Types of Electronic Banking

If you would like, print this study aid for future reference.

Debit Cards
A debit card is similar to an ATM card in that both allow you to deposit cash into and withdraw money from your checking account at ATMs. The difference is that you can use a debit card to make purchases at retail locations such as, department stores and gas stations.

Debit cards generally feature a Visa or MasterCard logo so you can make “debit” or “credit” purchases where these cards are accepted. When you make a “debit” purchase, you must enter your Personal Identification Number (PIN). Whereas with a “credit” purchase, you may only have to sign the merchant receipt.

Automatic Bill Payment
Automatic bill payment transfers money electronically from your account to pay your bills automatically on the designated payment dates. Be sure to check with your financial institution because this service may not be free with all accounts.

If you use automatic bill pay, you do not have to pay for postage or worry about late payments. However, make sure you:

- Have enough money in your account to cover your bills when they are due, and keep track of your account balance. A bill may be higher than anticipated (for example, in the summer or winter when your utility bill may be higher), and you could risk overdrawning your account if you do not have enough money to cover the bill or transactions made after the bill is processed.

- Check your bills regularly to ensure the bill is accurate and the payment is made. You may be responsible for late payments if the bill is not paid automatically as anticipated.

Online Bill Payment
Online bill payment is different from automatic bill payment in that you can designate when bills are paid from your account each month.

There are several ways you can pay bills online. You may be able to pay bills from your online banking account, through a budgeting software program, and/or by creating an online account with your service provider (electric, water, or cable/satellite companies, etc.). If you pay bills online, you may need to:
• Enter the payee’s name, your account number, and other information related to the bill or company being paid.

• Enter your form of payment (bank account information) and/or payment amount.

• Click the payment option (for example, “Pay” or “Send Payment”) and/or authorize the payment.

**Cell Phone (Mobile) Banking**
Depending on the services offered by your financial institution and your cell phone service provider, you may be able to conduct the following banking transactions from your cell phone:

• Receive text message alerts when your account balance reaches a certain level, or when a certain transaction occurs. Check with your cell phone service provider regarding fees for sending and receiving text messages if they are not covered in your plan.

• Access your online bank account to check balances, pay bills, and transfer funds between accounts.

• Locate your bank’s closest ATMs.

• Pay for purchases.

As with a regular landline telephone, you can also call your bank to conduct many transactions such as, check your account balance, determine whether checks/transactions have cleared, and transfer money between accounts.