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HEG85-202 Cash Flow Planning Form: For Household Expenses

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Cash Flow Planning Form

For Household Expenses

This NebGuide provides detailed step-by-step instructions for filling out a cash flow plan for household living expenses.

Kathy Prochaska-Cue, Extension Family Economics and Management Specialist

What Is Cash Flow Planning?

A cash flow plan shows the sources, amounts and timing of income and expenses. It shows when major expenses will come, when you will need credit and when you can plan for other major expenses. A cash flow plan is usually for one year, but it can be for any time period you choose.

Where to Start?

Gather all of the sources of information you have about family living expenses -- checkbooks, receipts, due dates and amounts of insurance premiums and debts, and any records you have kept in the past year. With this information to help you look ahead, you are ready to begin to plan household expenses.

Steps To Follow

Complete the form on page 2, column by column, starting with the first period of the time being considered. Do the form in pencil; round all figures to dollars; refer to the line explanations section for more in formation.

1. In the blank following "Date completed" put today's date (or the date you finish the form). Fill in your family's name for identification. Determine the total time period you want to plan for; then break it down into smaller parts. Fill in time period headings for each column; for example, "1-1-85 to 1-31-85," "1-1-85 to 3-31-85," or "1-6-85 to 1-20-85."
2. Complete lines 1-5 of the first column to find the total cash available for the time period being considered. Put the total figure in line 6.
3. Complete lines 7-13 to find the total fixed expenses anticipated. Put the result in line 14.
4. Complete lines 15-17 to find the total projected savings. Put this figure in line 18.
5. Complete lines 19-29 to get the total flexible expenses anticipated and put the result in line 30.
6. Complete lines 31-35 to find the total projected irregular expenses. Put the total in line 36.
7. Add lines 14, 18, 30, and 36 to get the total anticipated cash needed for the time period. Put this figure in line 37.
8. Subtract line 37 from line 6. Enter the result in line 38 (ending cash balance). If the result is negative, write it in red, bracket it [ ], or put a negative (minus) sign in front of it. This figure represents the amount to be borrowed from other sources or to be cut out of the household expenses.
9. If the ending cash balance (line 38) for the period is positive, transfer this figure to the beginning cash balance (line 1) for the next planning period.
10. Repeat steps 2-9 for each time period.

It's Done -- Now What?

Study it -- use it to plan and control your family's living expenses. This information will also be helpful if you use cash flow planning in the family business. Used together, cash flow planning in both the family business and household expenses can help coordinate expenses, income and credit use.

<table>
<thead>
<tr>
<th>Cash Flow Planning Form for Family Living Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date Completed ___________________ Family Name __________________________</td>
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<tr>
<td>Note: Do form in pencil; round to dollars.</td>
</tr>
<tr>
<td><strong>TIME PERIOD BEING PLANNED</strong></td>
</tr>
<tr>
<td><strong>CASH FLOW IN</strong></td>
</tr>
<tr>
<td>1. Beginning Balance in Household Account</td>
</tr>
<tr>
<td>2.</td>
</tr>
<tr>
<td>3.</td>
</tr>
<tr>
<td>4.</td>
</tr>
<tr>
<td>5. Transfer from Business Account</td>
</tr>
<tr>
<td>6. Total Cash Available (add 1-5)</td>
</tr>
<tr>
<td><strong>FIXED EXPENSES</strong></td>
</tr>
<tr>
<td>7. Debts - installment payments, credit cards</td>
</tr>
<tr>
<td>8.</td>
</tr>
<tr>
<td>9.</td>
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<tr>
<td>10.</td>
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<td>11.</td>
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<tr>
<td>12.</td>
</tr>
<tr>
<td>13.</td>
</tr>
<tr>
<td>14. Total Fixed Expenses (add 7-13)</td>
</tr>
<tr>
<td><strong>SAVINGS AND INVESTMENTS</strong></td>
</tr>
<tr>
<td>15. Emergency Fund Savings</td>
</tr>
<tr>
<td>16. Other Savings</td>
</tr>
<tr>
<td>17.</td>
</tr>
<tr>
<td>18. Total Savings &amp; Investments (add 15-</td>
</tr>
</tbody>
</table>
**Line Explanations**

**Cash Flow In**

Line 1. Beginning Balance--includes cash on hand and in the household expense checking account.

Lines 2-3. Regular Income--Take-home allowed for household expenses.

Line 4. Transfer from Business Account--amount allowed for household expenses from business account (if any).

Line 5. Other Income--Other income specifically for household expenses such as gifts, tax refunds.

Line 6. Total Cash Available--Add lines 1-5

**Cash Flow Out--Fixed Expenses**
Lines 7-13. Credit Debt Payments -- Amount of payment for all installment, credit card and other debts (including interest). List each separately. Also list other fixed expenses such as housing rent or payment, other credit debt payments, childcare expenses, etc.


Savings and Investments

Line 15. Emergency Fund Savings -- Fund maintained for unexpected emergencies (insurance deductibles, unexpected travel or expense, repair or replacement of household items, legal expenses, etc.)

Lines 16-17. Other Savings -- Savings for purposes other than emergencies, such as education; other investments besides business, retirement, etc.


Cash Flow Out -- Flexible Expenses

Line 19. Food--Include food eaten at home and away (including school lunches), and home food production.


Line 21. Transportation -- Household car and other transportation expense (gas, oil, maintenance, repair, license plates, insurance, plane, taxi, car rental, etc.)

Line 22. Household Operation -- Supplies, upkeep, house repairs, safe deposit box rent, hired help for the house, postage and stationery, household property insurance, laundry supplies, dry cleaning.

Line 23. Health -- Medical and hospital insurance premiums, doctor, dentists, medicine, eye glasses, therapy treatments, x-rays, lab tests.


Line 25. Gifts and Contributions -- Church, charities, holidays, wrapping paper, cards, special contributions.


Line 27. Recreation -- Club dues, sports, movies, vacations, babysitting during recreation, records, pets, tobacco, alcoholic beverages, hobby supplies, cable television.

Line 28-29. Other Flexible Expenses -- Those flexible expenses that won't fit in lines 19-27, such as babysitting while working, unreimbursed business expenses, etc.

Irregular Expenses

Line 31. Clothing Upkeep -- Clothing purchases, home sewing supplies.

Line 32. Furnishings and Equipment -- Appliances, furniture, small and large household equipment and furnishings items.

Line 33. Life and Disability Insurance -- Premium payments for life and disability insurance.

Lines 34-35. Irregular Expenses that won't fit in lines 31-33, such as school expenses, heating fuel, vacations, union/professional dues, etc.

Line 36. Total Irregular Expenses -- Add lines 31-35.

Summary

Line 37. Total Cash Required for Household Expenses -- Add lines 14, 18, 30 and 36.


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