

Welcome to the Personal Finance Budget & Expenses Workbook!

Please follow the instructions and explanations below to get the most out of your recording and budgeting.

The Income Tab

Use this tab to enter basic information from your paychecks to gain a better understanding of how much money is coming in each month and how much is left after your withholdings and taxes. Your “Gross” income is how much you make *before* taxes and other withholdings, while your “Net” income is how much you have to spend *after* taxes and withholdings. The Workbook is designed for a Husband and Wife combined household income, but can also be used for Single Incomes as well.

Step 1: In Row 4, enter your pay period frequency. Most people are paid bi-weekly and receive 26 pays per year. If this is the case for you, you will enter “26” into the appropriate column (column D for Husband, column E for Wife). If your pay is something other than bi-weekly, use the **Pay Period Chart** to the right as a reference. If entering a yearly amount, or working from a 1040 tax return, enter “1,” accordingly. Keep in mind that you will only populate cells highlighted blue throughout the Workbook.

Step 2: Enter your Gross Income amounts in Row 7. Remember that what you enter here is considered your “per pay period” or “per paycheck” amount corresponding to the number you entered in Step 1.

Step 3: Enter any additional income you may receive throughout the year (Bonuses, Interest, Rental Income, etc.). Again, don’t forget that this should reflect a “per pay period” dollar amount.

Step 4: Enter all of your withholding amounts from your paycheck. Some of the most common withholdings are already listed for you; however, if you have a withholding that is not listed, feel free to enter or overwrite those pre-listed withholding names. Whatever you enter or overwrite will be automatically copied for you in the subsequent worksheet tabs.

Example: You may have opted for dental insurance to come out of your paycheck. In this case, you could overwrite the cell labeled, “Other (per period)” and replace it with, “Dental Insurance.” Each following tab will automatically reflect your change.

Note: Keep in mind that most withholdings come out of each paycheck, but some withholdings, like healthcare plan premiums may come out of only one pay a month. Be sure to adjust your numbers accordingly.

After entering all of your withholdings, you’ll now see a **Total Net Income** amount (amount after taxes and withholdings) per month and per year at the bottom. This is the amount you are left to budget towards the areas of: Giving, Savings, your Lifestyle, and Debt Reduction. This remaining net monthly amount will automatically be copied to the next tab: the **Budget Tab**. Click on that tab now.

The Budget Tab

This tab is where you will decide how much to spend in each category area. You’ll begin by estimating what you already spend and finish by establishing a “New Agreed Budget” (column E). For Husbands and Wives,

each will separately decide how much should be spent in each category. Then, after prayer and consideration, both will reconvene to reach a compromise in those areas where they may differ.

Note: At any point, you can scroll down to the bottom of the **Budget Tab** to see what your remaining Net Income is, after entering proposed expenditures. This allows you to quickly see if your proposed budget leaves you with a surplus each month—or if you may be overspending.

Step 1: In the **Current Expenses** column, enter what your actual expenses are in each category. You may need to consult your past bank records for this, or enter these numbers after several months of tracking. The goal is to be as accurate as possible, but remember that this is primarily a tool to help you see where your money is currently being spent. After it's completed, this column will give you a helpful benchmark to work from when making proposed adjustments in the remaining columns.

Step 2: In the **Husband** and **Wife** columns, each spouse will fill out what his or her desired budget might be. This should be done separately, so that each can truly express where each believes the money should go. If you are single, you can skip step two and proceed to step three.

Note: if you don't see a category name that you think should be there, you can enter it in one of the [OTHER] fields in each section. The name change automatically updates the rest of the workbook.

Step 3: You will now finally populate the **New Agreed Budget** column. Both spouses will come back together and compromise on what the spending categories will be for the upcoming year.

Tip: If helpful, feel free to use the grey "Copy" buttons near the top right of the worksheet to copy various whole columns over to the "New Agreed Budget" column. When you populate this column, you will now see the total dollar amounts per category automatically calculated as a **% of your Gross** income.

Step 4: Finally, you will now compare your percentages to the suggested Spending Guidelines in the **GIFT Ministry Workbook** or the **% Guide Spreadsheet** (both available at: giftministry.net/downloads) and make adjustments where you feel necessary.

Tip: If you populate the percentages from the % Guide Spreadsheet into the **Spending Guide Range** (the green column to the right), you will then be able to click on the "Copy Spending Guide Percentages" button underneath which will move the spending percentages directly over your percentages for easier comparison.

The Month Tabs

These tabs are where you can record the amount you make and spend on each category for each month. It's helpful to do this often (some even record as frequently as twice a week!) so you don't get confused when looking at charges on your account(s). These monthly tabs will automatically have your "New Agreed Budget" visible, to aid in recognizing the categories in which you may be overspending or where you may have extra—in "real time."

Step 1: In the Income section, use your pay stubs to enter your gross income for that month, as well as any taxes and withholdings you had. Because pay can fluctuate from month to month, it's important to enter it each month.

Tip: If your pay has remained exactly the same as the information reflected on the **Income Tab**, then you may choose to use the **Import Income Data** button to save you some time. The income (and withholdings) from the Income Tab will automatically populate that month's income cells.

Step 2: In the Expenses section, fill in the areas highlighted in blue with the amounts you spent per category that month.

Note: At any point, you can use the **Total Surplus/Deficit** row at the bottom to gauge how you're doing so far that month, and to see how much you have left to spend.

The Snapshot Tab

On this tab, you get a sense for how the year is going for you so far. You'll be able to see your agreed budget, spending averages, totals and some helpful charts to give you a snapshot of how you are performing, whether under budget or exceeding your budget in certain areas. This tab is meant to be a tool to help you evaluate your situation from a "bird's eye" perspective and on a proactive basis (Will tweaks or adjustments need to be made?). Since everything is automatically updated, you can check it at any point.

Step 1: Note that the very first thing you must do is input the number of months you've been recording your expenses. (See the cell labeled, "**# of Months Recorded**" near the top.) This button ensures that you are calculating accurate averages.

Step 2: Review the **New Agreed Monthly Budget** and the **Monthly Average** columns to see if you've been able to stay under budget, or if you're spending more than you thought you would! You can also use the first graph(s) to the right to see this relationship.

Step 3: Review the "**Running Total**" column to reveal what you've spent in each category up to this point in the year.

Step 4: Review the **% of Gross Income** percentages for a multi-month comparison against the % of Gross guidelines in the GIFT Ministry Workbook or the "% Spending Guide" excel spreadsheet.

Step 5: Review "Trend" charts all the way to the right to see a visual line graph of your spending trend(s) per month in each category. You can scroll over the various month point(s) to see exactly what you've spent in that particular month.

Lastly, remember that working out your budget is an ongoing process, so don't get discouraged or be afraid to change or tweak things to better align with your (ever-changing) financial picture! Happy budgeting!