



**PERSONALIZED SPENDING PLAN**

**SPENDING PLAN GUIDE**

This **Spending Plan** is intended to be used in two ways. First, it can be used as a planning tool by entering expected expense amounts on the **Budget** column. Second, it can be used to track **Actual** expenses against the budget by using that column. Doing this over time helps you to refine future budget amounts to be more accurate/meaningful because there is a history of actual expenses to use as a guide for the future. A Spending Plan should be created for each income/pay cycle (monthly, biweekly, semi-monthly, etc.).

**THIS SPENDING PLAN GUIDE CONTINUES ON PAGE THREE.**

**SPENDING PLAN PERIOD** (Beginning & Ending Date):

SOURCES OF INCOME	Actual	Budget	NOTES/DUE DATES:
Carryover From Prior Period <sup>(1)</sup>			
Employment (First)			
Employment (Second)			
Social Security/Other			
<b>TOTAL INCOME</b>	\$ -	\$ -	

EXPENSES: HOUSING	Actual	Budget	NOTES/DUE DATES:
Mortgage/Rent			
Home Equity Loan/Line			
Repairs/Other			
<b>TOTAL HOUSING</b>	\$ -	\$ -	

EXPENSES: TRANSPORTATION	Actual	Budget	NOTES/DUE DATES:
Auto Payment #1			
Auto Payment #2			
Gasoline			
Insurance			
Repairs/Other			
<b>TOTAL TRANSPORTATION</b>	\$ -	\$ -	

EXPENSES: SAVINGS	Actual	Budget	NOTES/DUE DATES:
Emergency Fund <sup>(2)</sup>			
Set-Aside Savings/Other <sup>(3)</sup>			
Carryover To Next Period <sup>(4)</sup>			
<b>TOTAL SAVINGS</b>	\$ -	\$ -	

EXPENSES: OTHER LOANS	Actual	Budget	NOTES/DUE DATES:
Personal Loans & LOC			
Credit Cards			
Other			
<b>TOTAL OTHER LOANS</b>	\$ -	\$ -	

EXPENSES: UTILITIES	Actual	Budget	NOTES/DUE DATES:
Gas Company			
Electric Company			
Cable			
Cell Phone			
Other			
<b>TOTAL UTILITIES</b>	\$ -	\$ -	

EXPENSES: FOOD	Actual	Budget	NOTES/DUE DATES:
Groceries			
Eating Out			
Other			
<b>TOTAL FOOD</b>	\$ -	\$ -	

EXPENSES: HEALTH CARE	Actual	Budget	NOTES/DUE DATES:
Health Insurance <sup>(5)</sup>			
Prescriptions/Other			
Co-pays/Deductibles			
<b>TOTAL HEALTH CARE</b>	\$ -	\$ -	

EXPENSES: MISCELLANEOUS	Actual	Budget	NOTES/DUE DATES:
Personal Care (Hair/nails)			
Education/Childcare			
Gifts/Charities			
Entertainment/Clothing/Other <sup>(6)</sup>			
<b>TOTAL MISCELLANEOUS</b>	\$ -	\$ -	

SUMMARY	Actual	Budget	NOTES:
<b>TOTAL INCOME</b>	\$ -	\$ -	
<b>EXPENSES</b>			
Housing	\$ -	\$ -	
Transportation	\$ -	\$ -	
Savings	\$ -	\$ -	
Other Loans	\$ -	\$ -	
Utilities	\$ -	\$ -	
Food	\$ -	\$ -	
Health Care	\$ -	\$ -	
Miscellaneous	\$ -	\$ -	
<b>TOTAL EXPENSES</b>	\$ -	\$ -	
<b>INCOME minus EXPENSES</b>	\$ -	\$ -	

**REMINDER:** INCOME minus EXPENSES should equal zero. See *SPENDING PLAN GUIDE* on page 3 for details.

# SPENDING PLAN GUIDE

As mentioned on page one of the [Spending Plan](#), you should create your [Spending Plan](#) to match your income/pay frequency. If you receive income monthly, your [Spending Plan](#) should be a monthly plan. If you get paid biweekly, your [Spending Plan](#) should be a biweekly plan. You should create a [Spending Plan](#) for each income event. This is critical because the only way to effectively plan and manage where your money goes is to match the plan to the receipt of income. For example, most people who work get paid biweekly. For most people, their largest single expense is rent/mortgage. Their second largest expense is their car payment. Rent/mortgage is typically due on the first of the month. Even if the second pay of the month is enough to cover the rent/mortgage payment, there are other expenses which must be covered, too. Food and gas (and perhaps other expenses) cannot be postponed until the next payday. Because of this, for many people, the only way to manage the reality of the pay periods is to make sure that some money from one pay period is retained to cover some of the expenses of the next pay period. The [Spending Plan](#) format includes two similar lines - Carryover From Prior Period and Carryover To Next Period. These lines are intended to handle this budgeting reality. Unless you plan to pay rent/mortgage out of the first pay period each month, you would need to "carryover" some of that income to the second pay period of the next month so you have enough funds on hand to pay the rent/mortgage as well as other expenses you must handle during that pay period. With high enough incomes this may not be an issue, but for many people it is. Failing to plan for this reality makes the [Spending Plan](#) ineffective for its intended purpose.

## SPENDING PLAN FOOTNOTES:

- (1) Carryover From Prior Period:** Briefly explained above, use this line to enter the amount of funds you will retain from one pay period in order to supplement the income of the next pay period. Of course, you must also actually keep that money in an account for this purpose.
- (2) Emergency Fund:** Everyone should have an emergency fund equal to at least one month's expenses. This line is intended to be used by individuals who are trying to establish their emergency fund by saving an amount of money each pay period to build their emergency fund. If you already have enough in your emergency fund, you need not use this line.
- (3) Set-Aside Savings/Other:** One effective way to plan for infrequent expenses (car repairs, gifts, vacations, weddings, etc.) is to estimate the costs and save money in a separate account to cover these items when they come up. If this method makes sense for you, plan to budget for these kinds of infrequent or unexpected expenses by using this line.
- (4) Carryover to Next Period:** This is the line you would use to allocate some funds from this pay period for the next pay period to cover expenses you might otherwise not be able to cover. Please read Footnote #1 for clarification.
- (5) Health Insurance:** Most people pay for their health insurance through the plan offered by their employer. If so, the health insurance premium has already been deducted from pay and nothing needs to be entered in the [Spending Plan](#). However, if you pay for health insurance separately, this is where you would enter that premium.
- (6) Clothing/Cleaning/Other:** This is the catch all expense category. The [Spending Plan](#) format anticipates most of the major expense categories, but cannot address every possible expense. However, for your [Spending Plan](#) to be meaningful, it needs to include ALL expenses. Use this line to include any expense categories not covered specifically. For example, if you pay child support in a way that is not deducted from your pay, include that on this line item. If you spend money on lottery tickets or at gambling boats, include those amounts on this line.

Think about what you spend money on and if there are things you spend money on which are not included in other lines, be sure to include them here. Make notes so you know what you included. If needed, consider tracking your expenses for a month using Expense Tracking Worksheet available on the credit union's website.

When you have completed your [Spending Plan](#), the final line, INCOME minus EXPENSES should be zero. A [Spending Plan](#) should allocate ALL of your income somewhere. What is to be hoped is that after you have accounted for all of your expenses, you have money left over. That money should represent savings or additional savings. If, when you are working on the first draft of your [Spending Plan](#), you find that there is money left over, that is good news. You can increase the amount on one of the savings lines. If, however, you find that your expenses exceed your income, this is not a sustainable situation. You may have overstated some expenses or you may need to look for ways to reduce some expenses.