

Cash Flow Management Action Plan



Feeling like every month is a struggle to make ends meet?
Follow these steps to start taking control of your finances!

Step 1: Assess Your Situation

What are some financial or non-financial issues that stressed you out this month?

What are your top three challenges to staying on top of your finances?

CHALLENGE
1.
2.
3.

Step 2: Identify Your Priorities

Our values and habits reflect what is important to us. Start thinking about what you spend your money on throughout the week/month/year. Reflect on whether it is a need, a want or both. When writing down your list ask yourself: *Are there needs that you aren't fulfilling? Do you have needs that others might consider just a want? How do you decide when to spend on your wants? Is this something I would pay for as I get it, or write a check for once a month? Are there needs or wants I can get fulfilled without having to pay for them?*

- Use the **Need and Wants Worksheet** to make your list.
- Number your needs and wants in order of importance

Step 3: Know What Needs to be Paid

A major part of managing your finances is getting organized. Most monthly bills end up in the need category: rent, water electricity -- these are things we could not live without. However, it is tempting to ignore mail when you feel unable to pay bills or to throw away past bills to clear up space. Even if you're unable to pay your bills it is important to keep track of everything so that you can make informed decisions. Take note of your due dates, grace periods and late fees. Ask yourself: *How will being late on a bill affect me short term? What about long term?*

- Collect all your bills
- Use the **Payment Terms and Conditions Worksheet** to centralize your bills. (Below is an example of how to fill it out.)
- Keep this on your refrigerator or in a convenient, safe place to refer back to.

Bill	Amount Due	Date Due	Payment Method	Grace Period	Late Fee	Consequences of not paying on-time
Electricity	\$85	7 th	Check	Until 12 th	1.5% of balance	If not paid by 29 th , company will issue a 15-day disconnection notice. If disconnected, reactivation
Cell phones (2)	\$120	14 th	Cash	none	5% of balance	-Subject to disconnection if not received on due date, \$30 reconnection fee.

Step 4: Timing is Everything

Do you feel squeezed to make ends meet towards the end of the month? Are you always scrambling to get your full rent in? You may earn enough money to match the amount of all your bills, but timing is everything. If you get paid twice a month, but all your bills are due in the beginning of the month, that first paycheck may not be enough to cover all your expenses and give you room to breathe.

- Fill out the **Paycheck Planner Worksheet**. Identify the dates on which expect to receive your income for each period. Then fill in all the bills due during period. Determine whether or not you will also need to spend money on non-bill items such as food, gas, clothes, etc. during that period and how much. Do the same for the next pay period. See the example below.

Pay Period 1: 1/1/11-1/14/11

Income Source	Date Expected	Amount Expected	Notes
Paycheck	1/1/2011	\$535	
Child Support	1/5/2011	\$250	
Total		\$985	
Expenses:			
Rent	1/5/11	\$675	
Electricity	1/10/11	\$85	
Food		\$120	
Total		\$880	
Surplus/Deficit		-\$95	

- Do your bills and expenses match up with your income? Is there one pay period that you have more expenses than the other? If not, think about options to have the timing work better:
 - Call a service provider and ask to **switch your due date** to a time that is better for you.
 - **Save part of your income from one period** to cover expenses in your next pay period (if you are likely to spend it, consider putting it in money order).
 - **Downsize:** Is there something that you can cut out or lower the cost of? Could you downgrade your cable or phone plan? Find a cheaper gym? Apply for food stamps? Use the resources around you to decrease your expenses!
 - Think back to your needs and wants. **Is there something you could cut out?**

Step 5: Take Action

- Look back at your financial challenges and stressors (Step 1). Choose one.
- What are some steps you can take next month to reduce the stress it caused you last month and still meet all your prioritized needs? *Is there a less costly substitute for this expense? If this is a priority, can you reduce another expense to offset this cost? Maybe this just means tracking the expense so you have a better idea of what you're spending. Or it could be setting up a payment plan or coming up with preventative measures to avoid these costs.*

1.

2.

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What are some longer term goals you have for reducing stress around money in your life?