



Making

Our

Budget

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The plans of the diligent lead to profit as surely as haste leads to poverty. (Proverbs 21:5)

An upright man gives thought to his ways. (Proverbs 21:29)

In the following pages, you will see six worksheets that will help you get a handle on your finances. Although they were designed to be used by a married couple, they also can be used by an individual person.

You can use these worksheets as-is to create and follow a budget. If you want to dig deeper, the guidelines in the book *Putting Money in its Place* will help you get control of your budget and financial decisions. It is available at www.dougbrittonbooks.com.

May God direct and bless you as you study.

Doug Britton

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Worksheet 1: Income

Note: Worksheet 1 is referred to in Chapter 3 of *Putting Money in its Place*

Worksheet 1 Instructions

Income from a job or business

Write each person's income on the appropriate lines. Since some people have more than one job, there is room to make three entries per person. If you have more than three jobs, enter the additional ones in *Other income*.

If you think you will get a raise in the coming year, do not include that amount. Complete a new worksheet *after* you get the raise.

If you are an employee and you are paid every week

Enter your gross income before taxes and other deductions are subtracted.

- Enter the amount you are paid in *Amount per pay period*.
- Multiply *Amount per pay period* by 4.333 and enter the result in *Monthly income*. (You use 4.333 since there are slightly more than four pay periods per month.)
- Multiply *Monthly income* by twelve and enter the result in *Annual income*.

If you are an employee and you are paid every two weeks

Enter your gross income before taxes and other deductions are subtracted.

- Enter the amount you are paid in *Amount per pay period*.
- Multiply *Amount per pay period* by 2.167 and enter the result in *Monthly income*. (You use 2.167 since there are slightly more than two pay periods per month.)
- Multiply *Monthly income* by twelve and enter the result in *Annual income*.

If you are an employee and you are paid twice a month

Enter your gross income before taxes and other deductions are subtracted.

- Enter the amount you are paid in *Amount per pay period*.
- Multiply *Amount per pay period* by 2 and enter the result in *Monthly income*.
- Multiply *Monthly income* by twelve and enter the result in *Annual income*.

If you are an employee and you are paid once per month

Enter your gross income before taxes and other deductions are subtracted.

- Put the amount you are paid in *Monthly income*.
- Multiply *Monthly income* by twelve and enter the result in *Annual income*.

If you are self-employed and make the amount monthly

When you enter your income, enter your net income after subtracting business expenses. However, do not subtract your income tax, Social Security, and personal health insurance payments.

- Put the amount you are paid in *Monthly income*.
- Multiply *Monthly income* by twelve and enter the result in *Annual income*.

If you are self-employed and don't make the amount monthly

When you enter your income, enter your net income after subtracting business expenses. However, do not subtract your income tax, Social Security, and personal health insurance payments.

- Enter a reasonable estimate of what you expect to make in one year in Annual income.
- Divide Amount per year by twelve and put the result in Monthly income.

Other income

Enter any payments such as interest from a savings account, dividends from stocks or bonds, rent from property you own, or gifts from a parent or trust fund.

If you receive payments once per month

- Enter the amount in *Monthly Income*.
- Multiply this amount by twelve and enter it in *Annual income*.

If you receive payments throughout the year

- If you receive payments throughout the year, but not on a regular monthly basis, enter the total amount you get in one year in *Annual income*.
- Divide this by twelve and put the amount in *Monthly income*.

If you receive a payment once a year

- Enter the amount in *Annual income*.
- Divide this by twelve and put the amount in *Monthly income*.

Worksheet 1: Income

Date completed: _____

(Show gross income before taxes and other deductions are subtracted.)

	Job or other source of income	Amount per pay period	Monthly income	Annual income
<u>His income:</u>				
Job #1:	_____	_____	_____	_____
Job #2:	_____	_____	_____	_____
Job #3:	_____	_____	_____	_____
<u>Her income:</u>				
Job #1:	_____	_____	_____	_____
Job #2:	_____	_____	_____	_____
Job #3:	_____	_____	_____	_____
<u>Other income:</u>				
Source:	_____	_____	_____	_____
Source:	_____	_____	_____	_____
Source:	_____	_____	_____	_____
Source:	_____	_____	_____	_____
Source:	_____	_____	_____	_____
Source:	_____	_____	_____	_____
Source:	_____	_____	_____	_____
Source:	_____	_____	_____	_____
Source:	_____	_____	_____	_____
Source:	_____	_____	_____	_____
Source:	_____	_____	_____	_____
<u>Totals per month and year:</u>			_____	_____

Worksheet 2: Assets

Note: Worksheet 2-is referred to in Chapter 3 of *Putting Money in its Place*

Worksheet 2

Date completed: _____

Description	Value	His/hers/both
<u>Bank accounts:</u>		
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
<u>Savings and loan accounts:</u>		
_____	_____	_____
_____	_____	_____
_____	_____	_____
<u>Stocks, bonds, investment property and similar assets:</u>		
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
<u>Major personal assets (such as house, cars, antiques):</u>		
_____	_____	_____
_____	_____	_____
_____	_____	_____
<u>Value of all assets:</u>		
_____		_____

LIFE INSURANCE AND RETIREMENT PLANS:

Company	Name of insured	Name of designee	Value
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

Worksheet 3: Debts

Note: Worksheet 3-is referred to in Chapter 3 of *Putting Money in its Place*

Worksheet 3		
Date completed: _____		
Description	Amount owed	% Interest
<u>Credit card debts:</u>		
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
<u>Banks and savings and loan debts:</u>		
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
<u>Brokerage accounts - margin debts:</u>		
_____	_____	_____
_____	_____	_____
<u>Other debts:</u>		
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
<u>Total debts:</u>	_____	

Worksheet 4: Spending Plan (Budget)

Note: Worksheet 4-is referred to in Chapter 6 of *Putting Money in its Place*

Worksheet 4 Instructions

Some couples like to go through the whole process of making a budget together. Others prefer for each person to create a proposed budget, then to meet and make one together drawing upon the work each has done. Either way is fine.

This discussion might be upsetting or frustrating because (1) you may discover you don't have enough income to pay for everything on your list and (2) you almost certainly will disagree about how much to spend on different categories.

Don't panic. These are common problems. One reason to make a budget is to force yourselves to make choices. You may find you need to spend less, earn more, or both.

Start your discussion by praying for wisdom and God's help to speak with love and respect. Work as a team, with each person participating and making proposals. Listen to your spouse. Be willing to compromise.

If you cannot figure out—or you can't agree on—how to make a workable budget, make a date to talk about it again. Then keep praying and thinking. Get back together as often as necessary until you make a budget in which your income and your expenses balance.

Income

Enter the *Monthly* and *Annual* income amounts from Worksheet 1: Income.

Expenses

Expense category

The *Expense categories* preprinted in this worksheet should cover most of your expenditures. Notice that the worksheet includes some *Expense categories* that you won't pay every month (for example, car repairs, gifts, and property taxes). Set aside a certain amount for each of these categories every month.

If you want to add more *Expense categories*, write them at the bottom of the worksheet. Or scratch out some of the *Expense categories* that don't apply to you and write in your new ones. Here are some ways you could change or add to the *Expense categories*:

Gifts

If you think "Gifts" is too broad a category, you might want to break this into separate categories such as "Christmas" and "Birthdays."

Entertainment

This expense category includes recreation and eating out. However, you could make two separate categories, one for "Recreation" and one for "Dining out."

Saving for a special purchase

If you want to buy some furniture, create a category for “Furniture” and set aside a certain amount each month until you can afford it.

Debt payments

You listed all your debts in the Debts Worksheet (Worksheet 3). You can enter the total amount you plan to pay for these debts each month in *Debt payments* (listed in the *Expense categories* column), or you could add more *Expense categories* for specific debts. For example, you could make a category to pay off the ABC debt and another to pay for the XYZ debt.

Monthly amount

Fill in the amount you expect to pay each month for each *Expense category*. If you plan to spend a certain amount in one year for a category such as clothing, divide the annual payment by twelve and enter this amount. Likewise, if you will have an annual for a category such as auto insurance, divide the annual payment by twelve and enter this amount.

You will use the *Monthly amounts* you enter in this worksheet in Worksheet 5 and Worksheet 6.

Annual amount

Multiply each *Monthly amount* by twelve and enter the results in *Annual amount*.

One-time startup amount

The first time you make a budget, you may need to add some extra money, the *One-time startup amount*, to a few *Expense categories*. That’s because some of your *Expense categories* will come due before you have twelve months to set aside money to pay for them.

For example, if you are just starting your budget and know you will have to pay annual property taxes in three months, add the amount of money you should have set aside in the previous nine months as a *One-time startup amount*. You won’t have to do this again next year, because by the time the next payment comes due, you will have set aside twelve *Monthly amounts*, enough to pay the bill.

Another example: You might want to add a *One-time startup amount* to the “Gifts” *Expense category* if you start your budget in December since you probably want to buy more Christmas presents than you could afford with only one month’s *Monthly amount*.

Your One-time startup amounts may leave you “in debt.”

When my wife and I made our first budget, it was a challenge, but we managed to figure out how to live on our income. But when we figured out how much we should set aside for *One-time startup amounts*, we realized we didn’t have enough money in the bank to cover everything.

We could see that we would be in trouble if auto repairs, Christmas presents, property taxes, and dental work had to be paid for in the same month. Fortunately, these expenses came due throughout the year, so we were able to pay for them.

If you find yourself in a similar position, don’t despair. Live within your budget, and set aside a little money each month to build up your savings. You’ll eventually have enough money to stay on top of the bills you pay annually.

Worksheet 4: Spending Plan (Budget)

Date completed: _____

INCOME (Enter *Monthly* and *Annual* income from Worksheet 1: Income.)

Monthly

Annual

EXPENSES

Expense category

Monthly

Annual

One-time startup

Tithe, offerings	_____	_____	_____
Groceries	_____	_____	_____
Clothing-him	_____	_____	_____
Clothing-her	_____	_____	_____
Clothing-kids	_____	_____	_____
Income taxes	_____	_____	_____
Other payroll deduct	_____	_____	_____
Property taxes	_____	_____	_____
Home/rent payment	_____	_____	_____
Home/rent insurance	_____	_____	_____
Home/rent utilities	_____	_____	_____
Home maintenance	_____	_____	_____
Household supplies	_____	_____	_____
Furniture	_____	_____	_____
Telephone	_____	_____	_____
Car payment	_____	_____	_____
Car registration	_____	_____	_____
Car insurance	_____	_____	_____
Car gas and repairs	_____	_____	_____
Gifts	_____	_____	_____
Entertainment	_____	_____	_____
Vacations	_____	_____	_____
Life insurance	_____	_____	_____
Health insurance	_____	_____	_____
Dentist	_____	_____	_____
Personal care	_____	_____	_____
Education	_____	_____	_____
Misc – him	_____	_____	_____
Misc – her	_____	_____	_____
Kids' allowance, misc	_____	_____	_____
Debt payments	_____	_____	_____
Savings, investments	_____	_____	_____
Retirement	_____	_____	_____

Totals:

Worksheet 5: Daily Records

Note: Worksheet 5-is referred to in Chapter 6 of *Putting Money in its Place*

Worksheet 5 Instructions

As you go through the day, enter all your income and purchases on a Daily Records worksheet. This will take a few minutes, but it will pay off in a big way for two reasons:

(1) You will know exactly how much you are spending. (If you don't keep records, it's easy to lose track of how much money you spend, and what you spend it on.)

(2) Your Daily Records worksheets will do more than track how much you spend. They also will help you see how well you are following your budget day-by-day. Plus, you will know exactly and how much remains to be spent this month in each of your budgeted areas.

Prepare Daily Records worksheets at the beginning of each month.

You may want to print separate worksheets for *Expense categories* that will have many entries, such as groceries. However, if you only expect to have one or two entries for certain *Expense categories*, such as home insurance, you may want to enter these on the same worksheet to save paper.

Keep a record all expenses throughout the day.

As you go through the day, record your income and expenses on your smartphone, a notebook, or a piece of paper you keep with you.

- *Write each expense when you make it.*
If you wait until the end of the day, your memory will not be as precise.
- *Enter every expense, no matter how small.*
Little expenses add up—a candy bar, a cup of coffee, a sandwich for lunch.
- *Round off numbers.*
To save time, you could round off expenses to the nearest dollar. \$1.49 becomes \$1.00. \$1.50 becomes \$2.00.

Fill in a Daily Records worksheet at the end of each day.

Every evening, enter each person's income and expenses into the *Daily Records* worksheets. When you are done, review how well you are doing at following your budget and discuss any planned purchases for the next day.

Income

Date

Write the date you were paid.

Amount

Enter the amount you were paid.

If you are employed by someone else

Enter your gross pay—the amount before taxes, Social Security, insurance, union dues, or other expenses are deducted.

If you are self-employed

Enter the profit you paid yourself. Also enter the amount of any personal expenses paid by the business such as income taxes, Social Security, or health insurance.

Explanation

Write the name of the business that paid you. Also record the source of other income such as interest from a savings account, dividends from stocks or bonds, rent from property you own, or gifts from a parent or trust fund.

Expenses

Many pages in your loose-leaf binder will be for a single *Expense category*. However, some low-frequency *Expense categories* can be entered on the same sheet to conserve paper.

The following instructions assume you are tracking only one *Expense category* on a worksheet.

Expense category

You already entered each *Expense category* when you prepared your Daily Records worksheets.

Amount available

The first month you complete Daily Records, enter the *One-time startup* amount set aside for each *Expense category* in Worksheet 4 as the *Amount available* for that category. In each following month, enter the *\$ Left at end of month* from Worksheet 6.

Date

Write the date you made the purchase.

By

Write the initials of the person who made the expense, yourself or your spouse.

Whom to

Whom did you pay?

Type of payment

Enter the appropriate letter.

a = cash

b = check

c = credit card

d = debit card or check card

Check #

If payment was by check, enter the check number.

Amount spent

Enter the amount you spent. If a payment is for more than one type of *Expense category*, make separate entries for each type of *Expense category* instead of one combined entry.

For example, if you write a check for \$250—\$200 for groceries and \$50 for household supplies—do not make a \$250 entry. Instead, make a \$200 *Groceries* entry and a \$50 *Household supplies* entry.

Enter credit card charges when you make a purchase.

When you pay for something by credit card, enter the date and amount. Do not make another expense entry when you write a check to pay the credit card company.

Amount remaining

Subtract *Amount I spent* from *Amount available*. The remainder is the *Amount remaining*—how much money you have left in this *Expense category*.

The *Amount remaining* automatically becomes the new *Amount available* you can spend in this *Expense category*.

Worksheet 6: Monthly Review

Note: Worksheet 6 is referred to in Chapter 6 of *Putting Money in its Place*

Worksheet 6 Instructions

At the end of each month, add the totals of everything you earned or spent for each category and enter the totals in Worksheet 6. This will give you an overview of your financial situation and help you make any changes that may be needed in your spending patterns.

Income

Actual income

Enter the total of all income from this month's copies of Worksheet 5: Daily Records into *Actual Income*. (Enter gross income, before deductions, such as income tax or health insurance, are subtracted.)

Budgeted income

Copy *Monthly income* from Worksheet 1: Income.

Difference

Subtract *Budgeted Income* from *Actual income*. If your *Actual income* is different than your *Budgeted income*, analyze why and discuss whether or not you need to change your Spending Plan (Budget).

Expenses

\$ from last month

The first time you complete a Monthly Review worksheet, enter the *One-time startup* amount for each *Expense category* from Worksheet 4: Spending Plan (Budget).

In each following month, after you complete your Monthly Review worksheets, copy the *\$ left at end of month* as *\$ from last month* in next month's Worksheet 6: Monthly Review.

\$ added this month

Enter the monthly amount of money you budgeted for each *Expense category*.

Total available

Add *\$ from last month* and *\$ added this month*. This shows how much is set aside for each *Expense category*.

\$ spent this month

Look at your Daily Records worksheets and add up everything you spent in each *Expense category*. Enter the totals in *\$ spent this month*. Review these expenses with your spouse. How well did you follow your budget? Do you need to make any changes in your spending patterns? Is your budget unrealistic? Do you need to change it?

\$ left at end of month

Subtract *\$ spent this month* from *Total available* and enter the result in *\$ left at end of month*. This will show you how much money you have set aside for each *Expense Category*.

If \$ *left at end of month* is less than 0 in any *Expense category*, you overspent in this area. Meet with your spouse to analyze why this happened. Do you need to change your spending habits or your budget?

Worksheet 6: Monthly Review

(Month/year): _____

<u>INCOME</u>	Actual income	Budgeted income	Difference		
	_____	_____	= _____		
<u>EXPENSES</u> <i>Expense category</i>	\$ from last mo.	\$ added this mo.	Total available	\$ spent this mo.	\$ left at end of mo.
Tithe, offerings	_____	+ _____	= _____	- _____	= _____
Groceries	_____	+ _____	= _____	- _____	= _____
Clothing-him	_____	+ _____	= _____	- _____	= _____
Clothing-her	_____	+ _____	= _____	- _____	= _____
Clothing-kids	_____	+ _____	= _____	- _____	= _____
Income taxes	_____	+ _____	= _____	- _____	= _____
Other payroll deduct	_____	+ _____	= _____	- _____	= _____
Property taxes	_____	+ _____	= _____	- _____	= _____
Home/rent payment	_____	+ _____	= _____	- _____	= _____
Home/rent insurance	_____	+ _____	= _____	- _____	= _____
Home/rent utilities	_____	+ _____	= _____	- _____	= _____
Home maintenance	_____	+ _____	= _____	- _____	= _____
Household supplies	_____	+ _____	= _____	- _____	= _____
Furniture	_____	+ _____	= _____	- _____	= _____
Telephone	_____	+ _____	= _____	- _____	= _____
Car payment	_____	+ _____	= _____	- _____	= _____
Car registration	_____	+ _____	= _____	- _____	= _____
Car insurance	_____	+ _____	= _____	- _____	= _____
Car gas/repairs	_____	+ _____	= _____	- _____	= _____
Gifts	_____	+ _____	= _____	- _____	= _____
Entertainment	_____	+ _____	= _____	- _____	= _____
Vacations	_____	+ _____	= _____	- _____	= _____
Life insurance	_____	+ _____	= _____	- _____	= _____
Health insurance	_____	+ _____	= _____	- _____	= _____
Dentist	_____	+ _____	= _____	- _____	= _____
Personal care	_____	+ _____	= _____	- _____	= _____
Education	_____	+ _____	= _____	- _____	= _____
Misc – him	_____	+ _____	= _____	- _____	= _____
Misc – her	_____	+ _____	= _____	- _____	= _____
Kids allowance, misc	_____	+ _____	= _____	- _____	= _____
Debt payments	_____	+ _____	= _____	- _____	= _____
Savings, investments	_____	+ _____	= _____	- _____	= _____
Retirement	_____	+ _____	= _____	- _____	= _____
_____	_____	+ _____	= _____	- _____	= _____
Totals:	_____	+ _____	= _____	- _____	= _____

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