

Tool 1:

Cash flow budget

Building a cash flow budget is important because when it comes to money, timing matters. It can help you make sure you have the resources on hand to cover the most important expenses. This is especially important if your income is irregular, seasonal, or one time.

There are expenses such as rent and your car payment that you cannot cut back. These are commonly called *fixed expenses*. Cutting back on these expenses requires major changes, such as moving or selling a car. Sometimes, though, you may find that you need to do this to make your cash flow work.

If you find you want to cut back in some other areas, ***put these new target levels of spending on your cash flow budget***. For example, if you spend \$350 per month on groceries, you may decide to buy and cook food in bulk and cut out bottled water to decrease the amount you spend on groceries to \$300. It's important to be realistic when you set targets. Your cash flow budget is about setting targets for how you will use your income going forward.

You can create a cash flow budget using the following form.

Here are some important tips to get you started:

Beginning balance for the week

Your beginning balance for each week is the ending balance from the week before. When you start a cash flow, count the money you have in your pocket, on a prepaid card, or in an account you use to pay your bills to get your beginning balance.

	Week 1	Week 2
Beginning balance for the week	\$37.00	\$142.37
Sources of cash and other financial resources		
Income from job	\$305.34	\$290.80
SNAP	\$280.00	
Public housing voucher	\$650.00	
Total sources of cash and other financial resources	\$1,272.34	\$433.17
Uses of cash and other financial resources		
Housing	\$650.00	
Utilities	\$59.97	\$95.50
Groceries	\$180.00	\$80.00
Eating out (meals and beverages)		
Transportation	\$240.00	\$60.00
Total uses of cash and other financial resources	\$1,129.97	\$235.50
Ending balance for the week	\$142.37	\$197.67

Move your ending balance from the previous week forward.

To get a starting balance, total your cash, prepaid card, and account balances.

Total sources of cash and other financial resources

Add your beginning balance for the week to the other income you get that week. The total is the amount you have to pay for all of your expenses during that week.

	Week 1	Week 2
Beginning balance for the week	\$37.00	\$142.37
Sources of cash and other financial resources		
Sources of cash and other financial resources		
Income from job	\$305.34	\$290.80
SNAP	\$280.00	
Public housing voucher	\$650.00	
Total sources of cash and other financial resources	\$1,272.34	\$433.17
Uses of cash and other financial resources		
Housing	\$650.00	
Utilities	\$59.97	\$95.50
Groceries	\$180.00	\$80.00
Eating out (meals and beverages)		
Transportation	\$240.00	\$60.00
Total uses of cash and other financial resources	\$1,129.97	\$235.50
Ending balance for the week	\$142.37	\$197.67

Add your beginning balance and all of the sources of cash and financial resources for the week.

Total uses of cash and other financial resources

Add all of your expenses and other uses of cash (savings and debt repayment) for the week. Note that some financial resources may only be used for specific expenses. For example, SNAP (Supplemental Nutrition Assistance Program) benefits can only be used for food and for plants and seeds to grow food for your household to eat.

SNAP cannot be used for:

- Any nonfood item, such as pet foods, soaps, paper products, and household supplies, grooming items, toothpaste, and cosmetics
- Alcoholic beverages and tobacco
- Vitamins and medicines
- Any food that will be eaten in the store
- Hot foods³⁹

³⁹ For details on eligible food items, see <http://www.fns.usda.gov/snap/retailers/eligible.htm>.

Subtract your total uses of cash and other financial resources from your total sources of cash and other financial resources

This will give you your ending balance for the week. It will also show you whether you have enough cash and other financial resources to make it through the week.

	Week 1	Week 2
Beginning balance for the week	\$37.00	\$142.37
Sources of cash and other financial resources		
Income from job	\$305.34	\$290.80
SNAP	\$280.00	
Public housing voucher	\$650.00	
Total sources of cash and other financial resources	\$1,272.34	\$433.17
Uses of cash and other financial resources		
Housing	\$650.00	
Utilities	\$59.97	\$95.50
Groceries	\$180.00	\$80.00
Eating out (meals and beverages)		
Transportation	\$240.00	\$60.00
Total uses of cash and other financial resources	\$1,129.97	\$235.50
Ending balance for the week	\$142.37	\$197.67

Total sources minus total uses. This becomes your beginning balance for the next week.

Cash flow budget worksheet

	Week 1	Week 2	Week 3	Week 4	Week 5
Beginning balance for the week					
Sources of cash & other financial resources					
Income from job					
Income from part-time job					
Income from self-employment					
TANF					
SNAP					
Public housing voucher					
Other:					
Total sources of cash & other financial resources					
Uses of cash & other financial resources					
Credit card payments					
Payday loan payments					
Personal loans					

Other debt								
Other payments								
Savings: emergency fund								
Savings: goals								
Savings: children's education								
Savings: retirement								
Rent or mortgage payment								
Homeowners or rental insurance								
Electricity								
Gas								
Water and sewer								
Cable or satellite television								
Internet service								
Phone and cell phone service								

Groceries										
Eating out (meals and beverage)										
Car payment										
Gas for car										
Car maintenance										
Tools of the trade and other job-related expenses										
Health insurance										
Health care deductibles and co-pays										
Personal care										
Childcare, diapers, and school fees and supplies										
Entertainment										
Contributions										
Total uses of cash & other financial resources										
Ending balance for the week (sources - uses)										