

Financial Management & Planning Seminar

Session 3

FINALIZING YOUR BUDGET

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Review

- How do you calculate your income if it is weekly? You are to multiply your income by 52 and divide it by 12. If it is Bi-weekly, multiply by 26 and divide by 12. Business owners take their annual income and divide by 12 using their income to date amount.
- **NEEDS VS WANTS:**

N-NECESSARY	C-COVET- AM I COVETING THIS ITEM?
I-IMPORTANT	R-REGRET- WILL I REGRET THIS PURCHASE?
C-CRITICAL	A-AFFORDABLE- CAN I REALLY AFFORD THIS?
E-ESSENTIAL	V-VAIN- DO I REALLY NEED THIS?
	E-EXPENSE-DOES IT FIT INTO THE BUDGET?

SETTING BUDGET:

- **FINALIZING YOUR PLAN: Preparing a Provisional Budget**

A provisional budget takes into account the present conditions of the family finances with the intention of bringing them into a balance and making the arrangements to pay the most urgent expenses. This is a tentative plan to guide us until everyone who is being guided by it has a chance to communicate with the person who manages the money and can help decide if that is the way they would like the family to operate.
- The entire family should be involved in the planning process.
- Start at the beginning of the fiscal year.
- Use a monthly calendar to mark down pay dates and to mark down due dates on bills.

Budgeted- estimated amount of money set aside for bills in which payments are not fixed.

Actual- the accurate amount of the bill.

Difference- anything that is left. If there is an excess, it should be placed in daily savings for emergency situations.

PLANNING:

- 1. PLAN YOUR MEALS FOR THE MONTH OR THE YEAR.** Plan your shopping list. Involve the family in planning what will be on the menu. Plan your nights for eating out preferably per month. Plan your meals ahead by one month, create a shopping list and stick to it. Do not go to the grocery store hungry to shop and do not take your children, this can easily take you outside of your pre-planned shopping list.
- 2. PLAN YOUR VACATIONS.** Plan with the family where you are going. Plan your vacation time by scheduling when the vacation will take place and plan months ahead.
- 3. PLAN YOUR EXPENSES.** All major and minor expenses of your vacation. Do not shop with your credit card unless it is for convenience.
- 4. PLAN YOUR FUTURE.** Plan for your life, i.e. your spiritual life, your personal goals. Plan for your children and family, i.e. your children's education. Plan your retirement and your funeral.

F.A.S.T.:

- **WHAT IS A FAST?** to abstain from food or to eat sparingly, as by religious discipline. Abstinance from food or from certain kinds of food. A time of fasting.

Proclaim a fast- Budget Fast

F- FIX IT- USE ALL THAT YOU HAVE, FIX AND MEND REPAIRABLE THINGS.

A-ABANDON- NO EXTRA ACTIVITIES

S-SORT-LOOK THROUGH EVERYTHING BEFORE THROWING OUT

T-THROW- THROW OUT EVERYTHING NOT NEEDED

F-FIRM-STICK FIRMLY TO YOUR FAST

A-ABSTAIN-STAY AWAY FROM THE COMPULSION TO USE THE CREDIT CARD

S-STRONG-STAY STRONG, DO NOT BREAK YOUR FAST

T-TRUST- TRUST IN GOD TO HELP YOU STAY ON YOUR FAST

SUMMARY

A Budget is an essential part of maintaining financial discipline. A budget enables you to evaluate your financial position at any given time and allow you to make decisions that will impact your stability and place you on a live that will not ever allow you to compromise your financial position. Maintaining and keeping our budget are valuable disciplines that will empower us and give financial freedom. Proclaim a F.A.S.T. to cure your financial hurt and cause and effective healing process that will enable you to achieve great success in 2009. Plan and secure your future by planning every stage of your life with God's help.