

FLY WITH THE WIND!

Engaging Inuit Youth in the Canadian Economy

Opening a Bank Account

Getting your own bank account is often considered to be part of growing up. Usually this is caused by getting your first job and receiving paycheques or just needing a place to keep the money you receive from different sources. Opening a bank account isn't difficult, but there are a few things you should think about before you actually start filling out the forms.

To start with, banks offer different kinds of accounts for different purposes. Most people have two kinds of accounts — a savings account and a chequing account. A savings account is usually where you put money you don't need right away. You can still access this money whenever you need it. But, if you leave the money in the account for a while, the bank will pay you a little interest for keeping the money with them. Usually, the amount of interest is very small, but at least you are getting something for leaving your money in the bank.

Before you open a savings account, ask the bank about any fees that may be charged for certain services. Some banks may charge for making a withdrawal (taking money out) from your account, having a paper statement mailed to you every month, using an automated teller machine (ATM or bank machine) from another bank, or for paying bills. Each bank is different, so make sure that before you sign up you understand the fees they charge. Don't be afraid to bargain either. The bank wants your business.

Chequing accounts are a little different. You can still access your money as you would with a savings account, but you can also write a cheque. A cheque is simply a piece of paper that says you promise to pay a certain amount of money to a certain person or agency on a certain date.

The cheque needs the name of the person or agency you are giving the money to, a date, an amount of money (both in numbers and words) and your signature. Chequing accounts are great for paying bills and for purchasing goods and services. The only real negative side of chequing accounts is that banks usually do not pay any interest on the money in the account.

You also have to make sure that there is money in the account before you write a cheque. If there isn't enough money in the account to cover the amount on the cheque, the cheque "bounces." In this case, you will face some bank fees and the person who received the cheque won't be happy. They may also be charged fees by their bank that they may want you to pay as well as the amount of the cheque.

Remember, it can easily take a week or more for the cheque to "clear" or be deposited (put) in the other person's account and the money to be taken out of your account. You are responsible for making sure there is enough money in your account when the cheque clears.

If you have regular payments coming to you, either from a job or the government, ask how direct deposits can be made. Direct deposit means that these payments will be put directly into your bank account for you, saving time on mail and possible loss or delay of your payments. You can also set up paying bills online. Information on this will be available at the bank or online. Taking advantage of these services can make your financial life easier and safer.

Opening a bank account can be done by mail or online, but it is easiest just to visit your local bank.



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If there is a bank in your community

If you have a bank in your community, here is a list of things you will have to do.

1. Pick a bank that is convenient for you and check out their website for hours, services and location of ATMs.
2. Ask about the different accounts that are available and what fees are charged with each kind.
3. Decide what kind of account you need – a savings account, chequing account or both. Ask about the different fees, services provided and interest rates.
4. Make an appointment to meet one of the bank's employees. Take two pieces of photo ID with you (for example, your driver's license or passport). People under 18 will have to go with a parent or guardian.
5. You will need to have money to deposit into your account at the time you open it.
6. Fill out the necessary paperwork.
7. Once the bank looks over the information, they will give you a bank card and get you started. You will have to choose a Personal Identification Number (PIN) for your card.

Make sure you pick one you will remember and don't let anyone else know what it is, as they could access the money in your account.

Don't write your PIN on the back of the card or keep it in your wallet or purse, just in case you lose these.



If there is no bank in your community

If you live in a community without a bank, you can contact a bank closest to you and they will send you a kit. The kit will include some forms to fill out, including asking for your name, date of birth and address.

1. You will be asked to photocopy two pieces of identification (one has to be photo ID such as a driver's license, but the other can be a health card). Make sure you have these photocopies "notarized" or confirmed and signed by someone like the RCMP or a public notary if there is one in your community.
2. After you complete the forms and get the two photocopies notarized, send the package with all the completed forms back to the bank. They will check everything and send you a bank card and information to get you set up.
3. You can access your new account online, but getting cash from the account may require you to use an ATM or other resource in the community, such as the co-op or the Northern Store. There will be fees charged for this service.

Remember, bank accounts are useful tools but, they have to be set up right and monitored to get the best results for you.



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