### Talk the Talk: 20 Key Banking Terms

Before you start looking at different types of bank accounts it would be a good idea to make sure you understand some of the terminology specific to the banking world. The following chart identifies key banking terms and their definitions. **Review the chart now and as you read through the rest of the lesson refer to the chart again whenever you need to double-check a definition**.

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| Key Term | Definition |
| 1. Deposit
 | A deposit is money that is placed into an account at a financial institution for safekeeping. |
| 1. Withdrawal
 | A withdrawal is the act of taking money out of an account at a financial institution. |
| 1. Transaction
 | A transaction is any financial event that occurs; examples include: deposits, withdrawals, transfers, etc. |
| 1. Electronic Transfer
 | An electronic transfer is the transfer of funds from one bank account to another. This may also be referred to as an e-Transfer. |
| 1. Debit Card
 | A debit card is an ATM card that can be used to pay for goods and services; the debit card draws the money directly from the bank account it is linked to. |
| 1. Service Fees
 | A service fee can be a charge for a service or a penalty for not meeting the requirements of the account agreement with your bank. |
| 1. Overdraft Protection
 | Overdraft protection is an agreement between you and your bank that allows you to withdraw more money than what you have in your account, usually up to a certain limit. |
| 1. Cheque
 | A cheque is a written agreement that orders your bank to pay out a sum of money to a specific person or organization (also known as the payee). |
| 1. Certified Cheque
 | A certified cheque is a type of cheque where the bank has already certified that there are sufficient funds to cover the payment (this money is set aside by the payer’s bank until it is cashed by the payee).  |
| 1. Bank Draft
 | A bank draft is where you first submit the funds to the bank and then the bank would issue the bank draft to the desired payee, guaranteeing the funds are there. |
| 1. NSF (non-sufficient funds)
 | NSF means an account balance is too low to cover a debit card purchase or cheque payment. Sometimes this is also called insufficient funds (IS). |
| 1. Safety Deposit Box
 | A safety deposit box is a box or safe that is located inside a financial institution that is used to store valuables such as documents and jewelry. |
| 1. Interest Rate
 | Interest rate is the annual percentage paid on an interest-bearing bank account. |
| 1. Online/Mobile Banking
 | Online banking means having access to your bank accounts using the Internet. Mobile banking means having access to your bank accounts using a smartphone or tablet. |
| 1. Minimum Balance
 | Minimum balance is the amount some banks require you to keep in your bank account in order to avoid extra fees. |
| 1. Account Balance
 | The account balance refers to amount of money in your bank account at a specific moment in time according to your bank. *This may be different from the Available Balance* if there are any deposits or cheques put on hold by the bank. |
| 1. Teller/Member Service Representative
 | An employee of a financial institution whose job includes helping customers or members complete banking transactions. |
| 1. ATM (automated teller machine)
 | An ATM is an electronic banking machine that allows customers to complete basic transactions without the help of a teller or bank representative. |
| 1. Debit
 | Whenever you withdraw money from a bank account, the bank considers this a debit because their liability to you decreases (this means they legally owe you less). Funds are going OUT of your account. |
| 1. Credit
 | Whenever you deposit money into a bank account, the bank considers this a credit because their liability to you increases (this means they legally owe you more). Funds are going IN to your account. |