



## Preparing a money plan

This fact sheet is to be used in conjunction with Wesley Financial Counselling's interactive budget planner.

**The aim of the plan is to make you aware of all the possible areas in which you do, or may, spend money.** The money plan is based on what suits you. For example, if paid fortnightly, all your expenditure is worked out on a fortnightly basis. Maybe a weekly money plan is best, to coincide with grocery shopping. Remember, this is your money plan.

- include all regular income in your money plan, including any Centrelink payments. If working out a family budget, include all income contributing to the household expenses
- write down what you think you are doing with your income. If you're not sure, particularly regarding smaller items, keep a record of where every cent goes for at least one pay period
- to determine the amount for a quarterly items, for example, electricity and phone, divide an average bill by 13 (weekly income); six (fortnightly) or three (monthly). For yearly accounts and repairs/maintenance, divide by 52.
- house repairs – allow an amount each year (based on a 10-year cycle) to cover repairs to fences, gas, water and sewerage pipes, lawn mowers, hot water systems, gutters etc. Also consider external and internal painting, possibly every five years
- car repairs – to cover replacement of tyres, car servicing, spare parts, repairs to engine and car body, depreciation, etc
- school costs – includes uniforms, shoes, books, pencils, excursions, sport fees
- savings (household replacements) – similar to house repairs where you allow for repair and replacement (over a 10 year period) of items within the house such as a stove, fridge, washing machine, microwave, dishwasher, TV, video, stereo, beds, furniture, bed linen, curtains, carpets, small electrical items, crockery, cutlery, etc
- personal spending – includes items such as hobbies (photography, books, crafts etc.)

### What to do next

- review the plan and determine your priorities. If necessary, decide where economies can be achieved
- utility providers often have budget repayment plans available on request, to pre-pay bills from weekly/fortnightly/monthly income
- before you apply for a credit find out what the repayments are. Be sure you have the necessary surplus-regularly at the bottom of your
- Money Plan
- save that margin for 3 months before committing yourself
- if the children receive pocket money, encourage them to budget
- lastly, review your plan regularly

DISCLAIMER: The information provided in this information sheet is of a general nature only, and is not intended to be legal advice. There may be errors or inaccuracies or the information may not be completely up-to-date. Always check the information provided before relying on it. The information relates to consumer law in New South Wales, Australia.