

# INSTRUCTIONS

## SHEET 7

This sheet is where all your work thus far starts giving you some peace. You will implement Sheet 5 information from theory into your life by using Sheet 7. Note: If you have an irregular income, like self-employment or commissions, you should use Sheet 8, after reviewing Sheet 7.

There are four columns to distribute as many as four different incomes within one month. Each column is one pay period. If you are a one-income household and you get paid two times per month then you will only use two columns. If both of you work and one is paid weekly and the other every two weeks, add the two paychecks together on the weeks you both get a paycheck, while just listing the one paycheck on the other two. Date the pay period columns then enter the income for that period. As you allocate your paycheck to an item, put the remaining balance to the right of the slash. Income for period 3-1 in our example is \$1,000 and we are allocating \$100 to Charitable Giving leaving \$900 to the right of the slash in that same column. Some bills will come out of each pay period and some only on selected pay periods. As an example, you may take "Car Gas" out of every paycheck, but pay the electric bill from period 2. You already pay some bills or payments out of designated checks, only now you pay all things from designated checks.

The whole point to this sheet, which is the culmination of all your monthly planning, is to allocate or "spend" your whole paycheck before you paid. I don't care where you allocate your money, but allocate all of it before you get your check. Now all the tense, crisis-like symptoms have been removed because you planned. No more management by crisis or impulse. Those who tend to be impulsive, just allocate more to the "Blow" category. At least you are now doing it on purpose and not by default. The last blank that you make an entry in should have a 0 to the right of the slash, showing you have allocated your whole check.

\* Beside an item means you should use the "envelope system"

(1) Emergency Funds should get ALL the savings until 3-6 months of expenses have been saved.

### SAMPLE ALLOCATED SPENDING PLAN

<b>PAY PERIOD:</b>	<u>3-1</u> _____	_____	_____	_____
<b>ITEM</b>				
<b>INCOME</b>	<u>\$1000</u>	_____	_____	_____
<b>CHARITABLE GIFTS</b>	<u>100/900</u>	_/_	_/_	_/_
<b>SAVING</b>				
Emergency Fund(1)	<u>50/850</u>	_/_	_/_	_/_
Retirement Fund	_/_	_/_	_/_	_/_
College Fund	_/_	_/_	_/_	_/_
<b>HOUSING</b>				
First Mortgage	<u>725/125</u>	_/_	_/_	_/_

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