

Help Avoid Overdrafts

What do you need to know about overdrafts? If your payments and purchases are more than the available balance¹ in your checking account, your transactions may be declined, paid into overdraft, or returned unpaid. While the solution is simple – don't withdraw or spend more money than you have – today's checking accounts allow you more ways to access your account than ever before. For example, you can use a debit card to make everyday purchases or withdraw money from an ATM. You can also pay your bills by authorizing a company to automatically deduct money from your account on the due date or use an online bill payment to send the money. Understanding different payment methods and other options to manage your account can help you avoid overdrafts and the corresponding fees.² Understanding how these payment methods differ can help you avoid overspending. Depending on the type of payment or purchase method you use, the time it takes for the transaction to be paid from your account can be different.

Some payment options let you define exactly when a payment will occur. For example, if you use Online Bill Pay³, you can choose the exact date when funds will be withdrawn from your account to settle a bill. Or, if you authorize a company to make recurring automatic payments from your account (for example an insurance payment or gym membership fee), the company tells you the exact date when these payments will be sent to the bank.

Other payment options have more timing uncertainty. If you write a check to a friend, she may cash it immediately or set it aside for several weeks before depositing it. When you use your debit card at the local store, the merchant will immediately request authorization for the purchase to make sure you have enough money in your bank account at that time. However, it may be several days before the merchant actually settles the final purchase amount with the bank and the funds are withdrawn from your account. When the bank approves the transaction, we guarantee the merchant that the transaction will be paid from your account. These payments may result in overdrafts.

When tracking your account, you should make note of any outstanding obligations in your transaction register. Automatic payments are convenient for avoiding late payments, but they can also make it easy for you to forget that you have an outstanding obligation. If you have authorized a company to make automatic payments from your account, make sure that you know the exact date they will occur and make note of it in your transaction register.

Understanding your available balance. At Palmetto Health Credit Union, you can find your checking account's available balance online, at the ATM, or through your

mobile device. This is the most current record we have of the money available to withdraw from your account or for the authorization of your next debit card purchase. However, your available balance includes only the authorized or pending payments that the Credit Union knows about. You may have authorized transactions that will make the amount truly available for your next purchase lower than what is known to us.

Transaction Type	When the Credit Union knows	When you know
Checks	The amount is known only when presented for payment	When you write the check and record it in your check register
ATM	The amount is known at withdrawal	When you complete the withdrawal
Online Bill Pay ³	The amount will be deducted from your account on the "send on" date you specify	When you specify the amount and payment date in scheduling your bill payment
One-time point-of-sale debit card	The authorized amount is known at point-of-sale. Final amount known only when merchant submits the transaction for payment, typically within one to three days	When you see the final amount at the point-of-sale and make payment with your debit card
Preauthorized automatic debits	The amount is known only when presented for payment	When the final amount, payment method, and debit date is scheduled

Write it down. What is one of the best ways to avoid having a negative balance or an overdraft? **Write it down.**

Know all the outstanding obligations you have and consistently write them down in your own personal transaction register. It doesn't matter whether you use an online tracking tool or a paper-based register. What does matter is that you faithfully record every deposit, withdrawal, and purchase in your register and keep a current, accurate record of the money you truly have available. Always consult your personal transaction record before making your next purchase or withdrawal.

Additional tips to avoid overdrafts. Keep a cushion in your account to cover payments that you may have forgotten to record in your personal transaction register. You can also setup alerts⁴ to notify you by email or text when your balance goes below an amount you specify. Also consider using mobile apps or text banking⁵ to monitor your balance while you're on-the-go.

Finally, in addition to all of these tips, you might consider using Overdraft Protection services. For example, at Palmetto Health Credit Union, when you link an eligible savings to your checking account, money can be automatically transferred if you don't have enough money in your checking account to cover a transaction.⁶ An Overdraft Protection transfer will be assessed for each transfer made. We will not charge a fee unless the transfer covered at least one pending item, or helped you avoid at least one overdraft or returned item.⁷

Additional things to keep in mind:

- If you use your debit card to authorize an online purchase, be aware if the merchant notifies you that an item is on back-order. If so, the debit card you provide may not be charged until the item ships. This may be weeks later when you have forgotten about the purchase. Make a note of this purchase in your transaction register at the time of purchase.
- Using an online bill payment service may help you keep track of your payments. Rather than authorizing a company to "pull" money from your account on the due date, you "push" the money from your checking account and can determine if you have enough money before sending the payment.
- The Credit Union offers services, such as online and mobile banking and text alerts⁴, that help you monitor your available balance. Keep in mind that your available balance does not include transactions that we don't know about yet, for example checks you have just written or the car payment you just authorized. Only you know all the transactions that will affect the balance you have available for making that next payment.

1. Your available balance may not reflect all of your transactions, such as checks you have written or debit card transactions that have been approved, but not yet submitted for payment by the merchant.
2. Our overdraft fee is up to \$25 per item, depending on the transaction amount, whether the overdraft is by check, ATM withdrawal, debit card transaction, or other electronic means. You will be charged no more than \$125 overdraft fees per business day however there is no daily limit on returned item (non-sufficient funds/NSF). You must immediately bring your account to a positive balance. The payment of transactions into overdraft is discretionary and the Credit Union reserves the right not to pay. For example, the Credit Union typically does not pay overdrafts if your account is not in good standing or you have had excessive overdrafts.
3. There's no monthly service fee to use Bill Pay. Charges may apply, however, for the Other Services as May be Applicable. Please refer to our [fees](#) page for fees associated with our online services. Account fees (e.g. monthly service, overdraft) may also apply to your account(s) that you make Bill Pay payments from. Please refer to the Membership Account Agreement & Disclosures, including the Rate and Fee Schedule, applicable to your account(s).
4. Enrollment is required. Availability may be affected by your mobile carrier's coverage area. Your mobile carrier's message and data rates may apply.
5. Enrollment is required. Availability may be affected by your mobile carrier's coverage area. Your mobile carrier's message and data rates may apply.
6. List any account that do not provide this service if needed.
7. Subject to applicable transfer fees.