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HOW TO CHOOSE THE BEST BANK FOR YOU

BRENTWOOD, Tenn. – When opening a checking or savings account, security and convenience top the list of must-haves. But how do you know which bank, savings and loan or other choice is the right one for you? There are many different factors to consider, according to the Tennessee Society of CPAs.

SECURITY COMES FIRST

Your chief concern in selecting a bank will be the safety of the money in your accounts. Most depositors at banks and savings and loans are insured by a government agency called the Federal Deposit Insurance Corporation, or FDIC for short. Due to the current problems in the banking industry, the FDIC will guarantee each depositor's money up to \$250,000 through Dec. 31, 2009. That means your cash will be returned to you, even if your bank fails. Some retirement accounts, including individual retirement accounts, are covered for up to \$250,000 per depositor. So, the first question you should ask about any institution you're considering is whether your deposits will be FDIC insured. Keep in mind that if you have joint accounts, each depositor's share of the account is protected up to \$250,000 until Dec. 31, 2009, and for at least \$100,000 thereafter.

WHAT'S THE BEST DEAL?

The next question is which bank offers the best options financially for you. For example, some banks pay interest on some of the dollars in your checking account, allowing your funds to earn money for you before they are spent. Other banks may offer free checking, which can be a great way to cut down on costs. The interest that banks pay on savings accounts also will vary, so

it's a good idea to shop around and compare the offers available. Consider what kinds of fees each bank charges in different situations, as well, such as charges for using the ATM at your bank or at other institutions. Then consider what types of accounts you will need and evaluate each bank's costs and benefits.

LOOK INTO SERVICES

You'll also want to consider which services the bank offers. Does it provide online banking? Direct deposit of your payroll check? Direct bill pay from your account for regular expenses such as your mortgage or utilities? Is there overdraft protection so you can avoid bouncing a check if one of your deposits doesn't clear as quickly as you thought it would? Are safe-deposit boxes available? Make a list of the services you think you'll want and find out whether each bank you're considering can meet your needs. At the same time, ask about other options that are offered. One bank may provide a valuable service you never realized was available.

HOW CONVENIENT IS IT?

The bank closest to your home or business may not be the best one if it is always crowded when you usually do your banking. Stop by on weekends or at lunch hour to see how long the lines are. You may find that driving to another less crowded bank a few minutes down the road will actually save you time spent waiting in line. Check, too, to see how many ATMs will be available to you and if they are along your regular routes of travel. You will save money if you can avoid paying a fee at another bank's ATMs.

About Money Management

Money Management is a weekly column on personal finance prepared and distributed by the Tennessee Society of Certified Public Accountants (TSCPA) as a part of its financial literacy initiative.

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