

MAJOR COMPONENTS OF A HEALTHY FINANCIAL PLAN

	<u><i>Action Needed</i></u>	<u><i>Action</i></u>
<u><i>Date</i></u>		
<i>Written Cash Flow Plan</i>	_____	_____
<i>Will and/or Estate Plan</i>	_____	_____
<i>Debt Reduction Plan</i>	_____	_____
<i>Tax Reduction Plan</i>	_____	_____
<i>Emergency Funding</i>	_____	_____
<i>Retirement Funding</i>	_____	_____
<i>College Funding</i>	_____	_____
<i>Charitable Giving</i>	_____	_____
<i>Teach My Children</i>	_____	_____
<i>Life Insurance</i>	_____	_____
<i>Health Insurance</i>	_____	_____
<i>Disability Insurance</i>	_____	_____
<i>Auto Insurance</i>	_____	_____
<i>Homeowners Insurance</i>	_____	_____

I, _____, a responsible adult, do hereby swear to take the above stated actions by the above stated dates to financially secure the well-being of my family and myself.

(Copy to Spouse)

Signed: _____ **Date:** _____

<i>INCOME SOURCES</i>

<u>SOURCE</u>	<u>AMOUNT</u>	<u>PERIOD /DESCRIBE</u>
<i>Salary 1</i>	_____	_____
<i>Salary 2</i>	_____	_____
<i>Salary 3</i>	_____	_____
<i>Bonus</i>	_____	_____
<i>Self-Employment</i>	_____	_____
<i>Interest Income</i>	_____	_____
<i>Dividend Income</i>	_____	_____
<i>Royalty Income</i>	_____	_____
<i>Rents</i>	_____	_____
<i>Notes</i>	_____	_____
<i>Alimony</i>	_____	_____
<i>Child Support</i>	_____	_____
<i>AFDC</i>	_____	_____
<i>Unemployment</i>	_____	_____
<i>Social Security</i>	_____	_____
<i>Pension</i>	_____	_____
<i>Annuity</i>	_____	_____
<i>Disability Income</i>	_____	_____
<i>Cash Gifts</i>	_____	_____
<i>Trust Fund</i>	_____	_____
<i>Other</i>	_____	_____
<i>Other</i>	_____	_____
<i>Other</i>	_____	_____
<i>TOTAL</i>	_____	_____

LUMP SUM PAYMENT PLANNING

Payments you make on a NON monthly basis can be budget busters, if not planned for. So we are converting them to a monthly basis for you to use on Sheet 5 where you will set money aside monthly to avoid strain or borrowing when these events occur. If an item here is already paid monthly enter NA. If you make a payment quarterly then annualize it for this sheet.

<u>ITEM</u>	<u>ANNUAL</u>		<u>MONTHLY</u>
<u>NEEDED</u>	<u>AMOUNT</u>		<u>AMOUNT</u>
<i>Real Estate Taxes</i>	_____	/ 12 =	_____
<i>Homeowners Insurance</i>	_____	/ 12 =	_____
<i>Home Repairs</i>	_____	/ 12 =	_____
<i>Replace Furniture</i>	_____	/ 12 =	_____
<i>Medical Bills</i>	_____	/ 12 =	_____
<i>Health Insurance</i>	_____	/ 12 =	_____
<i>Life Insurance</i>	_____	/ 12 =	_____
<i>Disability Insurance</i>	_____	/ 12 =	_____
<i>Car Insurance</i>	_____	/ 12 =	_____
<i>Car Repair/Tags</i>	_____	/ 12 =	_____
<i>Replace Car</i>	_____	/ 12 =	_____
<i>Clothing</i>	_____	/ 12 =	_____
<i>Tuition</i>	_____	/ 12 =	_____
<i>Bank Note</i>	_____	/ 12 =	_____
<i>IRS (Self-Employed)</i>	_____	/ 12 =	_____
<i>Vacation</i>	_____	/ 12 =	_____
<i>Gifts(inc. Christmas)</i>	_____	/ 12 =	_____
<i>Other</i> _____	_____	/ 12 =	_____

INSTRUCTIONS

SHEET 5

Every dollar of your income should be allocated to some category on this sheet. Money "left over" should be put back into a category even if you make up a new category. You are making the spending decisions ahead of time here. Almost every category (except debt) should have some dollar amount in it. Example: If you do not plan to replace the furniture, when you do replace it you will cause strain or borrowing, so go ahead and plan now by saving. I have actually had people tell me that they can do without clothing. Oh come ON!! Be careful in your zeal to make the numbers work that you don't substitute the urgent for the important.

Fill in the amount for each subcategory under "Subtotal" and then the total for each main category under "Total." As you go through your first month, fill in the "Actually Spent" column with your real expenses or the saving you did for that area. If there is a substantial difference in the plan versus the reality something has to give. You will either have to adjust the amount allocated to that area up and another down or you will have to better control your spending in that area.

"%Take Home Pay" is percentage of take home pay or what percentage of your total take home pay did you spend on "Housing", as an example. We will then compare your percentages with those on Sheet 6 to determine if you need to consider adjusting your lifestyle.

** beside an item means you should use the "envelope system"*

(1) Emergency Fund should get ALL the savings until 3-6 months of expenses have been saved.

Note: Savings should be increased as you get closer to being debt free.

Hint: By saving early for Christmas and other gifts, you can get great buys and give better gifts for the same money.

MONTHLY CASH FLOW PLAN

<i>Budgeted</i>	<i>Sub</i>		<i>Actually</i>	<i>% of Take</i>
<i><u>Item</u></i>	<i><u>Total</u></i>	<i><u>TOTAL</u></i>	<i><u>Spent</u></i>	<i><u>Home Pay</u></i>
<i>CHARITABLE GIFTS</i>		_____	_____	_____
<i>SAVING</i>				
<i>Emergency Fund(1)</i>	_____		_____	
<i>Retirement Fund</i>	_____	_____		
<i>College Fund</i>	_____	_____	_____	_____
<i>HOUSING</i>				
<i>First Mortgage</i>	_____		_____	
<i>Second Mortgage</i>	_____		_____	
<i>Real Estate Taxes</i>	_____		_____	
<i>Homeowners Ins.</i>	_____		_____	
<i>Repairs or Mn. Fee</i>	_____		_____	
<i>Replace Furniture</i>	_____		_____	
<i>Other</i>	_____	_____	_____	_____
<i>UTILITIES</i>				
<i>Electricity</i>	_____		_____	
<i>Water</i>	_____		_____	
<i>Gas</i>	_____		_____	
<i>Phone</i>	_____		_____	
<i>Trash</i>	_____		_____	
<i>Cable</i>	_____	_____	_____	_____
<i>*FOOD</i>				
<i>*Grocery</i>	_____		_____	
<i>*Restaurants</i>	_____	_____	_____	_____
<i>TRANSPORTATION</i>				
<i>Car Payment</i>	_____		_____	
<i>Car Payment</i>	_____		_____	
<i>*Gas and Oil</i>	_____		_____	
<i>*Repairs and Tires</i>	_____		_____	
<i>Car Insurance</i>	_____		_____	
<i>License and Taxes</i>	_____		_____	
<i>Car Replacement</i>	_____	_____	_____	_____
<i>PAGE 1 TOTAL</i>	_____	_____	_____	_____

<u>Budgeted</u> <u>Item</u>	<u>Sub</u> <u>Total</u>	<u>TOTAL</u>	<u>Actually</u> <u>Spent</u>	<u>% of Take</u> <u>Home Pay</u>
*CLOTHING				
*Children	_____		_____	
*Adults	_____		_____	
*Cleaning/Laundry	_____	_____	_____	_____
MEDICAL/HEALTH				
Disability Insurance	_____		_____	
Health Insurance	_____		_____	
Doctor Bills	_____		_____	
Dentist	_____		_____	
Optometrist	_____		_____	
Drugs	_____	_____	_____	_____
PERSONAL				
Life Insurance	_____		_____	
Child Care	_____		_____	
*Baby Sitter	_____		_____	
*Toiletries	_____		_____	
*Cosmetics	_____		_____	
*Hair Care	_____		_____	
Education/Adult	_____		_____	
School Tuition	_____		_____	
School Supplies	_____	_____	_____	
Child Support	_____		_____	
Alimony	_____		_____	
Subscriptions	_____		_____	
Organization Dues	_____		_____	
Gifts (inc. Christmas)	_____		_____	
Miscellaneous	_____		_____	
*BLOW \$\$	_____	_____	_____	_____
PAGE 2 TOTAL	_____	_____		

<u>Budgeted</u> <u>Item</u>	<u>Sub</u> <u>Total</u>	<u>TOTAL</u>	<u>Actually</u> <u>Spent</u>	<u>% of Take</u> <u>Home Pay</u>
RECREATION				
*Entertainment	_____		_____	
Vacation	_____	_____	_____	_____
DEBTS (Hopefully -0-)				
Visa 1	_____		_____	
Visa 2	_____		_____	
MasterCard 1	_____		_____	
MasterCard 2	_____		_____	
American Express	_____		_____	
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	_____		_____	
Student Loan 2	_____		_____	
Other	_____		_____	_____
Other	_____		_____	_____
Other	_____		_____	_____
Other	_____		_____	_____
Other	_____		_____	_____
PAGE 3 TOTAL	_____	_____		
PAGE 2 TOTAL	_____	_____		
<u>PAGE 1 TOTAL</u>	_____	_____		
<u>GRAND TOTAL</u>	_____	_____		
<u>-TOTAL INCOME</u>		_____		
ZERO		ZERO		

RECOMMENDED PERCENTAGES

I have used a compilation of several sources and my own experience to derive the suggested percentage guidelines. However, these are only recommended percentages and will change dramatically if you have a very high or very low income. For instance, if you have a very low income, your necessities percentages will be high. If you have a high income your necessities will be a lower percentage of income and hopefully savings (not debt) will be higher than recommended.

<u>ITEM</u>	<u>ACTUAL %</u>	<u>RECOMMENDED %</u>
CHARITABLE GIFTS	_____	10-15%
SAVING	_____	5-10%
HOUSING	_____	25 -35%
UTILITIES	_____	5-10%
FOOD	_____	5-15%
TRANSPORTATION	_____	10-15%
CLOTHING	_____	2-7%
MEDICAL/HEALTH	_____	5-10%
PERSONAL	_____	5-10%
RECREATION	_____	5-10%
DEBTS	_____	5-10%

INSTRUCTIONS

SHEET 7

This sheet is where all your work thus far starts giving you some peace. You will implement Sheet 5 information from theory into your life by using Sheet 7. Note: If you have an irregular income, like self-employment or commissions, you should use Sheet 8, after reviewing Sheet 7.

There are four columns to distribute as many as four different incomes within one month. Each column is one pay period. If you are a one-income household and you get paid two times per month then you will only use two columns. If both of you work and one is paid weekly and the other every two weeks, add the two paychecks together on the weeks you both get a paycheck, while just listing the one paycheck on the other two. Date the pay period columns then enter the income for that period. As you allocate your paycheck to an item, put the remaining balance to the right of the slash. Income for period 3-1 in our example is \$1,000 and we are allocating \$100 to Charitable Giving leaving \$900 to the right of the slash in that same column. Some bills will come out of each pay period and some only on selected pay periods. As an example, you may take "Car Gas" out of every paycheck, but pay the electric bill from period 2. You already pay some bills or payments out of designated checks, only now you pay all things from designated checks.

The whole point to this sheet, which is the culmination of all your monthly planning, is to allocate or "spend" your whole paycheck before you paid. I don't care where you allocate your money, but allocate all of it before you get your check. Now all the tense, crisis-like symptoms have been removed because you planned. No more management by crisis or impulse. Those who tend to be impulsive, just allocate more to the "Blow" category. At least you are now doing it on purpose and not by default. The last blank that you make an entry in should have a 0 to the right of the slash, showing you have allocated your whole check.

** Beside an item means you should use the "envelope system"*

(1) Emergency Funds should get ALL the savings until 3-6 months of expenses have been saved.

SAMPLE ALLOCATED SPENDING PLAN

PAY PERIOD:	<u>3-1</u>	<u> </u>	<u> </u>	<u> </u>
<u>ITEM</u>				
INCOME	<u>\$1000</u>	<u> </u>	<u> </u>	<u> </u>
CHARITABLE GIFTS	<u>100/900</u>	<u> / </u>	<u> / </u>	<u> / </u>
SAVING				
<i>Emergency Fund(1)</i>	<u>50/850</u>	<u> / </u>	<u> / </u>	<u> / </u>
<i>Retirement Fund</i>	<u> / </u>	<u> / </u>	<u> / </u>	<u> / </u>
<i>College Fund</i>	<u> / </u>	<u> / </u>	<u> / </u>	<u> / </u>
HOUSING				
<i>First Mortgage</i>	<u>725/125</u>	<u> / </u>	<u> / </u>	<u> / </u>

ALLOCATED SPENDING PLAN

PAY PERIOD:	<hr/>	<hr/>	<hr/>	<hr/>
<u>ITEM</u>				
INCOME	<hr/>	<hr/>	<hr/>	<hr/>
CHARITABLE	<hr/> / <hr/>	<hr/> / <hr/>	<hr/> / <hr/>	<hr/> / <hr/>
SAVING				
<i>Emergency Fund(1)</i>	<hr/> / <hr/>	<hr/> / <hr/>	<hr/> / <hr/>	<hr/> / <hr/>
<i>Retirement Fund</i>	<hr/> / <hr/>	<hr/> / <hr/>	<hr/> / <hr/>	<hr/> / <hr/>
<i>College Fund</i>	<hr/> / <hr/>	<hr/> / <hr/>	<hr/> / <hr/>	<hr/> / <hr/>
HOUSING				
<i>First Mortgage</i>	<hr/> / <hr/>	<hr/> / <hr/>	<hr/> / <hr/>	<hr/> / <hr/>
<i>Second Mortgage</i>	<hr/> / <hr/>	<hr/> / <hr/>	<hr/> / <hr/>	<hr/> / <hr/>
<i>Real Estate Taxes</i>	<hr/> / <hr/>	<hr/> / <hr/>	<hr/> / <hr/>	<hr/> / <hr/>
<i>Homeowners Ins.</i>	<hr/> / <hr/>	<hr/> / <hr/>	<hr/> / <hr/>	<hr/> / <hr/>
<i>Repairs or Mn. Fees</i>	<hr/> / <hr/>	<hr/> / <hr/>	<hr/> / <hr/>	<hr/> / <hr/>
<i>Replace Furniture</i>	<hr/> / <hr/>	<hr/> / <hr/>	<hr/> / <hr/>	<hr/> / <hr/>
<i>Other _____</i>	<hr/> / <hr/>	<hr/> / <hr/>	<hr/> / <hr/>	<hr/> / <hr/>
UTILITIES				
<i>Electricity</i>	<hr/> / <hr/>	<hr/> / <hr/>	<hr/> / <hr/>	<hr/> / <hr/>
<i>Water</i>	<hr/> / <hr/>	<hr/> / <hr/>	<hr/> / <hr/>	<hr/> / <hr/>
<i>Gas</i>	<hr/> / <hr/>	<hr/> / <hr/>	<hr/> / <hr/>	<hr/> / <hr/>
<i>Phone</i>	<hr/> / <hr/>	<hr/> / <hr/>	<hr/> / <hr/>	<hr/> / <hr/>
<i>Trash</i>	<hr/> / <hr/>	<hr/> / <hr/>	<hr/> / <hr/>	<hr/> / <hr/>
<i>Cable</i>	<hr/> / <hr/>	<hr/> / <hr/>	<hr/> / <hr/>	<hr/> / <hr/>
*FOOD				
<i>*Grocery</i>	<hr/> / <hr/>	<hr/> / <hr/>	<hr/> / <hr/>	<hr/> / <hr/>
<i>*Restaurants</i>	<hr/> / <hr/>	<hr/> / <hr/>	<hr/> / <hr/>	<hr/> / <hr/>

TRANSPORTATION

<i>Car Payment</i>	<u> </u> / <u> </u>	<u> </u> / <u> </u>	<u> </u> / <u> </u>	<u> </u> / <u> </u>
<i>Car Payment</i>	<u> </u> / <u> </u>	<u> </u> / <u> </u>	<u> </u> / <u> </u>	<u> </u> / <u> </u>
<i>*Gas and Oil</i>	<u> </u> / <u> </u>	<u> </u> / <u> </u>	<u> </u> / <u> </u>	<u> </u> / <u> </u>
<i>*Repairs and Tires</i>	<u> </u> / <u> </u>	<u> </u> / <u> </u>	<u> </u> / <u> </u>	<u> </u> / <u> </u>
<i>Car Insurance</i>	<u> </u> / <u> </u>	<u> </u> / <u> </u>	<u> </u> / <u> </u>	<u> </u> / <u> </u>
<i>License and Taxes</i>	<u> </u> / <u> </u>	<u> </u> / <u> </u>	<u> </u> / <u> </u>	<u> </u> / <u> </u>
<i>Car Replacement</i>	<u> </u> / <u> </u>	<u> </u> / <u> </u>	<u> </u> / <u> </u>	<u> </u> / <u> </u>

***CLOTHING**

<i>*Children</i>	<u> </u> / <u> </u>	<u> </u> / <u> </u>	<u> </u> / <u> </u>	<u> </u> / <u> </u>
<i>*Adults</i>	<u> </u> / <u> </u>	<u> </u> / <u> </u>	<u> </u> / <u> </u>	<u> </u> / <u> </u>
<i>*Cleaning/Laundry</i>	<u> </u> / <u> </u>	<u> </u> / <u> </u>	<u> </u> / <u> </u>	<u> </u> / <u> </u>

MEDICAL/HEALTH

<i>Disability Insurance</i>	<u> </u> / <u> </u>	<u> </u> / <u> </u>	<u> </u> / <u> </u>	<u> </u> / <u> </u>
<i>Health Insurance</i>	<u> </u> / <u> </u>	<u> </u> / <u> </u>	<u> </u> / <u> </u>	<u> </u> / <u> </u>
<i>Doctor</i>	<u> </u> / <u> </u>	<u> </u> / <u> </u>	<u> </u> / <u> </u>	<u> </u> / <u> </u>
<i>Dentist</i>	<u> </u> / <u> </u>	<u> </u> / <u> </u>	<u> </u> / <u> </u>	<u> </u> / <u> </u>
<i>Optometrist</i>	<u> </u> / <u> </u>	<u> </u> / <u> </u>	<u> </u> / <u> </u>	<u> </u> / <u> </u>
<i>Drugs</i>	<u> </u> / <u> </u>	<u> </u> / <u> </u>	<u> </u> / <u> </u>	<u> </u> / <u> </u>

PERSONAL

<i>Life Insurance</i>	<u> </u> / <u> </u>	<u> </u> / <u> </u>	<u> </u> / <u> </u>	<u> </u> / <u> </u>
<i>Child Care</i>	<u> </u> / <u> </u>	<u> </u> / <u> </u>	<u> </u> / <u> </u>	<u> </u> / <u> </u>
<i>*Baby Sitter</i>	<u> </u> / <u> </u>	<u> </u> / <u> </u>	<u> </u> / <u> </u>	<u> </u> / <u> </u>
<i>*Toiletries</i>	<u> </u> / <u> </u>	<u> </u> / <u> </u>	<u> </u> / <u> </u>	<u> </u> / <u> </u>
<i>*Cosmetics</i>	<u> </u> / <u> </u>	<u> </u> / <u> </u>	<u> </u> / <u> </u>	<u> </u> / <u> </u>
<i>*Hair Care</i>	<u> </u> / <u> </u>	<u> </u> / <u> </u>	<u> </u> / <u> </u>	<u> </u> / <u> </u>
<i>Education/Adult</i>	<u> </u> / <u> </u>	<u> </u> / <u> </u>	<u> </u> / <u> </u>	<u> </u> / <u> </u>
<i>School Tuition</i>	<u> </u> / <u> </u>	<u> </u> / <u> </u>	<u> </u> / <u> </u>	<u> </u> / <u> </u>
<i>School Supplies</i>	<u> </u> / <u> </u>	<u> </u> / <u> </u>	<u> </u> / <u> </u>	<u> </u> / <u> </u>
<i>Child Support</i>	<u> </u> / <u> </u>	<u> </u> / <u> </u>	<u> </u> / <u> </u>	<u> </u> / <u> </u>
<i>Alimony</i>	<u> </u> / <u> </u>	<u> </u> / <u> </u>	<u> </u> / <u> </u>	<u> </u> / <u> </u>
<i>Subscriptions</i>	<u> </u> / <u> </u>	<u> </u> / <u> </u>	<u> </u> / <u> </u>	<u> </u> / <u> </u>
<i>Organization Dues</i>	<u> </u> / <u> </u>	<u> </u> / <u> </u>	<u> </u> / <u> </u>	<u> </u> / <u> </u>
<i> </i>	<u> </u> / <u> </u>			
<i>Gifts (inc.Christmas)</i>	<u> </u> / <u> </u>	<u> </u> / <u> </u>	<u> </u> / <u> </u>	<u> </u> / <u> </u>
<i>Miscellaneous</i>	<u> </u> / <u> </u>	<u> </u> / <u> </u>	<u> </u> / <u> </u>	<u> </u> / <u> </u>
<i>*BLOW \$\$</i>	<u> </u> / <u> </u>	<u> </u> / <u> </u>	<u> </u> / <u> </u>	<u> </u> / <u> </u>

BREAKDOWN OF SAVINGS

As you save for certain items like furniture, car replacement, home maintenance, or clothes, your savings balance will grow. This sheet is designed to remind you that all of that money is committed to something, not just a Hawaiian vacation on impulse because you are now "rich." Keep up with your breakdown of savings monthly for one quarter at a time.

<u>ITEM</u>	<u>MONTH:</u>	<u>BALANCE BY</u>		
<i>Emergency Fund(1)</i>	_____	_____	_____	_____
<i>Retirement Fund</i>	_____	_____	_____	_____
<i>College Fund</i>	_____	_____	_____	_____
<i>Real Estate Taxes</i>	_____	_____	_____	_____
<i>Homeowners Insurance</i>	_____	_____	_____	_____
<i>Repairs or Mn. Fee</i>	_____	_____	_____	_____
<i>Replace Furniture</i>	_____	_____	_____	_____
<i>Car Insurance</i>	_____	_____	_____	_____
<i>Car Replacement</i>	_____	_____	_____	_____
<i>Disability Insurance</i>	_____	_____	_____	_____
<i>Health Insurance</i>	_____	_____	_____	_____
<i>Doctor</i>	_____	_____	_____	_____
<i>Dentist</i>	_____	_____	_____	_____
<i>Optometrist</i>	_____	_____	_____	_____
<i>Life Insurance</i>	_____	_____	_____	_____
<i>School Tuition</i>	_____	_____	_____	_____
<i>School Supplies</i>	_____	_____	_____	_____
<i>Gifts (inc. Christmas)</i>	_____	_____	_____	_____
<i>Vacation</i>	_____	_____	_____	_____
<i>Other</i> _____	_____	_____	_____	_____
<i>Other</i> _____	_____	_____	_____	_____
<i>Other</i> _____	_____	_____	_____	_____
TOTAL	_____	_____	_____	_____

(1) *Emergency Fund should get ALL the savings until 3-6 months of expenses have been saved.*

