

All About Cheques

Extension Activity for *Money & Payment Options* presentation

Grade Level:

- Grade 5

Learning Objective:

This extension activity, along with the *Money & Payment Options* presentation should help students:

- define cheques and identify the advantages/disadvantages of paying with a cheque
- Be able to write a cheque

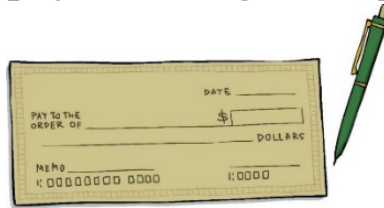
Materials Needed:

- whiteboard
- whiteboard marker
- *Steps for Writing a Cheque* handout (1 per student)
- *Writing a Cheque* worksheet (1 per student)

Lesson Plan:

1. Write the question what is a cheque? on the whiteboard
2. Allow students to share their responses aloud. Write the correct responses on the whiteboard
3. Share with students the following definition of a cheque:
cheque: a written order directing a bank to pay out money
4. 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 you are paying the money too (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
5. Explain to students 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
6. Remind students 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 which is around \$45
7. Distribute the *Writing a Cheque* handout to students and review the instructions for writing a cheque
8. Review the answers with students after they have completed the worksheet

Steps for Writing a Cheque



Instructions:

- 1) **date**: write the date on the line in the upper right hand 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. For 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. For example: Twenty-one dollars-----50/100 dollars.
- 5) **memo**: Write what the cheque is for on the 'Memo' line in the lower left hand 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 right hand corner. Your bank will keep your signature on file as a way to verify your signature on cheques and other documents.

Writing a Cheque

- 1) You are sending a cheque for \$21.50 to your cousin, Jeff Cousin, for his birthday. Fill out the cheque below.

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. Fill out the cheque below.

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

Writing a Cheque: Answer Key

- 1) You are sending a cheque for \$21.50 to your cousin, Jeff Cousin, for his birthday.

Fill out the cheque below.

	Date <u>Today's date</u>
<u>PAY TO</u> <u>Jeff Cousin</u>	\$ <u>21.50</u>
THE ORDER OF	
<u>Twenty-one dollars -----50/100 DOLLARS</u>	
<u>Birthday present</u>	<u>Answers will vary</u>
MEMO	SIGNATURE

- 2) You are writing a cheque for \$11.12 to Phyllis Hunt for a game you are buying from a garage sale. Fill out the cheque below.

	Date <u>Today's date</u>
<u>PAY TO</u> <u>Phyllis Hunt</u>	\$ <u>11.12</u>
THE ORDER OF	
<u>Eleven dollars -----12/100 DOLLARS</u>	
<u>Garage sale</u>	<u>Answers will vary</u>
MEMO	SIGNATURE