Where do you park your money until it is spent? Banks and credit unions are central to our financial success. You may have used the same institution for many years, but sometimes it is a good idea to step back and review whether it is the best place for your money.

It’s important to have a banking product that meets your needs; everything from getting paid, paying someone else and even saving a little on the side. There is no shortage of options with banks and credit unions offering both online and “bricks and mortar” services, and there is a multitude of types of accounts. How do you determine what is the best one for you? Whether it is your first account or if it is simply time for a review, make the conscious decision that your account meets your needs.

First, consider how you deposit money. Do you do direct deposit or do you have several deposits of smaller amounts? Direct deposit may save you money on fees and you will receive the payment more quickly. For checks you might want to deposit, do you want to do it by mail, in person or even electronically? Some smartphones allow you to deposit using an app, but not all banks offer that service.

Next, consider how you purchase items. Many people now use a debit card instead of writing a check for convenience and speed. In fact, a recent study said that those who pay with a debit card are less likely to overdraw their accounts. Paying bills online is convenient, but see if there are associated fees from your institution. Many institutions offer a guarantee that the payment will occur on a certain day with an e-mail message to you to confirm the payment. Ask if there is a limit on who they will pay and how many payments can be made in this manner.

Overdrafts are a major income stream for many institutions, but a real problem for most of us. Make sure you can monitor your account electronically and be sure to do it. Many accounts offer a text or e-mail message when your account reaches a predetermined amount. That allows you to stop spending or add money to avoid fees from overdrafts. If
you maintain a smaller balance in your account, this is a service you’ll want to make sure you sign up for.

Where can I get money? Check to see if there are branches or fee-free ATMs where you live and work.

What will the account cost? Make sure you know the cost of the account and what minimum balance fees are applicable. I recently checked this feature at my institution. They have a customer level system that allows you to get a higher interest rate on accounts over a certain amount. But going below a certain minimum balance triggers a $30 fee. The extra quarter percent on the account did not offset the fee. Make sure you know the total cost of the account.

Look at each institution's disclosure of fees and key terms. The types of fees may vary considerably from institution to institution. Also, compare the products and features a bank offers on its website to what you are told in person; it's possible that a special offer may be available through certain branches only and not online, or vice versa.

By comparison shopping based on the fees and how you expect to use your account, you should be able to predict what each account will cost you.

Don’t be swayed by one-time deals or special offers. These can cause you to jump at an account, but may not be best for the long haul. Consider the total cost of an account, not just what you can get on the short term. Consider what you are spending to get that reward. If you end up spending more to reach the threshold to get a reward, you may be spending money on things you don’t really need.

Finally, consider the consumer protections offered on an account. The FDIC guarantees deposits up to at least $250,000 per depositor per institution, including principal and accrued interest, if the bank fails. If you have a credit union, the same amount of money is insured through the National Credit Union Administration. Make sure your account is covered by one of these programs.

**Roxie Rodgers Dinstel is a professor of extension on the Tanana District Extension Faculty. Questions or column requests can be e-mailed to her at rrdinstel@alaska.edu or by calling 907-474-2426. The Cooperative Extension Service is part of the University of Alaska Fairbanks, working in cooperation with the U.S. Department of Agriculture.**

- 30 -