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## EC77-2223 For Farm & Ranch Family Living Expenses : Cash Flow Planning Form

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# Cash Flow Planning Form

## Cash Flow Planning—What Is It?

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. Usually, the cash flow plan is for one year, but it can be for any time period you choose.

## Cash Flow Planning—Where to Start?

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

## Steps To Follow

Complete the following form, column by column, starting with the first period of the time being considered. Do form in pencil. Round all figures to dollars. Refer to line explanations on the back of this leaflet for further information.

1. In the blank following "Date completed" put today's date (or the date you finish the form). Fill in family name and address for identification. Determine the total time period you want to plan for; enter under "Total." Then break down into smaller parts. Fill in time period headings for each column; for example, "1-1-78 to 1-31-78" or "1-1-78 to 3-31-78."

2. Complete lines 1-5 of the first column to get total cash available for the time period being considered. Put total figure in line 6.

3. Complete lines 7-10 to find total fixed expenses anticipated. Put result in line 11.

4. Complete lines 12-24 to get total flexible expenses anticipated, and put result in line 25.

5. Complete lines 26-28 to find total anticipated savings. Put total figures in line 29.

6. Add lines 11, 25, and 29 to get total anticipated cash needed for time period. Put figure in line 30.

7. Subtract line 30 from line 6. Enter result in line 31. If the result is negative write in red, bracket it [ ], or put negative sign in front of it.

8. If line 31 is negative, show money to be borrowed from other sources (farm account, emergency fund, bank loan, etc.) on line 32.

9. If line 31 is positive, indicate amount left for future expenses or to be transferred to other accounts (farm account, emergency fund, etc.) on line 33.

10. Ending Cash Balance (line 34). If line 31 is negative, subtract it from the amount borrowed (line 32) to get ending cash balance. If line 31 is positive, subtract payments to other accounts (line 33) to get ending cash balance.

11. Transfer the ending cash balance (line 34) for the period you have just completed to the beginning cash balance (line 1) for the next planning period.

12. Repeat steps 2-11 for each partial time period.

## The Total Column

The figures in this column reflect your total cash flow for the total time period being planned. Each figure in this column is the sum of the figures for the individual time periods for most of the lines. But, the figures in lines 1, 6, 31, and 34 do not necessarily "add across." This is due to transfer of cash balances from the end of one period to the beginning of the next. If the beginning and ending cash balances are all equal, these lines would also add across.

As a check on previous calculations, do the following calculation using the line numbers in the total year column: line 6 - line 30 + line 32 - line 33 = line 34. The ending cash balance (line 34) in the total column should agree with the ending cash balance for the last time period considered.

## It's Done—What Now?

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



Cash Flow Planning Form For Family Living Expenses

Date Completed \_\_\_\_\_ Family Name \_\_\_\_\_  
Address \_\_\_\_\_

TIME PERIOD BEING PLANNED															
CASH FLOW IN	1. Beginning Balance in Living Expense Account														
	2. Transfer from Farm Business Account														
	3. Non-Farm Income														
	4. Other Income														
	5.														
	6. Total Cash Available (add 1-5)														
CASH FLOW OUT	FIXED EXPENSES														
	7. Life & Disability Insurance														
	8. Debts - installment payments, credit cards														
	9. Other Fixed Expenses														
	10.														
	11. Total Fixed Expenses														
CASH FLOW OUT	FLEXIBLE EXPENSES (add 7-10)														
	12. Food (including home production)														
	13. Utilities-Home Share														
	14. Transportation-Home Share														
	15. Household Operation - Supplies, upkeep and repair														
	16. Furnishings and Equipment														
	17. Health including health insurance premiums														
	18. Clothing and Upkeep														
	19. Personal care and allowances														
	20. Gifts and Contributions														
	21. Education														
	22. Recreation														
	23. Other Flexible Expenses														
	24.														
	25. Total Flexible Expenses (add 12-24)														
	SAVINGS AND INVESTMENTS														
	26. Emergency Fund Savings														
	27. Other Savings														
	28.														
	29. Total Savings & Investments (add 26-28)														
SUMMARY	30. Total Cash Required for Family Living Expense (Add lines 10, 24, and 29)														
	31. Total Cash Available Less Total Cash Required (Line 6 less Line 30)														
	32. Money to be Borrowed (if line 31 is negative)														
	33. Money left for future expenses (if line 31 is positive)														
	34. Ending Cash Balance														

LINE EXPLANATIONS

- Cash Flow In
- Line 1

Beginning Balance—includes cash on hand and in the family living expense checking account.
- Line 2

Transfer from Farm Business Account—amount allowed for family living expenses from farm business account.
- Line 3

Nonfarm Income—After-tax amount allowed for family living expenses.
- Lines 4-5

Other Income—Other income specifically for family living such as gifts, tax refunds.
- Line 6

Total Cash Available—Add lines 1, 2, 3, 4 and 5.



### Cash Flow—Out Fixed Expenses

- Line 7 Life and Disability Insurance—Not included as part of farm business expense.
- Line 8 Debts—Amount of payment for all installment, credit card and other debts (including interest).
- Line 9 Other Fixed Expenses—Fixed expenses which won't fit in lines 7-8. Housing rent or payment would go here if you have it.
- Line 11 Total Fixed Expenses—Add lines 7, 8, 9 and 10.

### Cash Flow Out—Flexible Expenses

- Line 12 Food—Include food eaten at home and away, including school lunches, home food production.
- Line 13 Utilities—Home share of utilities expense (gas, electricity, telephone, water).
- Line 14 Transportation—Home share of car and other transportation expense (gas, oil, maintenance, repair, license plates, insurance, plane, taxi).
- Line 15 Household Operation—Supplies, upkeep, repair of house, safe deposit box rent, hired help for the house, postage and stationery, household property insurance, laundry supplies.
- Line 16 Furnishings and Equipment—Major and minor purchases including appliances and furniture.
- Line 17 Health—Medical and hospital insurance premiums, doctor, dentists, medicine, eye glasses, therapy treatments, x-rays, lab tests.
- Line 18 Clothing and Upkeep—Clothing purchases, laundry, dry cleaning, supplies for home sewing.
- Line 19 Personal Care and Allowances—Barbershop, grooming and beauty aids, "coffee breaks," beauty shop.
- Line 20 Gifts and Contributions—Church, charities, Christmas, wrapping paper, cards, special contributions.
- Line 21 Education—Books, tuition, newspapers, magazines, music and dance lessons, seminar and workshop fees.
- Line 22 Recreation—Club dues, sports, movies, vacations, babysitting during recreation, records, pets, tobacco, alcoholic beverages, hobby supplies, cable television.
- Lines 23-24 Other Flexible Expenses—Flexible expenses which won't fit in lines 11-21, such as union and professional association dues, babysitting while working, legal fees.
- Line 25 Total Flexible Expenses—Add lines 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23 and 24.

### Savings and Investments

- Line 26 Emergency Fund Savings—Fund maintained for unexpected emergencies (insurance deductibles, unexpected travel or expense, etc.)
- Lines 27-28 Other Savings—Savings which won't fit in Line 26. Credit union deposits, savings bonds, time deposits, other investments besides farm business, stocks, bonds, annuities.
- Line 29 Total Savings—Add lines 26, 27 and 28.

### Summary

- Line 30 Total Cash Required for Family Living Expenses—Add lines 10, 24 and 29.
- Line 31 Total Cash Available Less Total Cash Required—Line 6 minus Line 30.
- Line 32 Money to be Borrowed—See Step No. 8.
- Line 33 Money left for future expenses—See Step No. 9.
- Line 34 Ending Cash Balance—See Step No. 10.

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