

# **BANKING AND FINANCE: OPERATIONS**

## Curriculum Content Frameworks

**Please note: All assessment questions will be taken from the knowledge portion of these frameworks.**

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# Curriculum Content Frameworks

## BANKING AND FINANCE: OPERATIONS

Grade Levels: 10, 11, 12  
Course Code: 492040

Prerequisite: Banking & Finance: Principles

Course Description: Banking and Finance: Operations is a one-semester course that assists the student in understanding the U.S. payment system and daily operations of depository institutions. Students study the regulatory framework, U.S. payment system, check collection system, money creation, internal controls, financial statements, and risks. This curriculum is adapted from Wisconsin Finance Youth Apprenticeship, Wisconsin Department of Industry, Labor, and Human Relations, Bureau of Apprenticeship Standards, Office for Workforce Excellence.

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# Unit 1: Deposit Operations

## Hours: 20-25

Terminology: Asset, Bank check, Bank draft, Bank money order, Capital, Cash flow, Cash management, Certification, Check, Comptroller of the Currency, Draft, Drawee, Drawer, Endorsement, Federal Deposit Insurance Corporation (FDIC), Federal Reserve Act, Federal Reserve System, Federal Savings and Loan Insurance Corporation (FSLIC), Identification, Money, National Bank Act, Negotiability, Negotiable instrument, Promissory note, Return item, Securities and Exchange Commission (SEC), Teller's check, Teller selling, Teller work values, Traveler's check

<b>CAREER and TECHNICAL SKILLS</b>			<b>ACADEMIC and WORKPLACE SKILLS</b>		
What the Student Should be Able to Do			What the Instruction Should Reinforce		
Knowledge	Application		Skill Group	Skill	Description
1.1 Define terminology	1.1.1	Prepare a list of terms with definitions	Foundation	Reading	Applies/Understands technical words that pertain to deposit operations [1.3.6]
				Writing	Uses words appropriately [1.6.21]
1.2 Discuss the importance of the different payment devices in the U.S. payment mechanism	1.2.1	Differentiate among the cash/coin, check, credit, and debit payment devices	Foundation	Speaking	Communicates a thought, idea, or fact in spoken form [1.5.5]
			Thinking	Reasoning	Comprehends ideas and concepts related to payment mechanisms [4.5.2]
1.3 List the four features that differ among payment systems in the United States and other countries	1.3.1	Discuss the four features of payment mechanisms that differ from the United States and other countries	Foundation	Writing	Communicates thoughts, ideas, or facts in written form in a clear, concise manner [1.6.6]
			Thinking	Reasoning	Sees relationship between two or more ideas, objects, or situations [4.5.5]
1.4 Discuss the early U.S. payment system	1.4.1	Identify the problems associated with the early payment system in the United States	Foundation	Speaking	Communicates a thought, idea, or fact in spoken form [1.5.5]
			Thinking	Problem Solving	Identifies possible reasons for problem [4.4.6]
1.5 Define the purpose of the Federal Reserve	1.5.1	Explain the role of the Federal Reserve in the payment system	Foundation	Reading	Presents answers/conclusions in a clear and understandable form [1.6.13]
			Thinking	Decision Making	Comprehends ideas and concepts related to the Federal Reserve in payments [4.2.2]
1.6 Discuss foreign central banks' role in payment systems	1.6.1	Differentiate among the various countries' role in payment systems	Foundation	Speaking	Communicates a thought, idea, or fact in spoken form [1.5.5]
			Thinking	Knowing how to Learn	Applies new knowledge and skills related to foreign payment systems [4.3.1]

<b>CAREER and TECHNICAL SKILLS</b>		<b>ACADEMIC and WORKPLACE SKILLS</b>			
What the Student Should be Able to Do		What the Instruction Should Reinforce			
<b>Knowledge</b>	<b>Application</b>	<b>Skill Group</b>	<b>Skill</b>	<b>Description</b>	
1.7 Discuss the future trends in technology affecting U.S. payment systems	1.7.1 Make a list of needed technology in payment systems in the United States	Foundation	Speaking	Communicates a thought, idea, or fact in spoken form [1.5.5]	
	1.7.2 Identify problems associated with new technology and how to address those problems		Writing	Communicates thoughts, ideas, or facts in written form in a clear, concise manner [1.6.6]	
		Thinking	Creative Thinking	Finds new ways of dealing with existing problems/situations [4.1.5]	
1.8 Define key payment related to banking terms	1.8.1 Differentiate among ACHs, check transactions, DOS terminals, and ATMs	Foundation	Writing	Presents answers/conclusions in a clear and understandable form [1.6.13]	

## Unit 2: Deposits and Depositories

**Hours: 2-4**

Terminology: Acceptability, Account, Account activity, Annual percentage rate (APR), Balance, Bank acceptance, Beginning cash, Cash in, Cash items, Cash out, Commercial, Commercial bank, Credit, Credit ticket, Cross-selling, Customer expectations, Customer service representative, Debit, Debit ticket, Delivery, Demand deposit, Deposit, Difficult customer, Direct deposit, Dissatisfied customer, Ending cash, Financing, Grace period, Hold, Installment loan, Interest, Interest rate, Investment, Lending, Loan, Maker, Maturity, Money market instruments, Negotiable order of withdrawal (NOW) account, Nonsufficient funds (NSF), On-other check, On-us check, Overage, Overdraft, Overdraft protection, Passbook, Payee, Payor bank, Postdated check, Quality service, Receiving teller, Register check, Satisfied customer, Service charge, Signature card, Split deposit, Statedated check, Stop payment, Stop payment order, Time deposit account, Treasury bill (T-bill), Yield

<b>CAREER and TECHNICAL SKILLS</b>		<b>ACADEMIC and WORKPLACE SKILLS</b>			
What the Student Should be Able to Do		What the Instruction Should Reinforce			
Knowledge	Application	Skill Group	Skill	Description	
2.1 Define terminology	2.1.1 Prepare a list of terms with definitions	Foundation	Reading	Applies/Understands technical words that pertain to deposits and depositories [1.3.6]	
			Writing	Uses words appropriately [1.6.21]	
2.2 Discuss the major types of deposit accounts	2.2.1 Identify and explain the different types of deposit accounts	Foundation	Speaking	Communicates a thought, idea, or fact in spoken form [1.5.5]	
2.3 Discuss the major types of deposit institutions	2.3.1 Identify and explain the different types of deposit institutions	Foundation	Speaking	Communicates a thought, idea, or fact in spoken form [1.5.5]	

## Unit 3: Regulatory Structure

### Hours: 5

**Terminology:** Association number, Bait money, Bank Protection Act, Bank security officer, Collusion, Counterfeit, Dissolving check, Dual control, Embezzlement, Extortion, Forgery, Fraud, Hostage, Kidnapping, Kiting, Nonthreatening security condition, Threatening security condition

CAREER and TECHNICAL SKILLS			ACADEMIC and WORKPLACE SKILLS		
What the Student Should be Able to Do			What the Instruction Should Reinforce		
Knowledge	Application	Skill Group	Skill	Description	
3.1 Define terminology	3.1.1 Prepare a list of terms with definitions	Foundation	Reading	Applies/Understands technical words that pertain to regulatory structure [1.3.6]	
			Writing	Uses words appropriately [1.6.21]	
3.2 Discuss banking regulations	3.2.1 Identify the four major goals of bank regulations	Foundation	Speaking	Communicates a thought, idea, or fact in spoken form [1.5.5]	
	3.2.2 Identify the regulatory powers of the Federal Reserve				
	3.2.3 Identify the regulatory powers of the Federal Deposit Insurance Corporation				
3.3 Discuss the elements that make up an institution's security policies and procedures	3.3.1 Know procedures designed to help identify money laundering	Foundation	Speaking	Communicates a thought, idea, or fact in spoken form [1.5.5]	
	3.3.2 Identify robbery procedure				
	3.3.3 Identify loss prevention practices				

## Unit 4: Paper Payments

### Hours: 5-10

Terminology: Magnetic ink character recognition (MICR)

<b>CAREER and TECHNICAL SKILLS</b>		<b>ACADEMIC and WORKPLACE SKILLS</b>			
What the Student Should be Able to Do		What the Instruction Should Reinforce			
Knowledge	Application	Skill Group	Skill	Description	
4.1 Define terminology	4.1.1 Prepare a list of terms with definitions	Foundation	Reading	Applies/Understands technical words that pertain to paper payments [1.3.6]	
			Writing	Uses words appropriately [1.6.21]	
4.2 Discuss how new currency is placed into circulation and old currency is removed	4.2.1 Identify the importance of the circulation of good currency in the system	Foundation	Speaking	Communicates a thought, idea, or fact in spoken form [1.5.5]	
			Thinking	Knowing how to Learn	Applies new knowledge and skills related to currency circulation [4.3.1]
4.3 Discuss the advantages of clearing-house membership to a bank	4.3.1 Differentiate among the different methods of clearing	Foundation	Speaking	Communicates a thought, idea, or fact in spoken form [1.5.5]	
			Thinking	Decision Making	Comprehends ideas and concepts related to clearing-houses [4.2.2]
4.4 Discuss bank float, consumer float, and Federal Reserve float	4.4.1 Distinguish among the different types of floats	Foundation	Reading	Comprehends written information for main ideas [1.3.7]	
			Thinking	Reasoning	Sees relationship between two or more ideas, objects, or situations [4.5.5]

## Unit 5: Electronic Payments – Retail EFT Systems

### Hours: 1-2

Terminology: None

CAREER and TECHNICAL SKILLS			ACADEMIC and WORKPLACE SKILLS		
What the Student Should be Able to Do			What the Instruction Should Reinforce		
Knowledge	Application		Skill Group	Skill	Description
5.1 Discuss electronic money transfers	5.1.1	Identify the advantages electronic transfers have over checks as a means of payment	Foundation	Speaking	Communicates a thought, idea, or fact in spoken form [1.5.5]
			Thinking	Knowing how to Learn	Applies new knowledge and skills to electronic money transfers [4.3.1]
5.2 Discuss retail-oriented payment systems	5.2.1	Identify the five major retail electronic fund transfer systems used in the United States	Foundation	Speaking	Communicates a thought, idea, or fact in spoken form [1.5.5]
			Thinking	Decision Making	Identifies pros and cons to assist in decision-making process [4.2.7]
				Knowing how to Learn	Applies new knowledge and skills to negotiate instruments [4.3.1]
	5.2.2	Identify the advantages and disadvantages of the five major retail electronic fund transfer systems			
	5.2.3	Identify the issues that have hindered the widespread use of electronic fund transfer systems in retail banking			

## Unit 6: Wire Transfers – Intrabank Wire Transfers

### Hours: 2-3

Terminology: None

<b>CAREER and TECHNICAL SKILLS</b>		<b>ACADEMIC and WORKPLACE SKILLS</b>			
What the Student Should be Able to Do		What the Instruction Should Reinforce			
Knowledge	Application	Skill Group	Skill	Description	
6.1 Discuss intrabank wire transfer systems	6.1.1 List and define key terms associated with intrabank wire transfers	Foundation	Speaking	Communicates a thought, idea, or fact in spoken form [1.5.5]	
	6.1.2 Identify the advantages and disadvantages of intrabank wire transfers		Writing	Communicates thoughts, ideas, or facts in written form in a clear, concise manner [1.6.6]	

## Unit 7: Deposit Creation Hours: 5

Terminology: None

<b>CAREER and TECHNICAL SKILLS</b> What the Student Should be Able to Do		<b>ACADEMIC and WORKPLACE SKILLS</b> What the Instruction Should Reinforce			
<b>Knowledge</b>	<b>Application</b>	<b>Skill Group</b>	<b>Skill</b>	<b>Description</b>	
7.1 Discuss how banks create deposits	7.1.1 List and define reserve requirements, discount rate, and open market operations	Foundation	Speaking	Communicates a thought, idea, or fact in spoken form [1.5.5]	
	7.1.2 Explain how the tools of monetary control work		Writing	Communicates thoughts, ideas, or facts in written form in a clear, concise manner [1.6.6]	

## Unit 8: Deposit Management

### Hours: 5

Terminology: Altered currency, Finance charge, Proof

<b>CAREER and TECHNICAL SKILLS</b>		<b>ACADEMIC and WORKPLACE SKILLS</b>			
What the Student Should be Able to Do		What the Instruction Should Reinforce			
Knowledge	Application	Skill Group	Skill	Description	
8.1 Define terminology	8.1.1 Prepare a list of terms with definitions	Foundation	Reading	Applies/Understands technical words that pertain to deposit management [1.3.6]	
			Writing	Uses words appropriately [1.6.21]	
8.2 Discuss deposit management	8.2.1 Identify the reasons a bank dishonors a check	Foundation	Writing	Communicates thoughts, ideas, or facts in written form in a clear, concise manner [1.6.6]	
	8.2.2 Differentiate between uncollected balances and available funds	Thinking	Reasoning	Sees relationship between two or more ideas, objects, or situations [4.5.5]	
8.3 Discuss Regulation CC	8.3.1 Identify the alternatives banks have in complying with the regulation	Foundation	Writing	Communicates thoughts, ideas, or facts in written form in a clear, concise manner [1.6.6]	

## Unit 9: Sources and Uses of Bank Funds

### Hours: 5

Terminology: None

<b>CAREER and TECHNICAL SKILLS</b>		<b>ACADEMIC and WORKPLACE SKILLS</b>			
What the Student Should be Able to Do		What the Instruction Should Reinforce			
Knowledge	Application	Skill Group	Skill	Description	
9.1 Discuss a bank's key earning assets and financial liabilities	9.1.1 Identify the bank's earning assets and financial liabilities	Foundation	Writing	Communicates thoughts, ideas, or facts in written form in a clear, concise manner [1.5.5]	
9.2 Discuss spread management strategy	9.2.1 Identify the tactics used to implement spread management strategy	Foundation	Writing	Communicates thoughts, ideas, or facts in written form in a clear, concise manner [1.5.5]	

## Unit 10: Measuring and Reporting Financial Performance

### Hours: 10

Terminology: None

<b>CAREER and TECHNICAL SKILLS</b> What the Student Should be Able to Do		<b>ACADEMIC and WORKPLACE SKILLS</b> What the Instruction Should Reinforce			
<b>Knowledge</b>	<b>Application</b>	<b>Skill Group</b>	<b>Skill</b>	<b>Description</b>	
10.1 Discuss banks and cash management services	10.1.1 Identify the major cash management services offered by banks	Foundation	Writing	Communicates thoughts, ideas, or facts in written form in a clear, concise manner [1.6.6]	
10.2 Discuss bank-holding companies	10.2.1 Identify the major services of a bank-holding company	Foundation	Writing	Communicates thoughts, ideas, or facts in written form in a clear, concise manner [1.6.6]	

## Unit 11: The Evolving Bank System

### Hours: 5

Terminology: None

<b>CAREER and TECHNICAL SKILLS</b> What the Student Should be Able to Do		<b>ACADEMIC and WORKPLACE SKILLS</b> What the Instruction Should Reinforce		
<b>Knowledge</b>	<b>Application</b>	<b>Skill Group</b>	<b>Skill</b>	<b>Description</b>
11.1 Discuss the evolution of the U.S. banking system	11.1.1 Identify the major changes in banking over the past two decades  11.1.2 Identify current trends in banking	Thinking	Knowing how to Learn	Applies new knowledge and skills to the evolution of the U.S. banking system and trends in banking [4.3.1]
11.2 Discuss banks and productivity	11.2.1 Identify the problems and solutions in increasing productivity	Thinking	Problem Solving	Draws conclusions from observations, evaluates conditions, and gives possible solutions [4.4.5]

# Glossary

## Unit 1: Deposit Operations

1. Asset – item of value that is owned by a bank, such as cash, security investments, outstanding loans, equipment, buildings, or property
2. Bank check – check drawn by a bank on itself and signed by an authorized officer
3. Bank draft – check drawn by a bank against funds deposited to its account in another bank
4. Bank money order – check drawn by a bank on itself
5. Capital – funds invested in a firm by the owners for use in conducting the business
6. Cash flow – a company's funds that are available for working capital or expansion
7. Cash management – payment and collection services to corporate customers to speed collection of receivables, control payments, and efficiently manage cash
8. Certification – acceptance of a check or draft by the drawee bank, evidenced by a stamp placed on the face of the instrument and signed by an officer or some other authorized employee of the drawee bank
9. Check – draft or order on a bank to be drawn upon a deposit of funds for the payment of a certain sum of money to a person named or to a bearer and payable instantly on demand
10. Comptroller of the Currency – official of the U.S. government, appointed by the president and confirmed by the Senate, responsible for chartering, examining, supervising, and liquidating all national banks
11. Draft – signed, written order by the drawer directing the drawee to pay a specified sum of money to, or on the order of, the payee
12. Drawee – bank where a check is drawn
13. Drawer – person who makes out a check
14. Endorsement – the written, legal signature by the genuine bearer of an instrument
15. Federal Deposit Insurance Corporation (FDIC) – federal agency organized in 1933 to guarantee funds on deposit in member banks
16. Federal Reserve Act – an act designed to remedy previous conditions that interfered with sound and efficient banking
17. Federal Reserve System – central banking system that regulates the supply of money
18. Federal Savings and Loan Insurance Corporation (FSLIC) – agency established to insure funds on deposit in member savings institutions
19. Identification – a piece of information that guarantees that its holder is truly who he or she claims to be
20. Money – legal tender

21. National Bank Act – federal legislation that addressed federal intervention in the banking industry
22. Negotiability – ability of a check to be easily transferred from one person to another
23. Negotiable instrument – written promise to pay (such as a check, promissory note, draft, or bill of exchange) that is payable to order or to bearer and transferred by endorsement and delivery or by delivery alone
24. Promissory note – a written promise that commits the maker to pay a certain sum in money to the payee, with or without interest, on demand or at a fixed or determinable future date
25. Return item – an item returned unpaid by a payor bank
26. Securities and Exchange Commission (SEC) – an independent federal regulatory agency created by the Securities and Exchange Act of 1934 to administer statutes designed to protect the investing public against malpractice in the securities and financial markets
27. Teller's check – a bank draft signed by a teller of the drawer bank
28. Teller selling – matching of customer needs for additional or improved services with bank products that provide those services
29. Teller work values – four accepted principles that guide the behavior of tellers
30. Traveler's check – an instrument that can be purchased and used by a person to obtain money readily

## Unit 2: Deposits and Depositories

1. Acceptability – a negotiable instrument meeting certain criteria and therefore being acceptable for cashing
2. Account – credit established under a particular name, usually by deposit, against which withdrawals may be made; also a record of the financial transactions affecting a particular phase of business
3. Account activity – information about the transactions of an account
4. Annual percentage rate (APR) – the cost of a loan from the borrower's point of view
5. Balance – amount credited to the depositor's account, representing the amount he or she is entitled to withdraw
6. Bank acceptance – draft drawn on a bank and accepted by the bank
7. Beginning cash – cash in the teller's drawer at the start of the day
8. Cash in – cash received; credit items
9. Cash items – for balancing, cash items include checks, debit tickets, coupons, and any item that represents a part of a teller's cash balance, other than U.S. currency and coins
10. Cash out – cash distributed; debit items
11. Commercial – related to business entities as opposed to retail entities
12. Commercial bank – state or nationally chartered organization, owned by stockholders, that accepts demand deposits, makes short-term business loans, and provides a variety of other financial services
13. Credit – cash received; to add a sum of money to an account; an entry that decreases assets or increases liabilities
14. Credit ticket – bank bookkeeping memorandum or posting medium on which the transaction leading to a credit entry in a general ledger account is described in detail
15. Cross-selling – encouraging an existing customer to make use of additional bank products
16. Customer expectations – the services customers expect to find in a bank and, especially, how they anticipate being treated
17. Customer service representative – bank employee who usually sits at a desk and meets the nontransaction needs of customers
18. Debit – entry that increases an asset account and decreases a liability or equity account; a charge to a customer's bank card account; a charge against a bank deposit account
19. Debit ticket – bank bookkeeping memorandum or posting medium on which the transaction leading to a debit entry in a general ledger account is described in detail

20. Delivery – transfer of the possession of an item from one person to another
21. Demand deposit – funds that are available to the customer at any time and that require no advance notice of withdrawal, usually drawn against by writing checks
22. Deposit – to leave money or items with a bank for credit to a bank account
23. Difficult customer – a customer who presents problems that cannot be solved, expresses anger, or displays disruptive behavior
24. Direct deposit – program whereby a check issuer delivers the check directly to the payee's bank for credit to his or her account
25. Dissatisfied customer – a result of unmet customer expectations and a cause of reduced business
26. Ending cash – cash in teller's drawer at the end of the day
27. Financing – involves the purchase of, or advance of, funds arising from installment sales for a customer selling a product or service
28. Grace period – stipulated time, following the date on which payment is due, during which no late fee is charged
29. Hold – the restriction of payment of part or all of the funds in an account
30. Installment loan – loan on which the principal and the finance charges are repaid in fixed payments for a predetermined number of months
31. Interest – the amount paid by a borrower to a lender in exchange for the use of the lender's money over a certain period
32. Interest rate – the percentage rate charged for the use of money, usually quoted on an annual basis
33. Investment – the exchange of money for a promise to repay at a later date or for an ownership share in a business venture
34. Lending – charging a fee for the use of money
35. Loan – business contract by which a borrower and lender enter into an agreement
36. Maker – person who signs and delivers (executes) a note or other promise to pay
37. Maturity – the date on which a note, draft, acceptance, or bond becomes due and payable
38. Money market instruments – private and government obligations with a maturity of one year or less
39. Negotiable order of withdrawal (NOW) account – a deposit account from which funds can be drawn by writing a check
40. Nonsufficient funds (NSF) – indicates that the drawer's account balance is less than the amount of a check or withdrawal order presented for payment
41. On-other check – a bank's term for a check presented to it for deposit or payment but drawn on another bank
42. On-us check – a term used by a bank for a check drawn on that bank and presented to that bank for deposit or payment

43. Overage – amount by which cash or its equivalent exceeds the figure it was intended to equal
44. Overdraft – amount owing to a bank by reason of paying an item or items drawn against insufficient funds; an item drawn against insufficient funds whether or not paid by the bank
45. Overdraft protection – a service offered to demand deposit customers whereby a line of credit is associated with the individual's account
46. Passbook – a book supplied by a bank to a depositor for record purposes
47. Payee – party to whom a check is payable; may be transferred to another party
48. Payor bank – bank that is paying out funds
49. Postdated check – a check dated ahead; not payable until the date specified
50. Quality service – occurs when bank personnel feel a total commitment to fully meeting the needs of customers in a speedy, error-free fashion
51. Receiving teller – a bank employee who receives and verifies deposits and makes entries in passbooks or otherwise issues receipts for deposits
52. Register check – a check form used by customers as an alternative to drawing on a checking account; cashier's check, money order, or bank draft
53. Satisfied customer – a result of meeting customer expectations and a cause of increased business for the bank
54. Service charge – a fee charged to depositors for services rendered, usually in connection with checking accounts
55. Signature card – a card or document that sets forth the written contract between the bank and the depositor and is signed by the depositor when an account is opened
56. Split deposit – a deposit in which the customer cashes a check and deposits part of the proceeds into his or her account; loss occurs if the check is drawn against insufficient funds
57. Staledated check – a check that has been held an unreasonably long time after issue before being presented for payment to the bank on which it is drawn (usually six months)
58. Stop payment – notification that a restriction has been placed on one's ability to cash a check
59. Stop payment order – an order (or request) by a depositor to the bank that refuses payment of an item specified by the depositor
60. Time deposit account – funds deposited under an agreement having certain stipulations
61. Treasury bill (T-bill) – a certificate showing a short-term obligation of the U.S. government
62. Yield – in investments, the rate of return on an investment expressed as a percentage of the investment

## Unit 3: Regulatory Structure

1. Association number – numerical coding system originated by the American Bankers Association (ABA) to facilitate the sorting and processing of checks; indicates state, city, or territory in which the bank is located and the name of the bank
2. Bait money – paper currency, usually kept separate from other currency in the cash drawer, for giving to a robber
3. Bank Protection Act – federal legislation designed to strengthen bank security
4. Bank security officer – employee of a bank who is trained to oversee the bank security program and to protect employees, customers, and property
5. Collusion – a secret agreement between two or more people to break a law
6. Counterfeit – currency or coins that have been fraudulently manufactured
7. Dissolving check – a check treated with a chemical to dissolve within a short time after being deposited
8. Dual control – a situation in which two individuals work together to verify each other's work
9. Embezzlement – a fraud committed when an employee steals or helps another steal
10. Extortion – the attempt to obtain a promise or money by threat
11. Forgery – the alteration of a document or instrument with fraudulent intent
12. Fraud – an attempt to obtain funds by other than appropriate and legal means
13. Hostage – person taken against his or her will during a robbery whose release is used as a bargaining tool to obtain the desired intent of the crime
14. Kidnapping – criminal offense in which a person is seized and held involuntarily
15. Kiting – attempt to draw against non-existent funds through a scheme involving several checking accounts with different institutions
16. Nonthreatening security condition – a situation in which the security of bank funds is at risk but personal safety is not
17. Threatening security condition – a situation in which both personal safety and the security of bank funds are at risk

## Unit 4: Paper Payments

1. Magnetic ink character recognition (MICR) – magnetic codes on the bottom of a check that allow a machine to read the check

## **Unit 5: Electronic Payments – Retail EFT Systems**

No terminology for this unit

## **Unit 6: Wire Transfers – Intrabank Wire Transfers**

No terminology for this unit

## Unit 7: Deposit Creation

No terminology for this unit

## Unit 8: Deposit Management

1. Altered currency – currency that has been changed or tampered with to obtain more for the currency than its face value
2. Finance charge – the cost of credit; total of all costs a customer must pay for obtaining credit
3. Proof – the procedure for testing the accuracy of a previous operation, such as relisting the checks and adding amounts to determine the accuracy of bank operations for a 24-hour period

## Unit 9: Sources and Uses of Bank Funds

No terminology for this unit

## **Unit 10: Measuring and Reporting Financial Performance**

No terminology for this unit

## Unit 11: The Evolving Bank System

No terminology for this unit