

# The Undesirable Gift



## Pre-reading

Questions: What might this reading be about?

Definitions: Avoid – to keep away from something

Manage – to direct or control the use of

Transaction – the act of doing business

## Reading

Kim enjoys giving gifts to her friends, co-workers, family members, and herself. She loves the holiday season. Store shelves are stocked with bright, shiny items. Joy is in the air and sale signs are abundant. There are so many things for her to purchase!

This year she is trying to enjoy the holiday season with less expensive gifts. Last year she overspent. As a result, she received a “gift” of three overdrafts from her bank. They cost \$30.00 each. Kim has learned what an overdraft and bounced check are and how to avoid them.

When a person writes a check, withdraws money from an ATM, uses a debit card to make a purchase, or makes an automatic bill payment for more than the amount in his or her checking account, the account is overdrawn.

The bank has the choice to either pay the amount or not pay the amount. If it pays, an overdraft fee is charged to the account holder. If the bank returns the check without paying it, the account holder is charged a “bounced check,” or “nonsufficient funds,” fee. In addition, the person or store that the check was written to may charge the account holder a “returned check” fee.

In order to prevent overdrafts and bounced checks, Kim has made some changes in how she manages her money. She is diligent about keeping her account register up-to-date. She records all checks when she writes them and other transactions as she makes them.

Kim does a lot of electronic transactions. She is now in the habit of recording all her ATM withdrawals and fees, as well as debit card purchases and online payments, on a daily basis.

Kim reviews her account statements each month. Plus, in between statements she will often call her bank or check online to find out what payments have cleared and her current account **balance**. Kim does not plan to receive any undesirable gifts from her bank this holiday season.

## Understanding

1. How does an account become overdrawn? \_\_\_\_\_  
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2. What did Kim receive from the bank? \_\_\_\_\_  
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3. What does the word **balance** mean in this reading? \_\_\_\_\_  
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4. How are overdrafts and bounced checks similar? \_\_\_\_\_  
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5. How are overdrafts and bounced checks different? \_\_\_\_\_  
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6. What are some examples of electronic transactions? (List at least two.) \_\_\_\_\_  
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7. How is Kim working to prevent overdrawing her account? \_\_\_\_\_  
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## Writing

Option A: Summarize the writing in your own words.

Option B: What is your experience with overdrafts or bounced checks? How do you avoid them?

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