

# Glossary

**Account passbook:** A book where your bank transactions are recorded.

**Account statement:** A summary of your bank or credit transactions sent to you monthly.

**Annual fee:** A yearly user credit card fee.

**Appreciating asset:** An asset that increases in value as it ages.

**ATM:** Acronym for Automated Teller Machine.

**Balance:** The debits and credits for an account at the end of a reporting period.

**Balanced budget:** Spending is equal to or less than income.

**Bankruptcy:** When a person or business is unable to pay debts and must seek legal protection from creditors.

**Bond:** An investment with which the investor loans money to a company or government for a defined period of time at a specified interest rate.

**Budget:** A way of keeping track of your income and expenses.

**Canada Deposit Insurance Corporation (CDIC):** It insures eligible client deposits at banks and reimburses depositors when the institution fails.

**Canada Pension Plan (CPP):** A plan that pays you when you retire or become disabled. It also pays survivor benefits for your partner and children if you die.

**Canada Revenue Agency (CRA):** A government agency in charge of tax laws.

**Canada Savings Bonds:** A government investment option with a guaranteed interest rate.

**Canada Student Loans Program:** A government program that help students with loans and grants for their education.

**Canada Study Grant:** A government program that assist post secondary students.

**Chequing account:** An account for writing cheques and paying bills and everyday use.

**Collateral:** Something you agree to give the creditor if you do not pay back the loan.

**Collection agency:** A business that collects debts and may even have authority to start legal proceedings to collect unpaid debts.

**Compound interest:** Interest on the original principal as well as the interest already accrued.

**Consolidation loan:** A loan given by a financial institution to help pay all other debts at a lower interest rate.

**Credit bureau:** An organization that keeps your credit records.

**Credit check:** An inquiry regarding an individual's credit by a creditor.

**Credit history/report:** A record of the money you have borrowed and how well you pay it back.

**Credit rating:** A number given to a credit card or a loan based on the owner's history of repayment of debt.

**Credit Union:** A member owned and operated not for profit financial organization.

**Credit Union Central of BC:** A central banker for BC's credit unions that insures member deposits and reimburses them if a credit union fails.

**Debit card:** An electronic card issued by a credit union or a bank to allow a client access to their account to make deposits or withdrawals.

**Default:** When you don't pay back your loan as agreed.

**Depreciating asset:** An asset that decreases in value as it ages.

**Direct deposit:** Direct deposit lets your employer put your pay directly into your bank account.

**Employment Insurance (EI):** It is temporary financial help given by the government to you when you lose your job.

**Endorse:** To sign on the back of a cheque before cashing, depositing or giving it to someone else.

**Equifax:** One of the two organizations in Canada that keeps your credit records.

**Goods and Services Tax (GST):** Currently 7% tax paid when a consumer purchases certain goods and services.

**Gross pay:** Your pay before deductions.

**GST credit:** A tax free quarterly payment to low income earning individuals and families.

**Guaranteed Investment Certificates:** A deposit that has a fixed term and a fixed interest rate.

**Employment and Social Development Canada (ESDC):** A federal government department that helps Canadians with labour market information and issues.

**Income tax:** Taxes collected by the government to pay for services like health care and education.

**Income tax refund:** Money that government owes to you that you get back after you file income tax.

**Income Tax return:** Forms that you fill out to file your income tax.

**Interest rate:** The monthly rate paid to a customer or received by a creditor on saved or borrowed money.

**Loan:** Money borrowed from a creditor which will be repaid with interest at a predetermined date.

**Long term goals:** Goals that take a year or more to accomplish.

**Medium term goals:** Goals that take one to twelve months to accomplish.

**Mutual Funds:** A collection of stocks and bonds where you pool your money with other investors.

**National Student Loans Service Centre:** It manages Canada Student Loans.

**Needs:** Things that are a must for survival, such as food, medicine, etc.

**Net pay:** Your pay after deductions.

**Non Sufficient Funds (NSF)/bounced cheque:** A cheque written on an account that doesn't have enough money therefore cannot be cashed.

**Notice of Assessment:** An annual statement sent by the CRA with the amount of income earned, taxes paid, taxes owed, tax refund and tax credit as well as amount you can contribute towards your RRSP.

**Office of the Superintendent of Financial Institutions (OSFI):** A branch of the government that regulates the financial condition of all the banks operating in Canada.

**Ombudsperson:** A person who investigates and resolves complaints from bank customers.

**Overdraft:** An amount paid by a bank to cover cheques and withdrawals that cannot be covered by the amount of money available in your account.

**Personal Identification Number (PIN):** A unique number or code entered by a customer when using an ATM.

**Pre Authorized Payment (PAP):** A plan where your upcoming bill payments are withdrawn directly from your bank account by the billing company.

**Registered Education Savings Plan (RESP):** An investment plan to save for the education of a child.

**Registered Retirement Savings Plan (RRSP):** An investment plan to save for your retirement.

**Savings account:** A bank or credit union account that earns interest in exchange for the use of the money on deposit.

**Service charge/package fee:** A monthly fee a bank or credit union charges for handling an account and for transactions.

**Short term goals:** Goals that take less than one month to accomplish.

**Stop payment:** A request made to a bank or credit union to not pay a specific cheque.

**T4 slip:** A statement of your income earned and all your deductions.

**Trans Union Canada:** One of the two organizations in Canada that keeps your credit records.