

## Deposits & Withdrawals

Once you have an account, you will be able to conduct banking transactions on your account, which is just a fancy way of saying that you can deposit money into your account and withdraw money from your account.

### ***Deposit Money***

In order to take money out of your account, you'll need to put some money into your account. There are a wide variety of ways you can deposit money into your account and generally, financial institutions do not charge you any fees for making deposits or include them in your number of account transactions, though this is not a hard and fast rule.

The most traditional way to make a deposit to your account is to take your cash or cheque deposit into your branch or financial institution and make a deposit with a teller or member service representative. While going into a branch can be less convenient, some people really enjoy banking this way because it has the added personal touch of interaction with another person. It is also a no-tech or low-tech way of banking which appeals to some people.

Another common way to make deposits to your account is to use your debit card to deposit money into an ATM. It is usually a straight-forward process if you follow the prompts on the ATM screen. When you deposit cash or cheques into an ATM, your balance will update immediately but you will not be able to access that money until your deposit has been processed and cleared. If you make the deposit at your financial institution's ATM, the funds usually are cleared and become available to you at some point during the next business day. However, if you make your deposit at an ATM from another financial institution, it may take several days to a week before the funds clear and you can access them.

Direct deposits (also called Electronic Funds Transfers or Automated Funds Transfers) are a way to deposit money electronically into your bank account. This method uses an electronic network to allow deposits to take place between financial institutions. This is most often used when a business or government agency is giving you money such as your employer depositing your pay cheque into your account or the government depositing your tax refund into your account. In order to set up a direct deposit, you will need to provide the company or payor with your bank account information so they can set up the direct deposit. They will need to know:

- Your financial institution's name
- the transit number which is a standard 5-digit number that identifies at which branch of a financial institution your account is held
- the institution number which is the 3-digit number that identifies your bank or credit union
- and the account number for the account you would like the deposit to go into.

Often they will provide you with a form to fill out requesting this information or they may simply ask you to give them a void personal cheque as all of the required information is printed on the cheque.

Interac e-Transfers are another way you can receive and deposit money. When someone sends you an e-Transfer, you receive an email or text message notification that walks you through the process of receiving and depositing the money into your account using your online banking. In order to receive an

e-Transfer, you will need an email address or mobile phone number and have online banking set up at your financial institution.

If your financial institution has a mobile banking app that allows you to access your online banking from your smartphone, you may have the option of depositing cheques into your account by taking a photo of them using your smartphone.

If you are receiving money from another country, you may receive a wire transfer. These deposits will go through your financial institution's banking system and when your financial institution receives the wire transfer, they will deposit it in your account. Wire transfers typically take a few days to process and usually involve some service fees as there is a cost to your financial institution when they offer this service.

There are a few things you should be aware of when you deposit money into your account. If you are depositing a cheque, you may find that your financial institution will put a hold on your cheque for a few days. This means that they deposited the cheque into your account but you cannot access the funds until the cheque has cleared. This protects both you and the financial institution from excessive loss should the cheque bounce.

As we mentioned earlier, in general, most financial institutions won't charge you to deposit money into your account. However, there are some common exceptions. When your deposits involve dealing with foreign currencies, there may be a fee for the deposit. For example, if you go on vacation and bring your leftover currency from the country you visited into your branch to deposit, you may find there is a fee to deposit the money. This is usually because the financial institution must pay extra costs and fees for handling the currency on their end. And, as we mentioned earlier, wire transfers often have fees associated with them as they require behind the scenes services that the financial institution must pay for.

### ***Withdraw Money***

Once you have money in your account, you can withdraw it (or debit your account) in a variety of ways. Often debit transactions (which is when you take money out of your account) incur a service fee. Depending on your account and your financial institution's service fee policies, withdrawal transactions may be included in your account fee or you may need to pay extra for some transactions. It's a good idea to know how much your financial institution charges for withdrawals and how many are included in your account and which ones you will need to pay for.

You will notice that you can use most of the same methods to withdraw money from your account as you do to deposit money into your account.

You can go into a branch and ask the teller or member service representative to withdraw money from your account. Whether you want to receive the money in cash, transfer it into one of your other accounts, pay a bill or even purchase a bank draft, the teller will be able to help you with your transactions.

Another traditional way of withdrawing money from your account is to write a cheque. Once the cheque is 'cleared' through the banking system, the money is withdrawn from your account and deposited into the account of the payee on the cheque. This process can take a few days after the payee takes the

cheque to their financial institution and cashes it or deposits it in their account. While electronic options are causing people to use cheques less and less frequently, cheques are still very useful. They can be convenient as they may save you a trip to your branch when making payments or sending money, especially if you aren't comfortable with electronic banking. They can be a form of proof of payment. If you give someone a cheque and they deposit it, there is verifiable proof of the transaction that doesn't exist when you use cash. And, if you're going to send money by mail and don't want to use or can't use the available electronic options, it is much safer than mailing cash.

Using a debit card is a very popular way to make a withdrawal on your account as they provide a high level of convenience. You can use your debit card to take cash out of an ATM. Like when you deposit money in an ATM, you usually are not limited to using your financial institution's ATM to withdraw money. However, be aware that many financial institutions charge a service fee for withdrawals on ATMs from other FIs and some ATMs may charge their own fee for using them. So, you could potentially end up with 2 service fees if you use an ATM that is not from your financial institution (one from your FI and one from the FI or company who owns the ATM that you used). Just be careful and pay attention to the messages on the screen when you're using your debit card at another ATM. And, if you travel and would like to use your debit card at an ATM in a foreign country, be sure you know what kind of service fees your financial institution will charge as well as how foreign exchange will be calculated when you use your card. It is also good to know how to identify what kinds of ATMs your card will work in as it may not work in all foreign ATMs. Aside from simply withdrawing cash at an ATM, you can also pay bills at some ATMs and, if you have more than one account linked to your card, you can often transfer money from one account to another.

You can also use your debit card to make a purchase in a store. Just tap, insert, or swipe your card to make a purchase. If you insert your card or swipe it, you will be prompted to enter your PIN number as a security measure to authorize the transaction. This is much safer than carrying around a lot of cash to make purchases and provides a good record of your transactions. Just be sure to develop good security practices when using your debit card such as looking for alterations to the ATM or debit machine, checking for any cameras that may record you as you enter your PIN, setting up a secure, hard-to-guess PIN and not sharing your debit card or your PIN with anyone else.

Similar to Direct Deposit, you can also set up a pre-authorized debit or withdrawal where payments are set up to be paid electronically from your bank account. This is a great way to pay your regular monthly bills such as utilities, rent or cell phone bills, etc. as the money will automatically be taken from your account and you won't have to remember to make your bill payments each month. Once again, when you set up a pre-authorized withdrawal, you will need to provide the company or payee with your bank account information so they can set up the pre-authorized withdrawal with their financial institution. It is also good to remember that the electronic payment may be made any time after 12:01am on the date the payment is set to be made so it's a good idea to ensure the funds are in your account the day before your payment is due to avoid any of the fees or problems that can go with having insufficient funds in your account when they try to make the withdrawal.

Interac e-Transfers are another way you can withdraw money from your account. You can send money electronically to someone else by sending an e-Transfer using your online banking. They are very useful when you need to give or send money to another person whether you're paying back your portion of a bill, sending birthday money to that special niece or paying an electrician or plumber for their work on

your home. It's all electronic and they do not need to provide you with any personal information other than their email address or mobile phone number. Depending on your account and your financial institution, you may be charged a small fee to send an Interac e-Transfer so be sure you are aware of the fee before you send one.

A very convenient way to make a variety of withdrawals is to use your financial institution's online banking or mobile banking app. This will allow you to transfer money between your accounts. Some FIs will even allow you to transfer money easily between yourself and other members or customers of the same FI using your online banking. As we mentioned earlier, you can send Interac e-Transfers from inside your online banking and you can also pay bills as well. When you pay your bills at your financial institution, it can take a couple days for the bill payment to work its way through the banking system so it's a good idea to pay your bills a few days ahead of when they are due to avoid any late fees.

FIs will often allow you to send wire transfers from your account as well. Wire transfers will usually come with a special fee and may take several days to reach the destination. Your FI will also need very specific and complete information from you regarding the wire recipient to ensure that it arrives at the correct destination.

As we've seen, there are a wide variety of ways you can deposit money into your account or withdraw money from your account. Take the time to research the methods offered by your own financial institution and the fees associated with them. Consider your own personality, schedule and lifestyle when deciding how you will perform transactions on your accounts. If you have questions or problems, don't hesitate to reach out to your financial institution for help.