

Month \_\_\_\_\_

Year \_\_\_\_\_

## Monthly Cash Flow Plan

The monthly cash flow plan is the foundation of financial excellence. It's the first step in the Ladder of L.I.F.E. This is where you switch from being reactive with your money to being proactive. Being proactive means having a plan and sticking to it. Without a plan, you'll end up going through life wondering where your money went.

So here's how to make the monthly budget work. Before we can decide how to spend your money, we need to figure out how much money you have. So we start with your income. List all income from all sources that you will receive in the next calendar month. If you're on commission or irregular income, estimate to the best of your ability. You will want to be conservative and estimate on the low side of what you usually make in a month.

Next, spend virtually. Using the plan column, plan out where every dollar will be spent during the month. Every dollar that will hit your bank account needs to be allocated in advance. Start with the necessities first. Make giving a priority, make savings a priority and take care of food, clothing, shelter, transportation, utilities and insurance first.

At the bottom of each page, total up your expenses. Then add all these page totals together at the bottom of page three. This is the total of your expenses for the month.

Finally, compare your expenses to your income. The goal of your budget is for these two numbers to match. When they match, you have a balanced budget. This is sometimes called a zero-based budget because your income minus expenses should be zero.

If your income and expenses do not match each other, you'll need to go back and change your plan until they do. This is an iterative approach and it may take a few tries to balance out the budget. We recommend using a pencil so you can make changes without having to reprint the budget sheet. When you get the income line to match the expenses line you've got yourself a balanced budget and a good spending plan.

But the fun isn't over yet. What good is a plan if you can't stick to it? It's time to hold yourself accountable to, well, yourself. Use the "actual" column of the sheet to track how well you stick to your plan. The same rules apply here: your bottom line has to be balanced if you want to spend less than you make.

Once you balance the "actual" column, see where you end up for the month. If you have extra money to spend, great! Put it in savings, pay off some debt, or treat yourself. If you don't have enough left over, uh-oh! You just over spent and went deeper in debt! We don't want that to happen, so it's important to track your process as you go instead of waiting till the end of the month to see how you did. By tracking it as you go, you have the opportunity to catch mistakes and reallocate your money so you don't over spend by the end of the month.

Remember, you need to create your plan each month before the month begins. Doing a monthly spending plan will empower you to tell your money what to do instead of wondering where it went. This process needs to become a habit for you. Ingrain it in your monthly routine, and it will open new doors for L.I.F.E!

Month \_\_\_\_\_

Year \_\_\_\_\_



### Monthly Cash Flow Plan

Budgeted Item	Planned	Total	Actual	Total	% of Take Home Pay
<b>INCOME</b>					
Income 1	_____		_____		
Income 2	_____		_____		
Bonuses	_____		_____		
Self Employment	_____		_____		
Social Security	_____		_____		
Disability	_____		_____		
Interest/Dividend/misc.	_____		_____		
Rental Income	_____		_____		
Tax Refund	_____		_____		
Other_____	_____		_____		
<b>TOTAL INCOME</b>		_____		_____	
<b>CHARITABLE GIVING</b>					
	_____		_____		
<b>SAVING</b>					
Emergency Fund	_____		_____		
Retirement	_____		_____		
College Fund	_____		_____		
<b>HOUSING</b>					
First Mortgage	_____		_____		
Second Mortgage	_____		_____		
Real Estate Taxes	_____		_____		
Homeowners Ins.	_____		_____		
Repairs/Maint Fee	_____		_____		
Replace Furniture	_____		_____		
Other_____	_____		_____		
<b>UTILITIES</b>					
Electricity	_____		_____		
Water	_____		_____		
Gas	_____		_____		
Phone	_____		_____		
Cell Phone	_____		_____		
Trash	_____		_____		
Cable	_____		_____		
Internet	_____		_____		
<b>PAGE 1 TOTAL</b>		_____		_____	

Month \_\_\_\_\_

Year \_\_\_\_\_



### Monthly Cash Flow Plan

Budgeted Item	Planned	Total	Actual	Total	% of Take Home Pay
<b>FOOD</b>					
Groceries	_____		_____		
Dining Out	_____		_____		
<b>TRANSPORTATION</b>					
Car Payment	_____		_____		
Car Payment	_____		_____		
Gas & Oil	_____		_____		
Maintenance	_____		_____		
Car Insurance	_____		_____		
License/Taxes	_____		_____		
Car Replacement	_____		_____		
<b>CLOTHING</b>					
Children	_____		_____		
Adults	_____		_____		
Cleaning/Laundry	_____		_____		
<b>MEDICAL/HEALTH</b>					
Disability Insurance	_____		_____		
Health Insurance	_____		_____		
Doctor Bills	_____		_____		
Dentist	_____		_____		
Optometrist	_____		_____		
Prescriptions	_____		_____		
<b>PERSONAL</b>					
Life Insurance	_____		_____		
Child Care	_____		_____		
Baby Sitter	_____		_____		
Toiletries	_____		_____		
Cosmetics	_____		_____		
Hair Care	_____		_____		
School Tuition	_____		_____		
School Supplies	_____		_____		
Child Support	_____		_____		
Alimony	_____		_____		
Subscriptions	_____		_____		
Organization Dues	_____		_____		
Gifts (incl. Christmas)	_____		_____		
Coaching/development	_____		_____		
Pet Care	_____		_____		
Fudge Money	_____		_____		
<b>PAGE 2 TOTAL</b>					
	_____	_____	_____	_____	_____

