

DEBIT CARD INFORMATION

When you use your GCU VISA debit card the authorization for the transaction immediately places a hold for the amount of the transaction on the **available** balance in your account. Although the hold does not affect your actual balance at that time, the transaction immediately posts to the available balance in our computer system which is the balance that is used by the overdraft system. The available balance reflects all Debit VISA authorizations (holds) that have been made on your draft account and includes posted and unposted transactions. Some gas stations send through an authorization for \$1.00 to verify the validity of the card that will affect your available balance for up to three days and some restaurants run authorizations before and after the tip that affect your available balance until the actual charge posts. This is in addition to the actual charge. Because we have no control over the actions of the seller we suggest that you keep a “cushion” of funds to ensure your available fund balance is always sufficient to cover your outstanding items. This is why it is imperative that you know your exact account balance and write all VISA debit card charges and ATM withdrawals (plus fees) in your checkbook register at the time you make them.

For example; You went to the restaurant last night and the bill totaled \$190.00. You checked your balance online and it showed there was \$220.00 in your account. The restaurant ran the VISA charge for \$190.00 and it was approved. That \$190.00 is immediately held as an authorization against your account even though the \$190.00 charge may not actually post to your account for a few days. The next day a check for \$40.00 tries to clear, but because the \$190.00 authorization has been deducted from your **available** balance, there are not sufficient funds to pay the check and a \$30.00 NSF fee is charged to your account. If you looked at your account online it would still show a balance of \$150.00 (\$220.00 - \$40.00 check and the \$30.00 fee) because the \$190.00 has not yet posted to the account and is not yet reflected in the actual account balance. The next day the \$190.00 VISA charge matches the authorization (the authorization drops off) and now posts to the actual account balance and again, you are charged a \$30.00 NSF fee because there is only \$150.00 in the account to pay the charge. After the \$30.00 NSF posts the account balance is -\$70.00. The \$70.00 negative balance reflects the 2 NSF charges and the \$10.00 shortfall (original balance \$220.00 – VISA charge \$190.00 and check \$40.00 = \$230.00).

This type of situation is all too common. It is expected that the NSF fees should be reversed because the actual balance at the time the \$40.00 check tried to clear was \$220.00 but it really wasn't because of the previous VISA debit charge of \$190.00.

Looking at this example you can see how important it is to write all of your VISA debit transactions in your checkbook register immediately upon making a charge. The example shows two NSF charges because the total of the two transactions was more than the actual account balance by \$10.00. If the \$190.00 charge had been written in the checkbook at the time the transaction took place and the person had a reconciled account balance, they would have known the \$40.00 check was already in process and they didn't have sufficient funds to make the \$190.00 charge and would not have incurred the \$60.00 in NSF fees.

Please contact us if you are having trouble balancing your checkbook. We can show you tips to make balancing an easy task. It is certainly an important task as you can see from the example above. A \$10.00 mistake cost this person \$60.00.

If you have any questions about this information please ask us. We are always happy to assist you.