

Budgeting

How to Set up a Checking Account

A checking account allows you to keep your money in a bank, to write checks, and to withdraw cash.

Can I set up a checking account if I am under 18?

You may be able to set up a checking account if you are under 18. Although some states require individuals to be over 18 when setting up a checking account, banks have no uniform policies about checking accounts for minors. Some banks allow minors to set up their own account, some allow minors to set up checking if a parent or guardian is the co-signer on the account, and some banks don't allow anyone under 18 to open a checking account. Since this varies by bank and state, it's a good idea to call your local bank to find out more about their policies.

What if I can't set up an account in my state because I'm under 18?

Many banks allow minors to set up an account if an adult co-signs on the account. Co-signing allows both parties access to the account and makes both parties liable for any late fees, overdraft fees, or fraudulent activity. If you co-sign on an account with an adult, it is a good idea to make sure that both parties understand their responsibilities. For instance, the adult co-signer may agree not to take funds out of the account without permission while the team agrees to pay any fees that might occur.

What type of checking account should I get?

Ask a bank's customer service agent about the different types of checking accounts they provide, and the costs and regulations associated with the accounts. If you are a student, you may qualify for a Student Checking Account. A Student Checking Account typically saves money in the long run because there are no monthly service fees and no minimum balance requirements for the account.

What do you need to set up a checking account?

When you go to a bank or credit union for the first time to open an account, you will need to bring identification and funds to deposit. Initial deposits can be in the form of cash or check. Most banks require one form of photo identification (i.e. driver's license, state identification card, or passport) and a secondary form of identification. The minimum amount of money you will need to open your account varies by bank, so again it's best to call ahead or look online for "minimum initial deposit" requirements.

What's the next step?

When you open your checking account, you will complete signature cards that will remain on file at the bank. These cards are used to make sure the signature on all checks, withdrawal slips, and deposit slips is yours. At this time, you will also order your checks. Usually, the bank provides some starter checks to use until you receive your personalized checks. Your first set of checks will typically cost \$10.00 to \$25.00 and can be automatically taken out of your first deposit.

Do I need identification to write a check?

You may need to show identification when you present a check to a cashier. If you don't have a driver's license, it's a good idea to get a state-issued ID card.