Instruction Sheet for Cash Flow Plan Spreadsheet

Spreadsheet created by Joel Maxwell, utilizing the system developed by Dave Ramsey

All throughout this spreadsheet you should enter information into cells that are bordered in green (you probably will not enter information in every green cell; however, only enter information into green bordered cells). You should never enter anything in a cell that is bordered in red. These cells generate their numbers through the use of formulas. If one formula is missing or altered, it could cause all the formulas to work incorrectly.

Begin preparing your monthly cash flow plan by going to the "Debt Snowball" tab. Once on this tab, enter the name of everyone that you owe money, the total balance owed, and the minimum monthly payment. On this tab, you can hold your mouse over a cell to receive instructions pertaining to that particular cell.

Once you have entered all of your debt, next go to the "Allocated Spending Plan" tab. On this tab, first enter lines one and two only; the dates of your paychecks for the next month, and the amounts of each check. If you get more than four checks per month in your household, copy and paste the entire columns of column I and J together as many times as necessary. If you are starting the month with a balance that is not allocated for your emergency fund or any other expense, enter that amount in the leftover balance cell underneath paycheck 1. The number bordered in red to the far right is your total monthly income. Now go to the "Cash Flow Plan" tab.

Once you have made it this far, you can now scroll to the bottom of this tab and see the total amount of your debt snowball, your total income, and the difference. At this point, the difference should be a negative number. That is how much you have left to allocate.

Now go back to the top of this tab ("Cash Flow Plan") and make allocations for the month in the green bordered cells in the sub-total column. All of the categories listed are just suggestions; you will not be able to fund every category without being broke. If you need a category that is not listed, simply type over one that you are not using. Do not list anything here that has already been listed on your debt snowball. Only list it on the debt snowball or the cash flow plan, not both.

Once you have made all allocations, go to the bottom and determine what the difference is. If it is a positive number, that means you have spent that amount over what your income is for the month, and you must either cut a category or add more income. If it is a negative number, then you need to allocate more to a category until the number is zero. This number must be zero for this budget to work. I would recommend adding a negative difference to the top of your debt snowball, in the minimum payment column. (It is the minimum payment you are making, not that they will accept.) Any extra money that comes in throughout the month is also added to the top of the debt snowball.

Once you have the difference at zero, go back to the "Allocated Spending Plan" tab. Using the allocations from the "Cash Flow Plan" tab as a reference, enter under each paycheck what will be spent with that specific check. The remaining balance from each check is carried over to the next check automatically. All of the money should be spent by the end of the last check. Do not allow the balance to ever be negative as you go through each column.

This spreadsheet is designed to be a tool to assist you in knowing where your money is going before you ever receive it. It is important for you to pay the priorities first. This means that food, housing, transportation and clothing are all fully funded before unsecured debts are paid. If initially you do not have enough money to pay everyone, then some of the debt snowball minimum payments may need to be changed to zero (the minimum you can afford). If this is your situation, then do everything you can to get to the point where you can pay everyone. That means to cut spending and increase your income.

If you have questions or problems, feel free to e-mail me at joel@joelmaxwell.com or leave a comment on my web site, http://joelmaxwell.com