

INCOME & EXPENSE AND DEBT FORMS

Income & Expense Form

(Profit & Loss Statement)

For: _____

Expected Tax Refund \$ _____

Income <i>After taxes & deductions</i>	Past	Revised	
	Monthly	Monthly	
Self			
Spouse			
Other Jobs			
Child Support			
Other income <i>Including cash</i>			
A. TOTAL INCOME			
Investing/Savings			
Charity <i>(Blessing others)</i>			
Savings <i>(Emergency Fund)</i>			
Retirement <i>(Passive income)</i>			
Other			
B. TOTAL INVESTING			
HOUSING EXPENSES			<i>Amount</i>
Mortgage/Rent			<i>Past due</i>
Second Mortgage			
Taxes & House Insurance			
Home Maintenance			
Electric			
Gas/Heat			
Water/Sewer/Septic			
Phone			
Cable/ Satellite Dish			
Internet			
C. TOTAL HOUSE EXP			

VEHICLE EXPENSES	Past	Revised	Amount
	Monthly	Monthly	Past due
Auto Payment 1			
Auto Payment 2			
Car Insurance			
Repairs <i>(Oil change, plates)</i>			
Gas			
Car Replacement			
D. TOTAL VEHICLE EXP			
LIVING EXPENSES			
Groceries			
Eating Out			
Child/Elder Care			
Diapers/Baby supplies			
Allowances			
Cigarettes			
Clothing			
Laundry/Cleaning			
Barber/Beauty/Personal			
Other Insurance			
Prescriptions/Doctor			
Dental			
Pet			
Subscriptions/Dues			
School/Education			
Gifts			
Recreation <i>(Wild Money)</i>			
Miscellaneous			
E. TOTAL LIVING EXP			

Asset Inventory

House/Land:	Value	APR	Yr Interest
Owe			<i>Owe x APR</i>
\$ _____	\$ _____	% _____	\$ _____
\$ _____	\$ _____	% _____	\$ _____
\$ _____	\$ _____	% _____	\$ _____
Vehicles:			
\$ _____	\$ _____	% _____	\$ _____
\$ _____	\$ _____	% _____	\$ _____
\$ _____	\$ _____	% _____	\$ _____
Other Assets	Value		
_____	\$ _____		
_____	\$ _____		
_____	\$ _____		
_____	\$ _____		
Total Interest paid out per year \$ _____			

From (B) Investing/Save		
From (C) Housing Exp		
From (D) Vehicle Exp		
From (E) Living Exp		
G. Total Expenses		

H. From (A) Total Income		
I. From (G) Total Expenses		
J. Sub Total- (H) minus (I)		
K. From (F) Total Debt Form		
Final Total- (J) minus (K) <i>(Profit or Loss)</i>		

SAMPLE: INCOME & EXPENSE FORM

Income & Expense Form (Profit & Loss Statement)

For: Mr. & Mrs. Sample

Expected Tax Refund **\$3,600**

	Past	Revised	
Income After taxes & deductions	Monthly	Monthly	
Self	\$1,550	\$1,850	
Spouse	\$650	\$700	
Other Jobs			
Child Support	\$150	\$150	
Other income <i>Including cash</i>			
A. TOTAL INCOME	\$2,350	\$2,700	
Investing/Savings			
Charity <i>(Blessing others)</i>	\$5	\$5	
Savings <i>(Emergency Fund)</i>			
Retirement <i>(Passive income)</i>			
Other			
B. TOTAL INVESTING	\$5	\$5	
HOUSING EXPENSES			
			Amount Past due
Mortgage/Rent	\$800	\$800	\$1,600
Second Mortgage	\$180	\$180	
Taxes & House Insurance			
Home Maintenance			
Electric	\$120	\$120	
Gas/Heat	\$130	\$130	\$120
Water/Sewer/Septic	\$15	\$15	
Phone	\$100	\$100	
Cable/ Satellite Dish	\$75	\$75	
Internet			
C. TOTAL HOUSE EXP	\$1,420	\$1,420	

	Past	Revised	Amount Past due
VEHICLE EXPENSES	Monthly	Monthly	
Auto Payment 1	\$165	\$165	
Auto Payment 2	\$150	\$0	
Car Insurance	\$0	\$50	
Repairs <i>(oil change, plates)</i>	\$25	\$25	
Gas	\$200	\$200	
Car Replacement			
D. TOTAL VEHICLE EXP	\$540	\$440	
LIVING EXPENSES			
Groceries	\$250	\$250	
Eating Out	\$50	\$50	
Child/Elder Care			
Diapers/Baby supplies			
Allowances			
Cigarettes	\$50	\$50	
Clothing	\$20	\$20	
Laundry/Cleaning			
Barber/Beauty/Personal	\$20	\$20	
Other Insurance			
Prescriptions/Doctor	\$25	\$25	
Dental			
Pet	\$15	\$15	
Subscriptions/Dues			
School/Education			
Gifts	\$20	\$20	
Recreation <i>(Wild Money)</i>			
Miscellaneous			
E. TOTAL LIVING EXP.	\$450	\$450	

Asset Inventory

House/Land:	Value	APR	Yr Interest Owe x APR
Owe 9			
\$80,000	\$140,000	5.50%	\$4,400
\$18,000 10	\$20,000	11.00%	\$1,980
\$ _____	\$ _____	% _____	\$ _____
Vehicles:			
\$3,000 11	\$8,000 12	9.00%	\$270
\$300	\$5,000	8.50%	\$26
\$ _____	\$ _____	% _____	\$ _____
Other Assets			
	Value		
	\$ _____		
	\$ _____		
	\$ _____		
	\$ _____		
Total Interest paid out per year \$6,676 13			

From (B) Investing/Save	\$5	\$5
From (C) Housing Exp	\$1,420	\$1,420
From (D) Vehicle Exp	\$540	\$440
From (E) Living Exp	\$450	\$450
G. Total Expenses	\$2,415	\$2,315

H. From (A) Total Income	\$2,350	\$2,700
I. From (G) Total Expenses	\$2,415	\$2,315
J. Sub Total- (H) minus (I)	(\$65)	\$385
K. From (F) Total Debt Form	\$1,280	\$385
Final Total-(J) minus (K) <i>(Profit or Loss)</i>	(\$1,345)	\$0

**Over \$20,00 Savings
in interest by doing a
DMP**

SAMPLE EXPLANATION: INCOME & EXPENSE FORM

- #1** Expected Tax refund. This shows us too much is being taken out of the paycheck.
- Need to fill out new W-4 form to change withholdings. We just gave them a \$300 month raise! Yippee!
 - Extra withholds can be a forced savings plan if one doesn't blow it on needless things and has no other debts.
 - Don't forget to factor in Earned Income Credit when determining number of exemptions..
- #2** A pay stub can tell you a lot
- Perhaps there is an illegal garnishment. Many garnishments are illegal because paperwork is so hard to understand. Go to www.thefrugalprosumer.com or our Counselors Manual for a list of who can't be garnished.
 - Look for other deductions from the check for clues to other issues or ways to cut expenses.
- #3** This shows there is no money left over for emergencies, the future, or helping others.
- Lack of emergency funds puts people into debt and is a source of stress. Most emergencies and the slippery slide into debt are started by just a few hundred dollar "emergency."
- #4** This is getting serious. Three missed payments and most foreclosure procedures begin.
- There is a number of possible solutions but this takes a higher level of knowledge
- #5** Time to seek out fuel assistance or money to make the house energy efficient. There may be other assistance available. In Wisconsin go to www.access.wisconsin.gov.
- #6** If you don't have auto insurance this is very risky and can cause even worse financial disaster.
- #7** People expect to get lectured on this. Surprise them and earn yourself some points by showing them how they can save by rolling their own.
- #8** A potentially costly area is being *over* insured.
- #9** Knowing the reason the second mortgage was taken can be an important clue to setting up a plan of action.
- There can be a big difference between good money handlers taking it out for emergency medical care versus poor money managers using it to pay off debt.
 - Finding out how long ago it was taken out and what it was used for.
 - Did they trade unsecured debt for secured debt and are now in danger of losing their house because of it?
- #10** Is there enough equity to allow them to refinance or sell something?
- #11** Only two payments left on one car in the future that could be applied to car insurance.
- Interest rates help you see if you can refinance or not. Depending on their credit score and lender.
- #12** There is equity of \$5,000 in one of the cars. Can they sell or refinance it?
- Do they need two vehicles? Selling one and using that money could save the house they are about to lose and in addition free up \$165 dollars a month.
- #13** Total interest paid out can shock people into the truth of why they have no money.
- #14** With just a little knowledge you can now help them get into a DMP.
- #15** This \$20,000 savings doesn't even include late, or over limit fees, etc.

Sample: Credit Card & Other Debt Form

For Mr. & Mrs. Sample

Credit Card & Other Debt Form

*Include all credit card and other debts (Do not list mortgages, home equity, and vehicle debts here.)
Please list those on the "Income & Expense Form" and in the "Asset Inventory" box.*

Owe to:	Balance Due	Interest <i>(APR)</i>	Monthly Payment	Past Due Amount <i>(if any)</i>	Estimated Yearly Interest <i>Balance x APR</i>
Bank (friend co-signed)	\$2,100	11%	\$150		\$221
Household Finance	\$7,000	25%	\$150		\$1,750
Capital One	\$662	26%	\$15		\$171
Home depot	\$451	27%	\$20		\$122
JC Penny <i>\$45 behind</i>	\$1,400	21%	\$25		\$294
MBNA	\$240	24%	\$10		\$58
Cash 2 Go	\$318	521%	\$318		\$1,657
Check n go	\$392	573%	\$392		\$2,246
Doctor	\$400	0%	\$200		\$0
Grandparents	\$500				\$0
Debt Management Plan fee					
<i>If more use another sheet</i>					
F. Total Credit Card & Other Debt	\$13,463		\$1,280		\$6,518

Put balance in (K) on Income & Expense Form



Do you have them all?

- | |
|---|
| *Accountant *Alimony *Back rent *Bank loans *Credit Cards *Child Support *Dentist *Family loans
*Finance Co. *Judgments *Lawyer *Liens *Medical *Payday Loan *Personal Loans *Rent-to-own *Store
Credit *Student Loans *Taxes *Utilities past due |
|---|

THE POWER OF THE INCOME & EXPENSE FORM

In just one hour you can:

- Help them face the facts
- Give them hope
- Reduce stress
- Begin the process of releasing them from bondage
- Free up their finances
- Open more doors for ministry
- Show them how they can help others too
- Give direction and the next steps to take

Still just the tip of the Iceberg:

It helps you as the counselor to coach them to:

- Follow through with the plan
- Track all expenses
- Work on root causes of debt
- Help them to understand we are stewards
- Implement prevention steps

It opens the door to teaching that debt hinders one from:

- Being free to help others
- Serving in the community
- Being a good steward
- Having time for family
- Having peace of mind
- Giving their all to their job

A financial counseling session can at times be the fastest way to expose and get to core level counseling issues such as:

- Health Problems
- Gambling
- Drugs/alcohol
- Marital & family problems
- Power struggles
- Communication skills
- Family Issues

It gives everyone the ability to assist others on some level, such as:

- Introducing the Income & Expense Form
- Helping fill out the form
- Helping evaluate the forms and finding solutions
- Being a moral support
- Helping them find resources in areas you can't help them in.
- Having gatherings where people can discuss and share their successes and mistakes and as a group learn how to prevent them.

People need to realize that when they find themselves struggling with debt, in many cases there will be a credit problem as well as a spending problem involved. The only way to get over it is to take action and **ABSTAIN** from the use of credit. Committing to a debt management repayment plan and a spending plan is a commitment that requires discipline and perseverance.