Name: Jake Sylvestre Date:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Mods:\_\_\_\_\_\_\_\_\_

**Cash Management Tools**

**Did You Know**

* How do small amounts of money saved and invested easily grow into larger sums??
  + Investing Money invested earns interest.
    - Definition- \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Cash Management**

* Cash Management- \_\_\_\_\_\_\_Being able to save money for living expenses, emergencies and investments\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
* Effective cash management means you have money for
  + Checking
  + \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
  + \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
  + \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Cash Management Tool**

* Cash Management Tool- Financial Account used to assist with daily cash management \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
  + Three types of tools: Checking Account Savings Acount Cds

**Checking Account**

* **Use:** Cash management tool to make cash purchases and transfer funds into an account. Zero
* **Interest:** Most checking accounts do not pay interest
* **Accessibility:** Money can be withdrawn at any time, very easily

**Savings Account**

* **Use:** Tool used to hold or store money for emergencies or large purchases
* **Interest:** low interest
* **Accessibility:** Money can be withdrawn at any time

**1-1.5%**

* **Use:** Tool used to invest money on a short term interst. A CD has a set term (1-5 years)
* **Interest:** does earn interest! But rates vary. The longer the length of the term, the higher the interest rate
* **Accessibility:** restricted access to the funds, must keep money in CD for the full term or pay penalties

**Liquidity**

* Definition- How quickly and easily an asset can be converted into cash
* Liquid assets are important for emergencies when cash must be quickly accessed

**Risk**

* These three cash management tools are Low risk:
* Funds in these type of accounts are insured by the FDIC (up to $250,000)
* However, they have lower interest rates which can cause low earnings

Checks

* **Personal Info**
  + Account holder’s anme and adress
* Check Number
  + Used to identify checks
* Date
  + the date the check is written
* Pay to the order of
  + The name of the person or buinsess to whom the check is being written
* Amount of the check in Numerals
  + The amount of the check written numerically in the box
* Amount of the check in words
  + Start far left of the line, write ammount in words followed by ‘and’ and the ammount of cents over 100 draw a line from the end of the words to the dollars
* Memo
  + Why did u write the check
* Signature
  + Account holders’ signature agreeing to the transaction