



Understanding Money Management

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Intro to Agribusiness

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Why Practice Financial Management?

- ✚ Have needed information to make good decisions
- ✚ Able to set priorities of needs & wants
- ✚ Completing Taxes
 - Accurate records allow you to defend yourself in a tax audit.
- ✚ Ability to accurately budget



Disadvantage of Financial Management



TIME

- Time must be set aside monthly

Checking Accounts

- 1. Alternative to cash
- 2. Convenient & safe method to make payments by mail
- 3. Acceptable form of payment at many businesses
- 4. Provides listing of disbursements
- 5. May receive interest on account

Checking Accounts

- 6. Incentives to open checking accounts
- 7. Types of checking accounts
 - No Fee checking
 - Interest earning accounts
 - Package accounts with many features

Disadvantages of Checking Accounts

- ✘ Many businesses will not accept checks anymore
- ✘ Monthly fees
- ✘ Time to balance checkbook monthly
- ✘ Lost/stolen checks can be used to withdraw funds from your account
- ✘ Service charges on overdrafts

Reconciliation of Checking Accounts

- ✦ Mark deposits & checks that have cleared
- ✦ Add to the balance any checks that have not cleared
- ✦ Subtract from balance deposits that have not cleared
- ✦ Deduct service charges



Any Questions