

## 5 – Extension Activity for *Money & Payment Options*

### Specific Outcome(s)

At the end of this extension activity, students will be able to define cheques, identify the advantages and disadvantages of paying with a cheque, and write cheques.

### Materials Provided

- Steps for Writing a Cheque handout
- Writing a Cheque handout

### Materials Needed

- Whiteboard
- Whiteboard markers
- Pencils

### Logistics

- Print the Steps for Writing a Cheque and Writing a Cheque handouts 😊
  - Print enough copies for each student.

### Procedure

- Write the question, “What is a cheque?” on the whiteboard.
- Allow students to share their responses aloud. Write the correct responses on the whiteboard.
- Share with students the following definition of a cheque: “A cheque is a written order directing a bank to pay out money.”
- “Explain to students when you pay by cheque you fill out a form where you write the amount of money you are paying and the name of the person or company to whom you are paying the money (the payee). The payee can take the cheque to the bank and the bank will take money out of your bank account and give it to the payee.
- Explain to students that people may choose to pay by cheque when they are sending money in the mail. You never want to send cash in the mail in case it is lost or stolen.
- Remind students that when you write a cheque, it is important to make sure you have enough money in your bank account to cover the amount of cheque. If there is not enough money in your bank account to cover the amount of the cheque, it will “bounce”. This means the cheque will remain unpaid and the bank will charge you an NSF (non-sufficient funds) fee.
- Distribute the Writing a Cheque handout to students and review the instructions for writing a cheque.
- Review the answers with students after they have completed the worksheet and thank them for their hard work.

## Steps for Writing a Cheque

Here's how you write a cheque:

1. **Date:** Write the date on the line in the upper righthand corner. Include the month, the date, and the year
2. **Payee:** Write the name of the person or company you are paying next to the "Pay to the Order of" line. If you are writing the cheque to an individual, include both their first and last name. If you are writing the cheque to a company, write out the full name of the company.
3. **Cheque amount in numbers:** Write the amount of the cheque using numbers to the right of the dollar sign. Be sure to clearly place the decimal point between the dollar numbers and the cents numbers. Here's an example: \$21.50.
4. **Cheque amount in words:** Write the amount of the cheque using words below the "Pay to the Order of" line. Write out the dollar amount, draw a line to the end of the blank, and add the cents amount written as a fraction over 100. Here's an example: Twenty-one dollars ----- 50/100 dollars.
5. **Memo:** Write what the cheque is for on the "Memo" line in the lower lefthand corner. This is optional, but it can be helpful to write a note to yourself or the recipient describing what the cheque is for. For example, you may write "Birthday present" if you are sending your friend money for their birthday.
6. **Signature:** Sign your name on the line in the bottom righthand corner. Your bank will keep your signature on file to verify your signature on cheques and other documents.



# Writing a Cheque

Fill out the cheques below using the provided information. You may use your Steps for Writing a Cheque handout to help you.

1. You are sending a cheque for \$21.50 to your cousin, Jeff Cousin, for his birthday. Use today's date and your own signature.

Date _____	
<u>PAY TO</u> THE ORDER OF _____	\$ <input type="text"/> _____/100 DOLLARS
MEMO _____	SIGNATURE _____

2. You are writing a cheque for \$11.12 to Phyllis Hunt for a game you are buying from a garage sale. Use today's date and your own signature.

Date _____	
<u>PAY TO</u> THE ORDER OF _____	\$ <input type="text"/> _____/100 DOLLARS
MEMO _____	SIGNATURE _____

## Writing a Cheque Answer Key

Fill out the cheques below using the provided information. You may use your Steps for Writing a Cheque handout to help you.

1. You are sending a cheque for \$21.50 to your cousin, Jeff Cousin, for his birthday. Use today's date and your own signature.

	Date <u>Answers will vary</u>
<u>PAY TO</u>	\$ <input type="text" value="21.50"/>
<u>THE ORDER OF</u>	
<u>Twenty-one dollars -----</u>	<u>50</u> /100 DOLLARS
<u>Birthday present</u>	<u>Answers will vary</u>
<u>MEMO</u>	<u>SIGNATURE</u>

2. You are writing a cheque for \$11.12 to Phyllis Hunt for a game you are buying from a garage sale. Use today's date and your own signature.

	Date <u>Answers will vary</u>
<u>PAY TO</u> <u>Phyllis Hunt</u>	\$ <input type="text" value="11.12"/>
<u>THE ORDER OF</u>	
<u>Eleven dollars -----</u>	<u>12</u> /100 DOLLARS
<u>Garage sale</u>	<u>Answers will vary</u>
<u>MEMO</u>	<u>SIGNATURE</u>