

10 Steps To Crafting A Splendid Spending Plan

Take the following steps to craft your spending plan.

1. List all fixed expenses on the annual spending plan worksheet for the month the money will be spent or put aside.
2. Add fixed expenses for each month and compare to planned income.
3. List discretionary expenses and savings on the annual spending plan worksheet for the month the money will be spent or put aside.
4. Adjust discretionary expenses and savings amounts so the total is equal to the amount of income you plan to bring in during each month.
5. Determine when you will receive income and how much. Write this information on the Income Date Spending Plan form.
6. Determine how much of this income you will set aside for spending on each item and list on the Income Date Spending Plan form.
7. When you receive income, record the amount you apply to each item on the individual item sheets.
8. When you spend money, record the amount you spend for each item on the individual item sheets.
9. Spend money on an item only when there is a balance available for that item.
10. If you have more income than you plan for, distribute it to any item or items you choose.