



“Be diligent to know the state of your flocks, and attend to your herds.”

– Proverbs 27:23  
(NKJV)

“Prepare your outside work, make it fit for yourself in the field; and afterward build your house.”

– Proverbs 24:27  
(NKJV)



Need a refresher on how to balance your checking account?

Check out our free online tutorial today!



Money flows *from* those who don't manage it and *to* those who do.

## Budgeting Basics

Money is \_\_\_\_\_.

You must do a written \_\_\_\_\_ plan every month.

You must also keep your checking account \_\_\_\_\_.

Overdrafts are a sign of \_\_\_\_\_ and sloppy, lazy money habits.

Use \_\_\_\_\_ checks if necessary.

If not managed and made to behave, the \_\_\_\_\_ card and the \_\_\_\_\_ card are certain to become budget busters.



- Keep up with your receipts and write them in your account register.
- Use your bank's online tools to keep a close eye on your spending.



Most adults are pretty good at budgeting—when they bother to do it on purpose.

Budgeting is not a method by which you make other *people* behave. Budgeting is a method by which you make *money* behave.

“People don’t plan to fail, they fail to plan.”

– Anonymous



“‘Woe to the rebellious children,’ says the LORD, ‘Who take counsel, but not of Me, and who devise plans, but not of My spirit, that they may add sin to sin.’”

– Isaiah 30:1  
(NKJV)

## Reasons We DON'T Do a Cash Flow Plan

- Most people hate the word “budget” for four reasons:
  1. It has a \_\_\_\_\_ connotation.
  2. It has been used to \_\_\_\_\_ them.
  3. They’ve never had a budget that \_\_\_\_\_.
  4. Paralysis from \_\_\_\_\_ of what they will find.
- Cash flow plans do not work when you:
  1. \_\_\_\_\_ things \_\_\_\_\_.
  2. \_\_\_\_\_ your plan.
  3. Don’t actually \_\_\_\_\_ it.
  4. Don’t actually \_\_\_\_\_ on it.



“The plans of the diligent lead surely to plenty, but those of everyone who is hasty, surely to poverty.”

– Proverbs 21:5  
(NKJV)

“Commit your works to the LORD, and your thoughts will be established.”

– Proverbs 16:3  
(NKJV)

“May he give you the desire of your heart and make all your plans succeed.”

– Psalm 20:4  
(NIV)



Remember the Four Walls:

1. Food
2. Shelter
3. Clothing
4. Transportation

## Reasons We SHOULD Do a Cash Flow Plan

- A written plan removes the “management by \_\_\_\_\_” from your finances.
- Managed money goes \_\_\_\_\_.
- A written plan, if actually lived and agreed on, will remove many of the \_\_\_\_\_ from your marriage.
- A written plan, if actually lived and agreed on, will remove much of the \_\_\_\_\_, \_\_\_\_\_, and \_\_\_\_\_ that may now be a part of buying necessities such as food or clothing.
- A written plan, if actually lived and agreed on, will remove many of the \_\_\_\_\_ from your life, consequently removing a lot of \_\_\_\_\_.
- A written plan, if actually lived and agreed on, will show if you are \_\_\_\_\_ in a certain area.
- The easiest and most powerful method is a \_\_\_\_\_- based plan using the \_\_\_\_\_ system.

## How To Balance Your Checking Account

- Keep your account register current by subtracting checks, debit card purchases, and withdrawals and adding deposits as they're made to keep your account balanced correctly.
- Balance your checking account within 72 hours of receiving your bank statement or online once a month to make sure there aren't any mistakes.
- What do I need to balance my account?
  1. Your account register
  2. Your last bank statement (in print or online)
  3. A reconciliation sheet (located on the back of most statements)
- Where do I start?  
 Start by putting check marks in your register for each of the checks, debit card purchases, and other withdrawals, as well as deposits included in your bank statement. Make an entry in your register for any bank service charges or interest paid.

<b>Checking Account Register</b>						
Check Number	Date	Fee	Transaction Description	Payment	Deposit	Balance
						\$564.46
5671	8/12	X	One Stop Grocery	57.40		507.06
5672	8/14		Electric Company	101.00		406.06
	8/14		Paycheck		100.00	1106.06
5673	8/16		Telephone Company	50.00		1056.06
5674	8/19		One Stop Grocery	66.00		990.06
		X	Bank Service Charge	2.50		987.56

## How To Balance Your Checking Account (continued)

- On the reconciliation sheet, list any checks, withdrawals, or other deductions that are in your register that are not on your bank statement and total the list.
- On the reconciliation sheet, list any deposits that are in your register but are not included on your bank statement. Total the list.
- Beginning with the ending balance from your bank statement, subtract the total withdrawals and add the total deposits that were not on your statement.
- Compare with your register balance. If they don't agree, double check your lists and re-add your register entries until you find the difference. If the numbers will not agree, you're probably missing a transaction in your register. Make sure every transaction on your statement has been recorded and try again. In some cases, you may need your bank's help in getting your register to balance if you haven't done it in a while.

**List the balance from your bank statement**      \$ 504.56

List the withdrawal amounts in your register that aren't on your statement.

The Electric Company	5672	8/14	101.00
Telephone Company	5673	8/16	50.00
One Stop Grocery	5674	8/19	66.00

**TOTAL \$** 217.00      (-) \$ 217.00

List the deposit amounts in your register that aren't on your statement.

Paycheck	8/14		100.00

**TOTAL \$** 100.00      (+) \$ 100.00

**This should be your register balance**      \$ 987.56

Sample forms are provided here. The actual blank forms for you to use are found in the forms section at the back of this book.



All of these forms are also available for download. You can even do your monthly budget online with our powerful Gazelle Budget Software as part of your 16-week FPU Online membership.

## Financial Management Forms

Welcome to the wonderful world of cash flow management! This level of detail may seem a bit intimidating at first, but don't worry—we'll walk you through this step by step.

By filling out just a few forms, your new financial plan will start to unfold right in front of you. You'll immediately identify problem areas and learn how to shut the valve of wasteful spending because you'll know exactly where all of your dollars are going!

The first time you fill out these forms, it will take a little while and you'll have to come face-to-face with the bad habits that have gotten you to this point. After that initial start-up, however, you'll get better and better until budgeting becomes second nature.

Complete the whole set of forms to get started. Then, you'll only need to do the "Monthly Cash Flow Plan" (Form 5), "Allocated Spending Plan" (Form 7), or the "Irregular Income Plan" (Form 8) once a month. Dave will teach you which form best fits your specific situation. This should only take about 30 minutes a month once you get in the habit.

You'll also want to update the whole set of forms once a year or whenever you experience a dramatic positive or negative financial event (such as receiving a large inheritance or paying for a major house repair).

Are you ready? It's time to make those dollars dance! Go for it!

## Major Components of a Healthy Financial Plan (Form 1)

	Action Needed	Action Date
Written Cash Flow Plan	<u>Complete first budget</u>	<u>NOW!</u>
Will and/or Estate Plan	<u>Make an appt. with lawyer</u>	<u>June 6</u>
Debt Reduction Plan	<u>Begin debt snowball</u>	<u>July 1</u>
Tax Reduction Plan	<u>NA</u>	<u>NA</u>
Emergency Funding	<u>On hold until Baby Step 3</u>	<u>NA</u>
Retirement Funding	<u>On hold until Baby Step 4</u>	<u>NA</u>
College Funding	<u>On hold until Baby Step 5</u>	<u>NA</u>
Charitable Giving	<u>Start tithing</u>	<u>June 15</u>
Teach My Children	<u>Get Financial Peace Jr.</u>	<u>August</u>
Life Insurance	<u>Done</u>	<u>NA</u>
Health Insurance	<u>Done</u>	<u>NA</u>
Disability Insurance	<u>Check company options</u>	<u>This week</u>
Auto Insurance	<u>Check current policy details</u>	<u>July 1</u>
Homeowner's Insurance	<u>Check replacement cost</u>	<u>This week</u>

I (We) Joe & Suzie Public, (a) responsible adult(s), do hereby promise to take the above stated actions by the above stated dates to financially secure the well-being of my (our) family and myself (ourselves).

Signed: Joe Q. Public Date: June 2

Signed: Suzie Q. Public Date: June 2

## Consumer Equity Sheet (Form 2)

ITEM / DESCRIBE	VALUE	-	DEBT	=	EQUITY
Real Estate _____	<u>\$180,000</u>		<u>\$149,000</u>		<u>\$31,000</u>
Real Estate _____	_____		_____		_____
Car _____	<u>\$2,500</u>		_____		<u>\$2,500</u>
Car _____	<u>\$3,000</u>		_____		<u>\$3,000</u>
Cash On Hand	_____		_____		_____
Checking Account	_____		_____		_____
Checking Account	_____		_____		_____
Savings Account	<u>\$1,600</u>		_____		<u>\$1,600</u>
Money Market Account	_____		_____		_____
Mutual Funds	_____		_____		_____
Retirement Plan 1	<u>\$400</u>		_____		<u>\$400</u>
Retirement Plan 2	<u>\$8,000</u>		_____		<u>\$8,000</u>
Cash Value (Insurance)	_____		_____		_____
Household Items	<u>\$30,000</u>		_____		<u>\$30,000</u>
Jewelry	_____		_____		_____
Antiques	_____		_____		_____
Boat	_____		_____		_____
Unsecured Debt (Neg)	_____		_____		_____
Credit Card Debt (Neg)	_____		_____		_____
Other _____	_____		_____		_____
Other _____	_____		_____		_____
Other _____	_____		_____		_____
<b>TOTAL</b>	<u>\$225,500</u>		<u>\$149,000</u>		<u>\$76,500</u>



## Income Sources (Form 3)

SOURCE	AMOUNT	PERIOD/DESCRIBE
Salary 1	\$2,716	1st of Month
Salary 2	\$945	1st & 15th - \$472 <sup>50</sup>
Salary 3		
Bonus		
Self-Employment		
Interest Income		
Dividend Income		
Royalty Income		
Rents		
Notes		
Alimony		
Child Support		
AFDC		
Unemployment		
Social Security		
Pension		
Annuity		
Disability Income		
Cash Gifts		
Trust Fund		
Other _____		
Other _____		
Other _____		
<b>TOTAL</b>	<u>\$3,661</u>	

## Lump Sum Payment Planning (Form 4)

Payments you make on a non-monthly basis, such as insurance premiums and taxes, can be budget busters if you do not plan for them every month. Therefore, you must annualize the cost and convert these to monthly budget items. That way, you can save the money each month and will not be caught off-guard when your bi-monthly, quarterly, semi-annual, or annual bills come due. Simply divide the annual cost by 12 to determine the monthly amount you should save for each item.

ITEM NEEDED	ANNUAL AMOUNT	MONTHLY AMOUNT
Real Estate Taxes	_____ / 12 =	_____
Homeowner's Insurance	_____ / 12 =	_____
Home Repairs	\$1,800 / 12 =	\$150
Replace Furniture	_____ / 12 =	_____
Medical Bills	\$600 / 12 =	\$50
Health Insurance	_____ / 12 =	_____
Life Insurance	_____ / 12 =	_____
Disability Insurance	_____ / 12 =	_____
Car Insurance	_____ / 12 =	_____
Car Repair/Tags	_____ / 12 =	_____
Replace Car	_____ / 12 =	_____
Clothing	_____ / 12 =	_____
Tuition	_____ / 12 =	_____
Bank Note	_____ / 12 =	_____
IRS (Self-Employed)	_____ / 12 =	_____
Vacation	\$1,200 / 12 =	\$100
Gifts (including Christmas)	_____ / 12 =	_____
Other _____	_____ / 12 =	_____

## Monthly Cash Flow Plan (Instructions)

Every single dollar of your income should be allocated to some category on this form. When you're done, your total income minus expenses should equal zero. If it doesn't, then you need to adjust some categories (such as debt reduction, giving, or saving) so that it does equal zero. Use some common sense here, too. Do not leave things like clothes, car repairs, or home improvements off this list. If you don't plan for these things, then you're only setting yourself up for failure later.

Yes, this budget form is long. It's *really* long. We do that so that we can list practically every expense imaginable on this form to prevent you from forgetting something. Don't expect to put something on *every* line item. Just use the ones that are relevant to your specific situation.

Every main category on this form has subcategories. Fill in the monthly expense for each subcategory, and then write down the grand total for that category. Later, as you actually pay the bills and work through the month, use the "Actually Spent" column to record what you really spent in each area. If there is a substantial difference between what you budgeted and what you spent, then you'll need to readjust the budget to make up for the difference. If one category continually comes up over or short for two or three months, then you need to adjust the budgeted amount accordingly.

Use the "% Take Home Pay" column to record what percentage of your income actually goes to each category. Then, use the "Recommended Percentages" sheet (Form 6) to see if your percentages are in line with what we recommend.

### Notes:

- An asterisk ( \* ) beside an item indicates an area for which you should use the envelope system.
- The emergency fund should get all the savings until you've completed your full emergency fund of three to six months of expenses (Baby Step 3).
- Don't forget to include your annualized items from the "Lump Sum Payment Planning" sheet (Form 4), including your Christmas gift planning.

## Monthly Cash Flow Plan (Form 5)

Budgeted Item	Sub Total	TOTAL	Actually Spent	% of Take Home Pay
CHARITABLE GIFTS		<u>\$366</u>	_____	<u>10%</u>
SAVING				
Emergency Fund	<u>\$224</u>		_____	
Retirement Fund	_____		_____	
College Fund	_____	<u>\$224</u>	_____	<u>6%</u>
HOUSING				
First Mortgage	<u>\$915</u>		_____	
Second Mortgage	_____		_____	
Real Estate Taxes	_____		_____	
Homeowner's Ins.	_____		_____	
Repairs or Mn. Fee	_____		_____	
Replace Furniture	<u>\$50</u>		_____	
Other _____	_____	<u>\$965</u>	_____	<u>27%</u>
UTILITIES				
Electricity	<u>\$100</u>		_____	
Water	<u>\$55</u>		_____	
Gas	<u>\$75</u>		_____	
Phone	<u>\$45</u>		_____	
Trash	_____		_____	
Cable	<u>\$21</u>	<u>\$296</u>	_____	<u>8%</u>
*FOOD				
*Groceries	<u>\$360</u>		_____	
*Restaurants	<u>\$50</u>	<u>\$410</u>	_____	<u>12%</u>
TRANSPORTATION				
Car Payment	_____		_____	
Car Payment	_____		_____	
*Gas and Oil	<u>\$150</u>		_____	
*Repairs and Tires	_____		_____	
Car Insurance	<u>\$80</u>		_____	
License and Taxes	_____		_____	
Car Replacement	_____	<u>\$230</u>	_____	<u>5%</u>
PAGE 1 TOTAL		<u>\$2,491</u>	_____	

[SAMPLE]  
 You can find a blank version of this form in the Financial Forms section of this book.

## Monthly Cash Flow Plan (Form 5 – continued)

Budgeted Item	Sub Total	TOTAL	Actually Spent	% of Take Home Pay
<b>*CLOTHING</b>				
*Children	<u>          </u>		<u>          </u>	
*Adults	<u>\$100</u>		<u>          </u>	
*Cleaning/Laundry	<u>          </u>	<u>\$100</u>	<u>          </u>	<u>3%</u>
<b>MEDICAL/HEALTH</b>				
Disability Insurance	<u>          </u>		<u>          </u>	
Health Insurance	<u>\$300</u>		<u>          </u>	
Doctor Bills	<u>\$50</u>		<u>          </u>	
Dentist	<u>\$20</u>		<u>          </u>	
Optometrist	<u>          </u>		<u>          </u>	
Medications	<u>          </u>	<u>\$370</u>	<u>          </u>	<u>10%</u>
<b>PERSONAL</b>				
Life Insurance	<u>\$65</u>		<u>          </u>	
Child Care	<u>          </u>		<u>          </u>	
*Baby Sitter	<u>          </u>		<u>          </u>	
*Toiletries	<u>          </u>		<u>          </u>	
*Cosmetics	<u>          </u>		<u>          </u>	
*Hair Care	<u>\$60</u>		<u>          </u>	
Education/Adult	<u>          </u>		<u>          </u>	
School Tuition	<u>          </u>		<u>          </u>	
School Supplies	<u>          </u>		<u>          </u>	
Child Support	<u>          </u>		<u>          </u>	
Alimony	<u>          </u>		<u>          </u>	
Subscriptions	<u>          </u>		<u>          </u>	
Organization Dues	<u>\$25</u>		<u>          </u>	
Gifts (incl. Christmas)	<u>          </u>		<u>          </u>	
Miscellaneous	<u>\$50</u>		<u>          </u>	
*Blow Money	<u>\$100</u>	<u>\$300</u>	<u>          </u>	<u>8%</u>
<b>PAGE 2 TOTAL</b>		<u>\$710</u>		

## Monthly Cash Flow Plan (Form 5 – continued)

Budgeted Item	Sub Total	TOTAL	Actually Spent	% of Take Home Pay
<b>RECREATION</b>				
*Entertainment	<u>\$50</u>		<u>          </u>	
Vacation	<u>\$25</u>	<u>\$75</u>	<u>          </u>	<u>2%</u>
<b>DEBTS (Hopefully -0-)</b>				
Visa 1	<u>\$100</u>		<u>          </u>	
Visa 2	<u>          </u>		<u>          </u>	
Master Card 1	<u>\$75</u>		<u>          </u>	
Master Card 2	<u>          </u>		<u>          </u>	
American Express	<u>\$50</u>		<u>          </u>	
Discover Card	<u>          </u>		<u>          </u>	
Gas Card 1	<u>          </u>		<u>          </u>	
Gas Card 2	<u>          </u>		<u>          </u>	
Dept. Store Card 1	<u>          </u>		<u>          </u>	
Dept. Store Card 2	<u>          </u>		<u>          </u>	
Finance Co. 1	<u>          </u>		<u>          </u>	
Finance Co. 2	<u>          </u>		<u>          </u>	
Credit Line	<u>          </u>		<u>          </u>	
Student Loan 1	<u>\$100</u>		<u>          </u>	
Student Loan 2	<u>          </u>		<u>          </u>	
Other _____	<u>          </u>		<u>          </u>	
Other _____	<u>          </u>		<u>          </u>	
Other _____	<u>          </u>		<u>          </u>	
Other _____	<u>          </u>		<u>          </u>	
Other _____	<u>          </u>	<u>\$325</u>	<u>          </u>	<u>9%</u>
<b>PAGE 3 TOTAL</b>		<u>\$400</u>	<u>          </u>	
<b>PAGE 2 TOTAL</b>		<u>\$770</u>	<u>          </u>	
<b>PAGE 1 TOTAL</b>		<u>\$2,491</u>	<u>          </u>	
<b>GRAND TOTAL</b>		<u>\$3661</u>	<u>          </u>	
<b>TOTAL HOUSEHOLD INCOME</b>		<u>\$3661</u>	<u>          </u>	
		<b>ZERO</b>		

## Recommended Percentages (Form 6)

How much of your income should be spent on housing, giving, food, etc.? Through experience and research, we recommend the following percentages. However, you should remember that these are only *recommended* percentages. If you have an unusually high or low income, then these numbers could change dramatically. For example, if you have a high income, the *percentage* that is spent on food will be much lower than someone who earns half of that.

If you find that you spend much more in one category than we recommend, however, it may be necessary to adjust your lifestyle in that area in order to enjoy more freedom and flexibility across the board.

ITEM	ACTUAL %	RECOMMENDED %
CHARITABLE GIFTS	<u>10%</u>	10 – 15%
SAVING	<u>6%</u>	5 – 10%
HOUSING	<u>21%</u>	25 – 35%
UTILITIES	<u>8%</u>	5 – 10%
FOOD	<u>12%</u>	5 – 15%
TRANSPORTATION	<u>5%</u>	10 – 15%
CLOTHING	<u>3%</u>	2 – 7%
MEDICAL/HEALTH	<u>10%</u>	5 – 10%
PERSONAL	<u>8%</u>	5 – 10%
RECREATION	<u>2%</u>	5 – 10%
DEBTS	<u>9%</u>	5 – 10%

## Allocated Spending Plan (Instructions)

Now that you've already planned out the entire month on the "Monthly Cash Flow Plan" (Form 5), let's get just a little bit more precise. On this form, you will allocate—or spend—all of your money from each individual pay period.

There are four columns on this form, representing the four weeks in a given month. You will use one column for each week you get paid. If you are married and your spouse earns an income, then you will both use this same form. For weeks in which you both receive a paycheck, simply add those two incomes together and use a single column. Be sure to write the pay date at the top of the column.

Now, go down the list and allocate each expense to a specific payday, using your bills' due dates as a guide. For example, if your phone bill is due on the 22nd and you get paid on the 15th and 30th, then you know that you would probably pay that bill from your income on the 15th. Some things, like utility bills, will be paid monthly, while other items, such as food and gasoline, could be weekly. The point here is to anticipate both your upcoming expenses and your upcoming income and plan accordingly.

Beside each line item, you'll see two blanks separated by a slash ( / ). Put the expense to the left of the slash and the remaining income from that pay period to the right of the slash. As you work your way down the column, the income remaining should diminish until you reach a perfect zero at the bottom of the list. If you have money left over at the end of the column, go back and adjust an area, such as savings or giving, so that you spend every single dollar.

This level of detail may be uncomfortable to you at first, but the payoff is worth it. By specifically "naming" every dollar before you actually get it in your hands, you will remove an incredible amount of stress and curb your overspending.

### NOTES:

- If you have an irregular income, such as self-employment or commissions, you should use the "Irregular Income Planning" sheet (Form 8) instead of this "Allocated Spending Plan."
- If you know that you have an impulse spending problem, then you may want to allocate more money to the "Blow" category. That way, you are at least planning for it and setting up some boundaries for yourself.
- An asterisk ( \* ) beside an item indicates an area for which you should use the envelope system.



## Allocated Spending Plan (Form 7)

PAY PERIOD:	<u>1 / 1</u>	<u>1 / 8</u>	<u>1 / 15</u>	<u>1 / 22</u>
ITEM:				
INCOME	<u>\$3,188</u>	<u>0</u>	<u>\$472</u>	<u>0</u>
CHARITABLE	<u>366 / 2822</u>	<u> / </u>	<u> / </u>	<u> / </u>
SAVING				
Emergency Fund	<u>224 / 2598</u>	<u> / </u>	<u> / </u>	<u> / </u>
Retirement Fund	<u> / </u>	<u> / </u>	<u> / </u>	<u> / </u>
College Fund	<u> / </u>	<u> / </u>	<u> / </u>	<u> / </u>
HOUSING				
First Mortgage	<u>915 / 1683</u>	<u> / </u>	<u> / </u>	<u> / </u>
Second Mortgage	<u> / </u>	<u> / </u>	<u> / </u>	<u> / </u>
Real Estate Taxes	<u> / </u>	<u> / </u>	<u> / </u>	<u> / </u>
Homeowner's Ins.	<u> / </u>	<u> / </u>	<u> / </u>	<u> / </u>
Repairs or Mn. Fees	<u> / </u>	<u> / </u>	<u> / </u>	<u> / </u>
Replace Furniture	<u> / </u>	<u> / </u>	<u>50 / 422</u>	<u> / </u>
Other _____	<u> / </u>	<u> / </u>	<u> / </u>	<u> / </u>
UTILITIES				
Electricity	<u>100 / 1583</u>	<u> / </u>	<u> / </u>	<u> / </u>
Water	<u> / </u>	<u> / </u>	<u>55 / 367</u>	<u> / </u>
Gas	<u> / </u>	<u> / </u>	<u>75 / 292</u>	<u> / </u>
Phone	<u>45 / 1538</u>	<u> / </u>	<u> / </u>	<u> / </u>
Trash	<u> / </u>	<u> / </u>	<u> / </u>	<u> / </u>
Cable	<u>21 / 1517</u>	<u> / </u>	<u> / </u>	<u> / </u>
*FOOD				
*Groceries	<u>200 / 1317</u>	<u> / </u>	<u>160 / 132</u>	<u> / </u>
*Restaurants	<u>25 / 1292</u>	<u> / </u>	<u>25 / 107</u>	<u> / </u>

## Allocated Spending Plan (Form 7 – continued)

### TRANSPORTATION

Car Payment	___/___	___/___	___/___	___/___
Car Payment	___/___	___/___	___/___	___/___
*Gas and Oil	<u>75</u> / <u>1217</u>	___/___	<u>75</u> / <u>32</u>	___/___
*Repairs and Tires	___/___	___/___	___/___	___/___
Car Insurance	<u>80</u> / <u>1137</u>	___/___	___/___	___/___
License and Taxes	___/___	___/___	___/___	___/___
Car Replacement	___/___	___/___	___/___	___/___

### \*CLOTHING

*Children	___/___	___/___	___/___	___/___
*Adults	<u>100</u> / <u>1037</u>	___/___	___/___	___/___
*Cleaning/Laundry	___/___	___/___	___/___	___/___

### MEDICAL/HEALTH

Disability Insurance	___/___	___/___	___/___	___/___
Health Insurance	<u>300</u> / <u>137</u>	___/___	___/___	___/___
Doctor	<u>50</u> / <u>687</u>	___/___	___/___	___/___
Dentist	___/___	___/___	<u>20</u> / <u>12</u>	___/___
Optometrist	___/___	___/___	___/___	___/___
Medications	___/___	___/___	___/___	___/___

### PERSONAL

Life Insurance	<u>65</u> / <u>622</u>	___/___	___/___	___/___
Child Care	___/___	___/___	___/___	___/___
*Baby Sitter	___/___	___/___	___/___	___/___
*Toiletries	___/___	___/___	___/___	___/___
*Cosmetics	___/___	___/___	___/___	___/___
*Hair Care	___/___	___/___	___/___	___/___
Education/Adult	<u>60</u> / <u>562</u>	___/___	___/___	___/___
School Tuition	___/___	___/___	___/___	___/___
School Supplies	___/___	___/___	___/___	___/___
Child Support	___/___	___/___	___/___	___/___

## Allocated Spending Plan (Form 7 – continued)

Alimony	___ / ___	___ / ___	___ / ___	___ / ___
Subscriptions	___ / ___	___ / ___	___ / ___	___ / ___
Organization Dues	<u>25 / 531</u>	___ / ___	___ / ___	___ / ___
Gifts (including Christmas)	___ / ___	___ / ___	___ / ___	___ / ___
Miscellaneous	<u>50 / 481</u>	___ / ___	___ / ___	___ / ___
*BLOW \$\$	<u>100 / 381</u>	___ / ___	___ / ___	___ / ___
RECREATION				
*Entertainment	<u>50 / 331</u>	___ / ___	___ / ___	___ / ___
Vacation	<u>25 / 312</u>	___ / ___	___ / ___	___ / ___
DEBTS (Hopefully -0-)				
Visa 1	<u>100 / 212</u>	___ / ___	___ / ___	___ / ___
Visa 2	___ / ___	___ / ___	___ / ___	___ / ___
MasterCard 1	<u>75 / 131</u>	___ / ___	___ / ___	___ / ___
MasterCard 2	___ / ___	___ / ___	___ / ___	___ / ___
American Express	<u>50 / 81</u>	___ / ___	___ / ___	___ / ___
Discover Card	___ / ___	___ / ___	___ / ___	___ / ___
Gas Card 1	___ / ___	___ / ___	___ / ___	___ / ___
Gas Card 2	___ / ___	___ / ___	___ / ___	___ / ___
Dept. Store Card 1	___ / ___	___ / ___	___ / ___	___ / ___
Dept. Store Card 2	___ / ___	___ / ___	___ / ___	___ / ___
Finance Co. 1	___ / ___	___ / ___	___ / ___	___ / ___
Finance Co. 2	___ / ___	___ / ___	___ / ___	___ / ___
Credit Line	___ / ___	___ / ___	___ / ___	___ / ___
Student Loan 1	<u>81 / 0</u>	___ / ___	<u>12 / 0</u>	___ / ___
Student Loan 2	___ / ___	___ / ___	___ / ___	___ / ___
Other _____	___ / ___	___ / ___	___ / ___	___ / ___
Other _____	___ / ___	___ / ___	___ / ___	___ / ___

## Irregular Income Planning (Form 8)

Many people have an “irregular” income, which simply means that their compensation fluctuates from month to month. This is especially common for the self-employed, as well as commission-based salespeople. While this makes it more difficult to predict your income, you are still responsible for doing a monthly budget!

The “Monthly Cash Flow Plan” (Form 5) should remain a crucial part of your plan, as it lays out exactly how much money you need to bring home each month to survive and prosper. However, instead of doing the “Allocated Spending Plan” (Form 7), you will use this “Irregular Income Planning” sheet.

On this form, simply look at the individual items from your “Monthly Cash Flow Plan” sheet and prioritize them by importance. Ask yourself, “If I only have enough money to pay one thing, what would that be?” Put that at the top of your list. Then, ask yourself, “If I only have enough money to pay one more thing, what would that be?” That’s number two. Keep this up all the way down the list.

With your list in place, you’re ready to get paid. If you get a \$1,500 paycheck, you will spend that \$1,500 right down the list until it is gone, recording the cumulative amount spent in the “Cumulative Amount” column. At that point, you’re finished spending, no matter what remains unpaid on the list. That’s why the most important things are at the top of the list, right?

Be prepared to stand your ground. Things usually have a way of seeming *important* when they are only *urgent*. For example, a once-in-a-lifetime opportunity to see your favorite band perform live may seem *important*, but in reality, it is only *urgent*, meaning that it is time-sensitive. Urgency alone should not move an item to the top of this list!

Item	Amount	Cumulative Amount
JC Penney	\$150	\$150
Sears	\$250	\$400
Visa	\$500	\$900
Vacation - part	\$200	\$1100
Christmas	\$400	\$1500

## Breakdown of Savings (Form 9)

After you have fully funded your emergency fund, you can start to save for other items, such as furniture, car replacement, home maintenance, or a vacation. This sheet will remind you that every dollar in your savings account is already committed to something. For example, it's a bad idea to take money away from car repairs to pay for an impulse Hawaiian vacation, even if you pay cash for it. What would you do if the car broke down the week you got back home? However, it can be okay to reassign the dollars to another category, as long as you do it on purpose and it doesn't put you in a pinch in another category. Keep up with your breakdown of savings every month, one quarter at a time.

Item	Balance By Month		
	<u>October</u>	<u>November</u>	<u>December</u>
Emergency Fund (1) \$1,000	_____	_____	_____
Emergency Fund (2) 3-6 months	_____	_____	_____
Retirement Fund	_____	_____	_____
College Fund	_____	_____	_____
Real Estate Taxes	_____	_____	_____
Homeowner's Insurance	_____	_____	_____
Repairs or Mn. Fee	_____	_____	_____
Replace Furniture	_____	_____	_____
Car Insurance	_____	_____	_____
Car Replacement	<u>\$600</u>	<u>\$700</u>	<u>\$800</u>
Disability Insurance	_____	_____	_____
Health Insurance	<u>\$500</u>	<u>\$500</u>	<u>\$500</u>
Doctor	_____	_____	_____
Dentist	_____	_____	_____
Optometrist	_____	_____	_____
Life Insurance	_____	_____	_____
School Tuition	_____	_____	_____
School Supplies	_____	_____	_____
Gifts (incl. Christmas)	<u>\$500</u>	<u>\$650</u>	<u>\$800</u>
Vacation	_____	_____	_____
Other _____	_____	_____	_____
Other _____	_____	_____	_____
<b>TOTAL</b>	<u>\$1,600</u>	<u>\$1,850</u>	<u>\$2,100</u>



## online resources



Be sure to check out the special online features for this week.

- **Financial Snapshot:** Track your progress with this quick online form.
- **Gazelle Budget Software:** Create and maintain your budget with our exclusive online software!
- **Budget Forms:** Download printable copies of all the forms discussed in this section.
- **Checkbook Help:** Get a quick refresher on how to balance your checking account!
- **Free Podcast:** Get a daily dose of Dave!

## Review of the Last Section

1. The flow of money represents your family's:  
A. Income    B. Value System    C. Teamwork
2. Explain the concept of the Nerd and Free Spirit.
3. Who should do the financial decision-making in a marriage?
4. How can an accountability partner help a single person win with money?

## Discussion and Accountability

1. What are the benefits of a written cash flow plan? Be specific. How can this impact a marriage? How can it strengthen a single person?
2. What things have kept you from living on a cash flow plan?
3. What are some reasons why you've always hated the idea of a budget? What are your initial reactions to the concept?
4. How can the concept of the Four Walls (food, shelter, clothing, transportation) empower you to prioritize your spending?
5. When have you been guilty of letting someone else set your family's financial priorities? Explain.
6. How well do you understand the cash envelope system? In what areas of your budget could you implement this immediately?
7. Why is it important to set aside a little "blow money" every month?

## Homework

1. **Create a full zero-based budget for your household this week,** using either the Monthly Cash Flow Plan form or the online Gazelle Budget software.
2. **Financial Peace Revisited:** Read chapters 19 and 21.