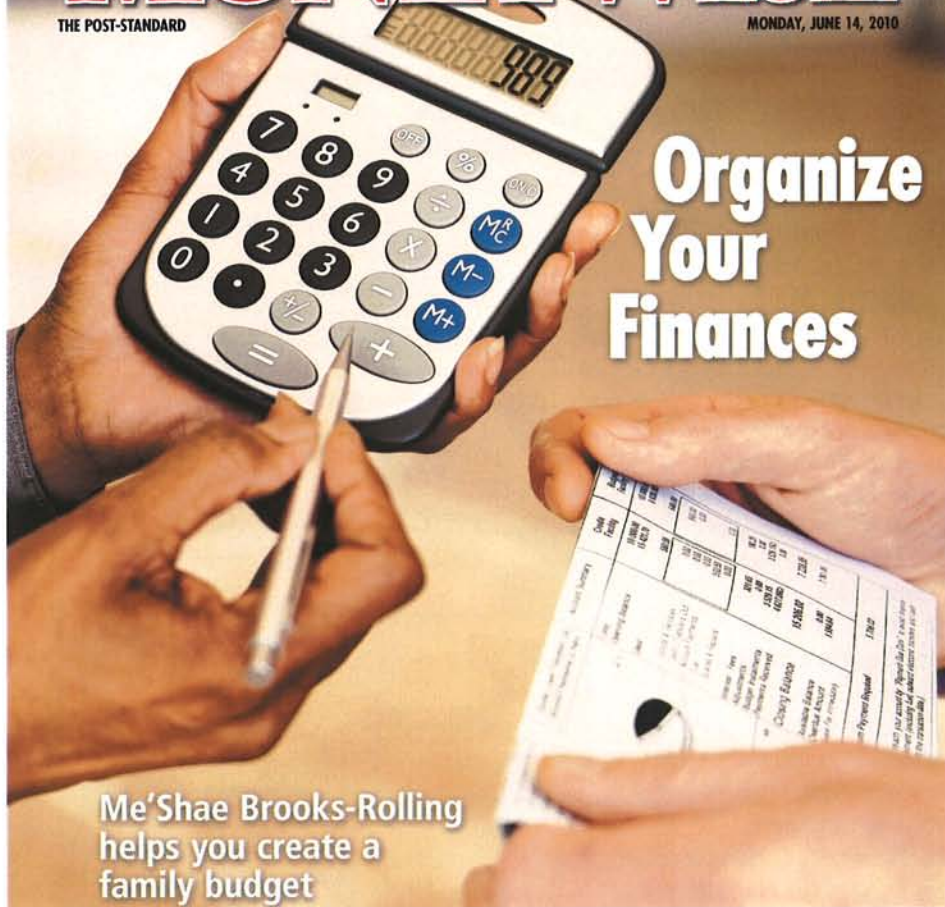


# MONEYWISE

THE POST-STANDARD

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## Organize Your Finances

Me'Shae Brooks-Rolling helps you create a family budget

### About Me'Shae Brooks-Rolling:



**Me'Shae Brooks-Rolling**

The author of "How to Save Money & Organize Your Finances: Tales of an Urban Consumer," Brooks-Rolling is a certified FDIC Money Smart Trainer and a financial literacy instructor at Syracuse University. She is president of Rolling Enterprises Inc., a business centered on financial literacy education. She offered advice about how to prepare for job loss in the Jan. 25 issue of MoneyWise.

# PERSONALIZED BUDGET SHEETS TRACK INCOME AND EXPENSES

**By Me'Shae Brooks-Rolling**  
Contributing writer

If you are unemployed or facing employment uncertainty, do you know exactly where your money is going?

If you're fortunate enough to have a job, do you know what happens to your money on payday?

For too many people, the answers are not clear. Paydays come and go, but the money somehow slips through the cracks. Bills pour in; debts pile up; and little or no money is left for daily expenses.

Some families face the hard decision of meeting their basic survival needs or making the minimum payments on credit cards or other revolving debt. Those

choosing basic needs face the long-term consequences of late or missed payments. Late fees. Credit glitches. Trying to get out of the hole.

### Creating a personal budget

A personal budget sheet can help solve problems by tracking how much money is coming in and how much is going out.

In its simplest form, a budget records:

- Income.
- Fixed expenses such as housing, groceries, transportation, utilities, student loans and credit cards.
- Variable expenses like charitable donations, children's activities and entertainment.

Including a personal spending allow-

ance in the monthly budget is a smart idea because however frugal one tries to be, it is nearly impossible not to spend money on miscellaneous items. Subtracting out-going money from in-coming money and the money in your bank account will present an accurate picture of how much money is available.

One can use a notepad to jot down every expense for an entire week. We often don't know how much we are truly spending until we see the figures in black and white. Further, a budget records payees, payment due dates, amounts and methods.

Assessing one's payment method is often an overlooked but pivotal component of budgeting because technology makes many bill-paying options



available:

- Paying by phone.
- Paying in person.
- Paying by check or money order through the mail.
- Paying online when the consumer initiates payment and controls the payment process.
- Paying online when the consumer has granted an entity permission to make automatic withdrawals or payments at set intervals.

There are advantages and disadvantages associated with each payment method. For example, in the case of job loss, unemployment insurance and the way it is disbursed might necessitate weighing the convenience of automatic withdrawals to pay the bills against the tedium of writing a check or purchasing a money order. The latter allows for more control over the account but creates other challenges with regard to time, money and effort.

The key is to individualize the payment plan. The litmus test is whether or not one has successfully prevented bounced checks, late and over-the-limit fees or a drop in one's credit score.

Not all types of delinquencies affect the credit score in the same way. A mortgage payment, utility or credit card bill, for example, have hard deadline dates and are directly linked to the credit report. Other payment obligations such as a dry cleaners bill or a magazine subscription renewal, have soft deadline dates and might not be linked directly to one's credit report and one's credit score.

Whatever the case, the rule of thumb is to pay bills on time to avoid late fees. Preferably, pay each bill in full, but if finances are tight, then pay at least the minimum payment.



FINANCIAL SOFTWARE can help track expenses and ensure payments are made on time. Thinkstock.com

## Money management tools

Tools available for purchase to aid in budgeting include money management software such as Quicken and Neat Receipts (a receipt-scanning device). There are also free sites, such as Mint.com and Wesabe.com.

In the case of Quicken, users enter the same information as they would in a checkbook transaction register: the date of transaction, payee and whether the transaction is a debit or a credit.

The power of Quicken is in the pre-loaded spending categories, but users can also set up unique categories that reflect their financial lifestyle.

For example, after putting gas in the car, one would click on the date of the transaction, enter the name of the gas station, enter the amount in the debit column and select the category "Auto-Gas." When paying auto insurance, simply click "Auto-Insurance."

The balance column automatically calculates the account balance. Quicken also allows the user to run reports reflecting how much money was spent in any category during a specified period.

Another advantage to software such as Quicken is that it allows users to see where they stand financially on future payments, and therefore to plan ahead and set priorities. One can also synchronize bill due dates on Quicken's built-in calendar.

However, be aware that using financial management software also presents some challenges.

First, one must make and take the time to enter the data, especially as a consumer who engages in financial transactions daily.

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How to Save Money & Organize Your Finances

APPENDIX A

### PERSONALIZED BUDGET SHEET

For Date: \_\_\_/\_\_\_/\_\_\_ / Next Pay date: \_\_\_/\_\_\_/\_\_\_

Breadwinner #1's net pay: \$ \_\_\_\_\_

+ Breadwinner #2's net pay: \$ \_\_\_\_\_

= Subtotal: \$ \_\_\_\_\_

+ Carryover balance \$ \_\_\_\_\_

= Total: \$ \_\_\_\_\_

Payment Methods:

Cash     Check or M/O by Mail     Debit     Credit Card  
 Pay-by-Phone     Pay-in-Person     Online

\*Date you are actually paying the bill, regardless of due date

BUDGET ITEM	AMOUNT TO BE PAID	METHOD OF PAYMENT	PAYMENT DATE*	FIXED or VARIABLE
Place of Worship &/or Charity				
Mortgage or Rent				
Co-Op or Condo Maintenance				
Personal Allowance: Breadwinner #1 Breadwinner #2				
Utilities: Electricity Gas/Heat Water Sanitation Telephone Cell Phone Internet Cable TV				

▲ Above are personalized budget sheets developed by Me'Shae Brooks-Rolling. She has copies on her company's website at :

<http://www.rollingenterprises.com>  
"Speaking and Teaching" Page

Second, there is the matter of security. Whenever conducting online financial transactions, be sure to look for "https://'" in the Web address. The "s" stands for secure browser. Install firewall and update anti-virus spyware on your computer, but understand that no method is 100 percent safe against cybercrime.

A budget is essential when resources are limited and even more so when there is a surplus.

Why?

People tend to spend more when more money is coming in. A budget sheet used in combination with a money management program eliminates the guesswork about where your money is going, especially in tough economic times, when you can least afford to be in the dark.