

Managing Your Business Checking Account to Avoid Overdrafts

The Best Way to Avoid Overdrafts and Transactions Being Returned Unpaid

- Know your Available Balance. We use your Available Balance to authorize your transactions during the day (for example, debit card purchases and ATM withdrawals). Your Available Balance will change throughout the day as transactions occur.

You can access your Available Balance by contacting our Customer Service Center at 1-800-555-5455, by contacting any FNB branch, or by using Mobile Banking, Online Banking or an ATM.

REMEMBER:

AVAILABLE BALANCE: *The amount of money you have in your account that is available for you to use.*

LEDGER BALANCE: *Your account balance after all transactions are deposited to or paid from your Account.*

- Consider each debit card transaction, written check, or payment initiated as reducing your Available Balance immediately. Use the alerts available to you through Mobile Banking and Online Banking.
- Refer to the “Withdrawals” and “Posting Order” sections of your Deposit Account Agreement to review how you can calculate your Available Balance.

Pre-Authorization and Your Business Checking Account

It is important to also understand how debit card transactions are authorized and approved when you conduct transactions without entering your Personal Identification Number or “PIN.”

When you swipe your debit card without entering a PIN, the merchant checks to determine whether or not you have a sufficient available balance to complete the transaction. This is called a pre-authorization. Pre-authorization reduces the available balance in your account.

The second step in the process is the actual amount of the transaction that is posted to your account, which may occur the same day or a few days later. This amount is called the Settlement. This amount may or may not be the same amount as the pre-authorization depending on the type of merchant. For example, in cases like hotels, gas stations and car rentals, the amount of the pre-authorization oftentimes exceeds the final settlement of the transaction amount.

Positing Order and Your Business Checking Account

Your Account's Available Balance is \$350. You start your day off by purchasing paint (\$8) at 7:15 AM and then visit the ATM to withdraw cash (\$10) at 7:45 AM. Throughout the morning you run errands and make purchases using your debit card at a garden supply store (\$75), a home improvement store (\$125) and a hardware store (\$15). You also make a second stop at the ATM at 1:00 PM and withdraw additional cash (\$100). You receive payment from a customer in cash (\$750) and you deposit this amount at an FNB branch at 3:00 PM. Your last errand is to rent a car and your debit card is pre-authorized for this rental (\$250). Later, you go out to dinner and your server pre-authorizes your debit card (\$75).

At the end of the day, your Available Balance is negative \$33. You will be assessed three Overdraft fees for the hardware store (\$15) and paint store (\$8) purchases, and the ATM withdrawal (\$10).

Day One					
Order in which transactions were completed by the customer					
Date	Time Customer Transacted	Pending Time	Customer Transactions	Transaction Amount	Checkbook Balance
2-22	12:00 Midnight	N/A	Beginning Balance		\$ 350.00
2-22	7:00 PM	N/A	Check #234	\$ (200.00)	\$ 150.00
2-23	Prescheduled	N/A	ACH Car Payment	\$ (275.00)	\$ (125.00)
2-23	7:15 AM	7:16 AM	Debit Card Purchase - Coffee Shop	\$ (5.00)	\$ (130.00)
2-23	7:45 AM	7:45 AM	ATM Withdrawal	\$ (10.00)	\$ (140.00)
2-23	10:00 AM	12:00 Noon	Debit Card Purchase - Dept Store	\$ (75.00)	\$ (215.00)
2-23	10:25 AM	12:00 Noon	Debit Card Purchase - Home Improvement Store	\$ (125.00)	\$ (340.00)
2-23	11:00 AM	12:00 Noon	Debit Card Purchase - Hardware Store	\$ (15.00)	\$ (355.00)
2-23	1:00 PM	1:00 PM	ATM Withdrawal	\$ (100.00)	\$ (455.00)
2-23	3:00 PM	3:00 PM	Deposit - Cash	\$ 500.00	\$ 45.00
2-23	4:30 PM	N/A	Car Rental - Authorization Hold	\$ (250.00)	\$ (205.00)
2-23	6:00 PM	N/A	Debit Card Restaurant - Authorization Hold	\$ (75.00)	\$ (280.00)
2-23	6:00 PM		Ending Balance		\$ (280.00)

Order in which transactions would be reflected in end of day processing					
Date	Pending Time	Customer Transactions	Transaction Amount	Available Balance	Ledger Balance
2-22		Beginning Balance		\$ 350.00	\$ 350.00
2-23	3:00 PM	Total Deposits	\$ 500.00	\$ 850.00	\$ 850.00
2-23	NA	Aggregated Authorization Holds for the Business Day*	\$ (325.00)	\$ 525.00	\$ 850.00
2-23	7:16 AM	Debit Card Purchase - Coffee Shop	\$ (5.00)	\$ 520.00	\$ 845.00
2-23	7:45 AM	ATM Withdrawal	\$ (10.00)	\$ 510.00	\$ 835.00
2-23	12:00 Noon	Debit Card Purchase - Home Improvement Store	\$ (125.00)	\$ 385.00	\$ 710.00
2-23	12:00 Noon	Debit Card Purchase - Dept Store	\$ (75.00)	\$ 310.00	\$ 635.00
2-23	12:00 Noon	Debit Card Purchase - Hardware Store	\$ (15.00)	\$ 295.00	\$ 620.00
2-23	1:00 PM	ATM Withdrawal	\$ (100.00)	\$ 195.00	\$ 520.00
2-23	N/A	ACH Car Payment**	\$ (275.00)	\$ (80.00)	\$ 245.00
2-22	N/A	Check #234**	\$ (200.00)	\$ (280.00)	\$ 45.00
2-23		Ending Balance		\$ (280.00)	\$ 45.00

* These funds were subtracted from the available balance because they were authorized, but have not yet settled to the account.

** This transaction may be paid into Overdraft or Returned and you will be charged an Overdraft or Returned Item Fee on 2-24-17.

Your Business Checking Account is the engine that drives your businesses' day-to-day finances. Take care of it, and you will avoid Overdraft and other unnecessary fees while keeping things running smoothly. If you have any questions, please refer to your Deposit Account Agreement, visit your nearest FNB branch or call our Customer Service Center at 1-800-555-5455.