

University of Nebraska - Lincoln

DigitalCommons@University of Nebraska - Lincoln

Historical Materials from University of
Nebraska-Lincoln Extension

Extension

1991

NF91-24 A Cash Flow Technique to Use in Household Budgeting

Kathy Prochaska-Cue

University of Nebraska--Lincoln, kprochaska-cue1@unl.edu

Follow this and additional works at: <https://digitalcommons.unl.edu/extensionhist>



Part of the [Agriculture Commons](#), and the [Curriculum and Instruction Commons](#)

Prochaska-Cue, Kathy, "NF91-24 A Cash Flow Technique to Use in Household Budgeting" (1991).
Historical Materials from University of Nebraska-Lincoln Extension. 634.
<https://digitalcommons.unl.edu/extensionhist/634>

This Article is brought to you for free and open access by the Extension at DigitalCommons@University of Nebraska - Lincoln. It has been accepted for inclusion in Historical Materials from University of Nebraska-Lincoln Extension by an authorized administrator of DigitalCommons@University of Nebraska - Lincoln.



NebFact



Published by Cooperative Extension, Institute of Agriculture and Natural Resources,
University of Nebraska-Lincoln

A Cash Flow Technique to Use in Household Budgeting

Kathy Prochaska-Cue, Extension Family Economics and Management Specialist

This technique can help you track the flow of your money. It's explained the easiest by using a simple example:

Bob and Peggy are both employed; Bob at an hourly job which pays every two weeks and Peggy as a secretary paid monthly.

To use this system they chart their income and expenses using the time frame of Bob's paychecks since he is paid the most frequently. Example #1 is a section of their chart. Note the dates at the top. These are Bob's payday. Peggy is paid the first of the month so her income is entered in the appropriate column. The "P" column is for planned figures; the "A" column is for actual figures.

The utilities line includes the codes identifying each separate utility. "T" is for telephone, "C" for cable, "E" for electric, and "G" for gas. Examples #2 and #3 on the reverse side shows how their chart looked after they decided what to do about the negative balance of \$199 for the time period 8/17-8/30.

1. Bob got some overtime so his check was actually \$539.
2. The telephone and cable bills (under utilities) were not due until 9/1 so they decided to pay them with the next checks, (note the blue text).
3. They decided to buy their children one new item each to start school and wait until the next check period to complete their school wardrobes. (Note \$100 is gray text and \$30 entered for 8/17 with \$70 put under 8/31 planned expenses.)
4. The insurance bill could wait until 9/1 so they shifted it to the next period. (Note blue text.)
5. They would spend \$6 less on food for 8/17.

Example 3 shows their chart on 9/13. Note the actual figures that had been entered:

- Bob's paycheck on 8/31 was less than expected.
- They spent more on food, transportation and clothing, but less on recreation.
- They paid all of their utility bills and the insurance bill.

While they still have a surplus of money, it's less than expected and is needed to cover expenses during the next period. To complete their sheet for 9/14, they would enter the surplus \$69 at the top of the planned and actual columns under 9/14.

By looking at planned and actual figures and doing the necessary adjustments, they are able to meet their financial commitments.

Another suggestion would be to enter all planned figures in pencil. Enter actual figures in ink when the paychecks are received and when the bills or other expenses are paid.

EXAMPLE #1, 8/16

	8/17		8/31		9/14
	P	A	P	A	P
Income					
Bob	525		525		525
Peggy			743		
Debts					
Mortgage			425		
Car			165		
Truck	195				195
Expenses					
Food	200		200		200
Utilities	T - 32 C - 15		E - 95 G - 18		T - 35 C - 15
Transp.	50		50		50
Clothing	100				50
Rec.	40		40		40
Education	30				
Insurance	62				
Balance					
	- 199		275		-60

EXAMPLE #2, 8/17

	8/17		8/31		9/14
	P	A	P	A	P
Income					
Bob	525	539	525		525
Peggy			743		
Debts					
Mortgage			425		
Car			165		
Truck	195	195			195
Expenses					
Food	194 200		200		200
Utilities	T - 32 C - 15		E - 95 G - 18		T - 35 C - 15
Transp.	50		50		50
Clothing	30 100				50
Rec.	40		40		40
Education	30				
Insurance	62				
Balance					
	0		96		-60

EXAMPLE #3, 9/13

	8/17		8/31		9/14
	P	A	P	A	P
Income					
Bob	525	539	525	517	525
Peggy			743	743	
Debts					
Mortgage			425	425	
Car			165	165	
Truck	195	195			195
Expenses					
Food	200		200		200
Utilities	T - 32 C - 15		E - 95 G - 18	T - 32 C - 15 G - 18	T - 35 C - 15
Transp.	50	45	50	57	50
Clothing	30 100	30	70	83	50
Rec.	40	38	40	39	40
Education	30	32			
Insurance	62		62	62	
Balance					
	0	0	143	69	-60

File NF24 under MONEY MANAGEMENT
B-1k, Budgeting
Issued May 1991

Issued in furtherance of Cooperative Extension work, Acts of May 8 and June 30, 1914, in cooperation with the U.S. Department of Agriculture. Elbert C. Dickey, Director of Cooperative Extension, University of Nebraska, Institute of Agriculture and Natural Resources.

University of Nebraska Cooperative Extension educational programs abide with the non-discrimination policies of the University of Nebraska-Lincoln and the United States Department of Agriculture.