

Of  
Interest...

# Check Card Tips & Info.

[[www.qualstarcu.com/check-cards](http://www.qualstarcu.com/check-cards)]



Scan for Info.

**A Check Card is a convenient tool to access your account...make sure you understand how it works!**

## Debit vs. Credit Transaction

- Credit - When you sign for a Check Card purchase, just like a credit card, an authorization is processed and a pre-authorization hold (see below) may be placed on the funds until the merchant processes the transaction.
- Debit - When you make a purchase using your PIN (personal identification number) the amount is taken from your account when the merchant processes the transaction. Some merchants, (like gas stations) will place a temporary hold on the funds until the transaction clears, but with a PIN it is usually more immediate (unlike a credit transaction which can take up to a few days.)



## Available Balance vs. Actual Balance

- Available Balance: Includes any pre-authorization holds, and is used to determine available funds when future transactions attempt to clear the account. If funds are not sufficient in the "available balance" at the time of clearing, an overdraft fee is charged for each transaction that attempts to clear.
- Actual Balance: The running balance we use internally as transactions clear and includes all items that have cleared the account up to that point (does not include outstanding purchases or ATM withdrawals.)

**What is a Pre-authorization Hold?** These holds can be placed on an account when a member authorizes a Check Card purchase with a merchant as a debit or credit transaction. The amount of the hold is deducted from the account's "available balance", but not from the "actual balance" until the merchant processes the transaction, which can take anywhere from a few hours to a few days. In some cases, a merchant will put through a pre-authorized hold for an amount more than the actual purchase amount – this can happen at gas stations, restaurants and hotels where the actual purchase amount is determined after the service has been provided (e.g. paying for gas at the pump.)

**How does a Visa Check Card transaction work?** Your account balance is \$100 and you do an \$80 Check Card purchase. The merchant puts an \$80 pre-authorization hold on the account bringing the "available balance" down to \$20. An account's "actual balance" will not reflect this transaction until it has cleared the account. This means that there is \$20 available for transactions to clear. When a pre-authorization hold expires, one of two things happen:

1. The merchant takes their money; or
2. The hold falls off and funds are available in the account again (appearing like more money is in the account than there actually is) until the merchant takes the funds. If an accurate running balance is not kept, this can cause the account to begin an overdraft cycle.

**What are some helpful tips for how to avoid overdrafts?** Use a check register to record activity and keep a running balance • Never rely on the ATM balance when using a Check Card • Use Home Banking to help with balancing, but make note of items that may not have cleared • View current pre-authorization holds in Home Banking • When a charge is authorized, those funds are immediately unavailable, even if the merchant doesn't take them from the account right away • Be extra cautious when your balance is low • Be aware, when setting up automatic payments with merchants, they may take the funds early (the member is responsible for overdraft fees caused by automatic payments and/or merchant mistakes).

If you're looking for more information about Check Cards...

- Call us at **1-800-848 0018**, or
- Visit any of our **branch locations**, or
- Go to **[www.qualstarcu.com/check-cards](http://www.qualstarcu.com/check-cards)**

**QUALSTAR**  
CREDIT UNION

**24/7 Member Service 1-800-848-0018**  
**[www.qualstarcu.com](http://www.qualstarcu.com)**

**NCUA** Your savings federally insured to at least \$250,000 and backed by the full faith and credit of the United States Government. National Credit Union Administration.

03/18