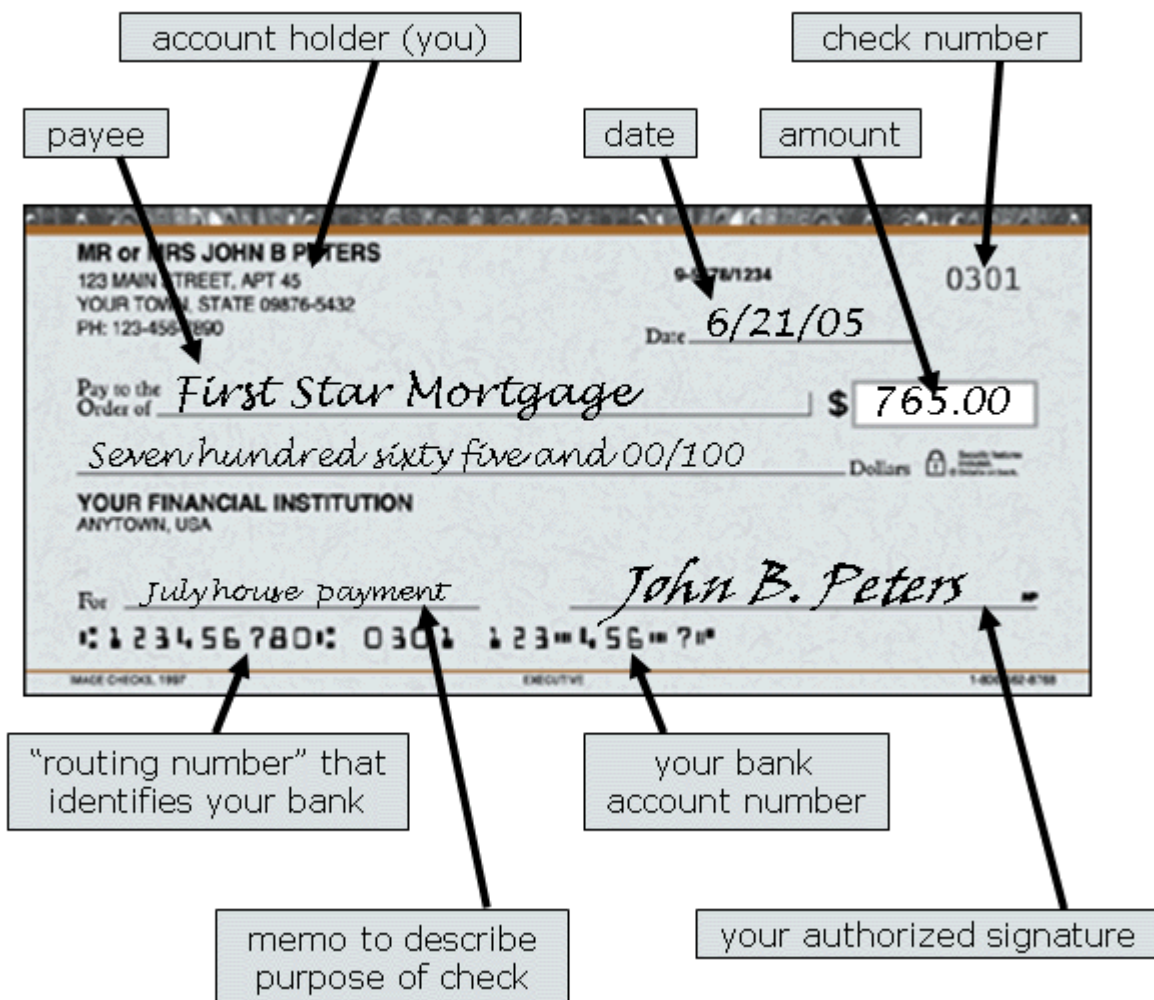
PEAK FINANCIAL ACTIVITY 3a:

READ: Personal Checks, How they Work, How to Use Them

A personal check is a form of payment. It has all of the details of the transaction described on the face of the check. On a canceled check, the back of the check shows the journey the check followed from the payer's account to the payee's account. Because the bank is a third party, it offers third party verification that is accepted by everyone as proof of payment.

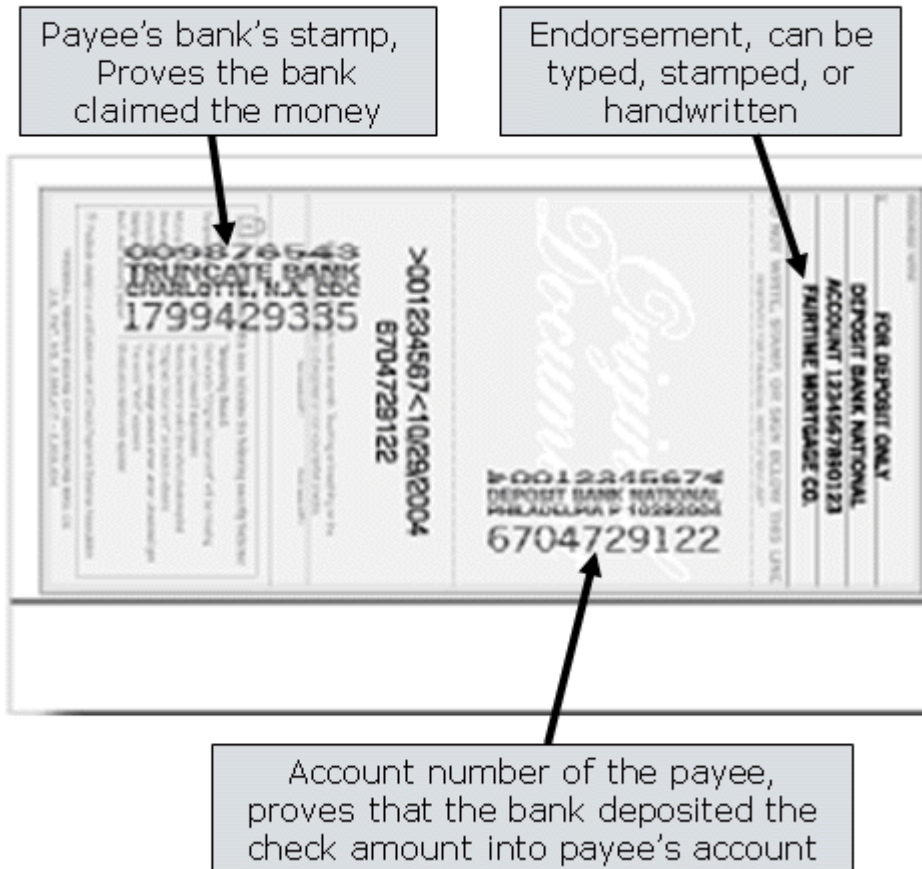
Here's a sample personal check with the sections labeled:

Front of a sample personal check



Here's what the back of the check will look like after it's been processed, paid, and cancelled:

Back of the cancelled (used) check



How To Prove Payment Of An Obligation

If you pay an obligation by cash, be disciplined and keep your receipts. It's the only way to prove you made a payment. Make sure that the receipts you are given are detailed.

If you pay by check, keep your bank statements in order. Balance your bank statements once a month. There is an easy to follow form on the back page of your bank statement that walks you through the process. If you need more guidance on how to balance your checking account, there are a number of free resources in your community and on the Internet. In fact, go to a local bank and ASK for someone to show you how to balance a checking account. It's what they are there to do. Even if you chose not get help with balancing, the bank can find canceled checks as long as you know the check number, the approximate date it might have cleared, or the amount.

If you pay with online bill payment you should have a confirmation number for each transaction. Without it, the bank will have a harder time helping you. It might be possible to find the transaction based upon the date, payee, and amount withdrawn from your account but the confirmation number is the very best proof.

If you pay by money order and your payment goes astray, you should have the money order number and know who to call to track down the canceled money order. If you have the money order number you can start the investigation wherever you purchased the money order. If you don't, you can try to get help from the store that sold it to you, however, chances are they won't have an accounting system they can search by date, amount, or payee.

We create our own experiences. By NOT being organized, by NOT learning how to manage a checking account, by NOT knowing how to prove you make your payments on time and as agreed, you will create a negative record that will deter you from your goal.

Be organized, balance your checking account regularly, and understand how to prove your payment history. This is the best way to reach your goal.

