SMALL GROUP STUDY

# NAVIGATING YOUR FINANCES GOD'S WAY

COMPASS
-finances God's way™

# PRACTICAL APPLICATIONS

The Deed

List Your Assets

Track Spending for 30 Days

List Your Debts & Snowball 'em

Filing System

Life Insurance Needs

Journey to Generosity

Personality Profile

Estimated Spending Plan

Net Worth

Tweak Spending

Percentage Spending

COMPASS Spending Plan

Organising Your Estate

Crisis Budget

Crisis Tweak Spending

Goals

# THE DEED

To help recognise God's ownership of possessions, we will transfer the ownership of our possessions to Him. We will use a Deed, because one is often used to transfer property. This deed is not legally binding; it is solely for your use. By completing the Deed, you will establish a time when you acknowledge God's ownership.

Here are the directions to complete it.

- Insert today's date at the top of the Deed. Then print your name in the space after "From," because you are transferring ownership of your possessions.
- There is a large blank space following the sentence, "I (we) transfer to the Lord the ownership of the following possessions." Please pray about the possessions you wish to acknowledge that God owns, and write them in the space.
- In the lower right-hand corner, there are two blank lines under the heading "Stewards." This is the space for your signature. If you are married, both you and your spouse should sign. In the lower left-hand corner there are two blank lines for the signatures of witnesses. Have others in your group witness your signature to help hold you accountable to recognise God as owner.

# This Deed, made the 7th day of August, 2017,

From: Matt and Michelle

To: The Lord

I (We) transfer to the Lord the ownership of the following possessions:

| | |
|---|---|
| Home | Entertainment Centre |
| Motor Vehicle | Our Business |
| Clothes | Wedding rings |
| Savings Account | Children's education fund |
| Furniture | Piano |
| Rental property | Investments |
| Retirement account | Stock Options |
| Computer and gear | Investments |

Witnesses who will help hold us accountable to recognise the Lord's ownership:

Ima Watchin

Nosit All

Signed by the stewards of the possessions above:

Matt

Michelle

This is not a binding legal document and cannot be used to transfer property.

# This Deed, made the

______ day of ______

From: ______

To: The Lord

I (We) transfer to the Lord the ownership of the following possessions:

Witnesses who will help hold us accountable to recognise the Lord's ownership:

______

______

Signed by the stewards of the possessions above:

______

______

This is not a binding legal document and cannot be used to transfer property.

## LIST YOUR ASSETS

Complete **List Your Assets** to get a picture of what your overall possessions look like. It is not necessary to be precise to the cent; rather, estimate the value of each asset as if you had to sell it soon.

**Date:** January 20, 2015

| **Assets** (current value) | |
|---|---|
| Cash on hand/Cheque Account | $1,250 |
| Savings | $1,500 |
| Stocks and bonds | $1,250 |
| Cash value of life insurance | $ 0 |
| Coins | $ 240 |
| Home | $155,000 |
| Other real estate | $ 0 |
| Mortgages/Notes receivable | $ 0 |
| Business valuation | $ 0 |
| Cars | $11,000 |
| Other Vehicles | $ 0 |
| Furniture | $3,000 |
| Computers & Peripherals | $1,000 |
| Jewellery | $ 400 |
| Other personal property | $ 600 |
| Pension/Retirement Accounts | $21,000 |
| Other Assets | $ 0 |
| Total Assets: | $196,250 |

## LIST YOUR ASSETS

Date______________________________

Assets (current value)

| | |
|---|---|
| Cash on hand/Che e account | $______________________________ |
| Savings | $______________________________ |
| Stocks and bonds | $______________________________ |
| Cash value of life insurance | $______________________________ |
| Coins | $______________________________ |
| Home | $______________________________ |
| Other Real Estate | $______________________________ |
| Mortgages/Notes receivable | $______________________________ |
| Business valuation | $______________________________ |
| Cars | $______________________________ |
| Other Vehicles | $______________________________ |
| Furniture | $______________________________ |
| Computer & electronic equipment | $______________________________ |
| Jewellery | $______________________________ |
| Other Personal Property | $______________________________ |
| Pension/Retirement | $______________________________ |
| Other Assets | $______________________________ |
| | |
| Total Assets | $ 0 |

# COMPASS SPENDING PLAN
# RECORD INCOME & SPENDING

**If you're using a Compass Spending Plan, it's important to record your income and spending the next 30 days to understand what you are actually earning and spending.**

We recommend that you carry something with you to record your transactions. As an alternative, save your receipts and enter them into the 30 Day Tracking form daily. It's designed with one column for income and 12 columns for spending categories. It's also available electronically on the following page.

**Income:** Every time you receive income, record the amount on the 30-Day Tracking form in the Income column under the date you receive it.

**Spending:** Each time you spend record the amount under the appropriate spending category.

**Spending Categories:** The detailed list of spending categories is designed to assist you as you decide where to categorise your purchases.

# 30 Day Tracking

Month: June Year: 2017

| DATE | INCOME | GIVING | TAXES | SAVE/INVEST | HOUSING | FOOD |
|---|---|---|---|---|---|---|
| 1 | 2,100 | 100 | 350 | 100 | 860 | |
| 2 | | | | | | |
| 3 | | | | | | 30 |
| 4 | | | | | | |
| 5 | | | | | | |
| 6 | | | | | | |
| 7 | | | | | | 90 |
| 8 | | 100 | | | 43 | |
| 9 | | | | | | |
| 10 | 25 | | | | | |
| 11 | | | | | | |
| 12 | | | | | | |
| 13 | | | | | | |
| 14 | | | | | | 10 |
| 15 | | | | | | |
| 15 Day Subtotal | 2,125 | 200 | 350 | 100 | 903 | 130 |
| 16 | 2,100 | 100 | 350 | 100 | | |
| 17 | | | | | | |
| 18 | | | | | | 41 |
| 19 | | | | | | |
| 20 | | | | | 7 | |
| 21 | | | | | | |
| 22 | | | | | | |
| 23 | | 100 | | | | |
| 24 | | | | | | |
| 25 | | | | | | |
| 26 | | | | | | |
| 27 | | | | | | |
| 28 | 25 | | | | | |
| 29 | 25 | | | | | |
| 30 | | 100 | | | | |
| (31) | | | | | | |
| Total | 4,275 | 500 | 700 | 200 | 970 | 266 |

# 30 Day Tracking

Month: June Year: 2017

| DATE | TRANSP. | CLOTHING | MEDICAL / HEALTH | EDUCATION | PERSONAL | ENT / HOL | DEBT |
|---|---|---|---|---|---|---|---|
| 1 | 23 | | | | | 14 | |
| 2 | | | | | 78 | | |
| 3 | | | | | | | |
| 4 | 12 | | 35 | | | | |
| 5 | | | | | 35 | | |
| 6 | | | | | | | |
| 7 | | | | | | | |
| 8 | | | | | | | |
| 9 | | | | | | | |
| 10 | | | | 190 | | 15 | |
| 11 | | 40 | | | | | 120 |
| 12 | | | | | 12 | | |
| 13 | 25 | | | | | | |
| 14 | | | | | 9 | | |
| 15 | | | | 12 | | 11 | 25 |
| 15 Day Subtotal | 60 | 40 | 35 | 202 | 134 | 40 | 145 |
| 16 | | | 25 | | | | |
| 17 | | | | | 34 | | |
| 18 | | | | | | | |
| 19 | | 15 | | | | | |
| 20 | | | | | | 16 | |
| 21 | 24 | | | | 17 | | 20 |
| 22 | | | | | | | |
| 23 | 26 | | | | 6 | | |
| 24 | | | | | | | |
| 25 | | | | | | | |
| 26 | | 25 | | | 23 | 20 | |
| 27 | | | | | | | |
| 28 | | | 15 | | | | 80 |
| 29 | | | | | | | |
| 30 | 10 | | | 12 | 87 | 8 | 50 |
| (31) | | | | | | | |
| Total | 120 | 80 | 65 | 214 | 301 | 84 | 295 |

# SPENDING PLAN CATEGORIES

**Income**
Monthly Salary
Interest Income
Dividends
Commissions Bonuses/Tips
Retirement Income
Net Business Income
Cash Gifts
Child Support
Centrelink

**1. Giving**
Local Church
Poor & Needy
Ministries

**2. Taxes**
Federal
Medicare

**3. Saving & Investing**
Emergency Savings
Car Replacement
Superannuation
Education
Stocks/Bonds/Other
Tax

**4. Housing**
Mortgage
Pre-pay Mortgage
Council Rates
Homeowners Insurance
Rent
Content Insurance (Renting)
Electricity
Lawn Care/Gardening
Water/Sewerage
Telephone/Mobile Phone
Gas
Maintenance/Pool
TV/Cable/Satellite/Internet
Pest Control

**5. Food**
Groceries
Eating Out

**6. Transportation**
Car/Bike/Boat Payments
Fuel
Car Insurance
Car Registration
Drivers Licence
Repairs/Maint/Tyres
Tolls/Transit Fares/Parking
RACQ/Other Car Club
Public Transport
Other

**7. Clothing**
Adults
Children/Nappies
Laundry/Dry Cleaning

**8. Medical & Health**
Doctor
Dentist
Prescriptions
Eye Care/Glasses
Health Insurance
Disability Insurance
Long Term Care Insurance
Deductibles
Other

**9. Education**
Adult Education
Childrens Eduaction
Tuition/Supplies
Tutoring/Lessons/Activities

**10. Personal**
Allowances
Child Care/Babysitting
Life Insurance
Liability Insurance
Cleaning Supplies
Toiletries/Cosmetics
Hair Care
Vitamins/Supplements
Gifts (Birthdays)
Gifts (Christmas)
Gifts (Anniversary/Weddings)
Gifts (Graduation)
Postage
Child Support
Pet Food & Supplies
Veterinarian
Vaccinations & Prescriptions
Boarding/Pet Sitting
Tax Preparation/Legal Sports/
Hobbies/Clubs
Bank Charges/Fees
Credit Card Charges/Fees
Family Photos Subscriptions/
Memberships

**11. Entertainment/Holidays**
Activities
Holidays/Travel/Motel
Videos/Books/Music
Movies
Internet
Mobile Phones

**12. Debts**
(See Debt List on pages 68-69)

30 Day Tracking

Month: __________________ Year: _______

| DATE | INCOME | GIVING | TAXES | SAVE/INVEST | HOUSING | FOOD |
|---|---|---|---|---|---|---|
| 1 | | | | | | |
| 2 | | | | | | |
| 3 | | | | | | |
| 4 | | | | | | |
| 5 | | | | | | |
| 6 | | | | | | |
| 7 | | | | | | |
| 8 | | | | | | |
| 9 | | | | | | |
| 10 | | | | | | |
| 11 | | | | | | |
| 12 | | | | | | |
| 13 | | | | | | |
| 14 | | | | | | |
| 15 | | | | | | |
| 15 Day Subtotal | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 16 | | | | | | |
| 17 | | | | | | |
| 18 | | | | | | |
| 19 | | | | | | |
| 20 | | | | | | |
| 21 | | | | | | |
| 22 | | | | | | |
| 23 | | | | | | |
| 24 | | | | | | |
| 25 | | | | | | |
| 26 | | | | | | |
| 27 | | | | | | |
| 28 | | | | | | |
| 29 | | | | | | |
| 30 | | | | | | |
| (31) | | | | | | |
| Total | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |

# 30 Day Tracking

**Month: ________________ Year: _______**

| DATE | TRANSP. | CLOTHING | MEDICAL / HEALTH | EDUCATION | PERSONAL | ENT / HOL | DEBT |
|---|---|---|---|---|---|---|---|
| 1 | | | | | | | |
| 2 | | | | | | | |
| 3 | | | | | | | |
| 4 | | | | | | | |
| 5 | | | | | | | |
| 6 | | | | | | | |
| 7 | | | | | | | |
| 8 | | | | | | | |
| 9 | | | | | | | |
| 10 | | | | | | | |
| 11 | | | | | | | |
| 12 | | | | | | | |
| 13 | | | | | | | |
| 14 | | | | | | | |
| 15 | | | | | | | |
| 15 Day Subtotal | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 16 | | | | | | | |
| 17 | | | | | | | |
| 18 | | | | | | | |
| 19 | | | | | | | |
| 20 | | | | | | | |
| 21 | | | | | | | |
| 22 | | | | | | | |
| 23 | | | | | | | |
| 24 | | | | | | | |
| 25 | | | | | | | |
| 26 | | | | | | | |
| 27 | | | | | | | |
| 28 | | | | | | | |
| 29 | | | | | | | |
| 30 | | | | | | | |
| (31) | | | | | | | |
| Total | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |

## LIST YOUR DEBTS & SNOWBALL 'EM!

Listing your debts will assist you in compiling your debts and prioritising repayment so you can snowball 'em! The columns as follows:

- **Creditor** - The one to whom the debt is owed.
- **Balance Due** - The amount of the current debt.
- **Monthly Payment** - The amount of the monthly payment. If payment is due more or less often than monthly, calculate the average amount paid each month.
- **Interest Rate** - The rate of interest charged for the debt.
- **Scheduled pay-off date** - The date by which the debt will be fully paid.
- **Snowball Priority** – Number the debts in the order you are going to pay them off.

After entering each debt, add and total the monthly payment and the balance due columns.

Snowball debt

Remember how to snowball your debt as you prioritise paying them off. Make the minimum payments on all your debts, but focus on accelerating the payment of your smallest credit card debt first. Then, after you pay off the first one, apply its payment toward the next smallest one. After the second one is paid off, apply what you were paying on the first and second to pay off the third, and so forth.

After you pay off all your plastic debt, snowball your other debts in exactly the same way.

Once you have completed listing your debts & prioritising them, use the Compass Snowball Debt Calculator to find out how quickly you can pay off all your debts!

# LIST YOUR DEBTS & SNOWBALL 'EM!

| Creditor Credit Card Debt | Balance Due | Monthly Payment | Interest Rate | Scheduled Pay-Off Date | Snowball Priority |
|---|---|---|---|---|---|
| Visa | 350 | 20 | 12 | 1/2012 | 1 |
| Master Card | 4,250 | 80 | 9 | 8/2016 | 3 |
| Sears | 2,400 | 55 | 18 | 11/2014 | 2 |
| | | | | | |
| | | | | | |

## Car Loans

| | | | | | |
|---|---|---|---|---|---|
| Crazy Lou's Cars | 5,500 | 125 | 10 | 12/2012 | 5 |
| | | | | | |

## Home Mortgages

| | | | | | |
|---|---|---|---|---|---|
| 2nd National Bank | 135,000 | 850 | 5 | 7/2028 | 7 |
| | | | | | |

## Medical Bills

| | | | | | |
|---|---|---|---|---|---|
| | | | | | |
| | | | | | |

## Bank Loans

| | | | | | |
|---|---|---|---|---|---|
| Last National Bank | 1,000 | 50 | 12 | 1/2012 | 4 |
| | | | | | |

## Education Debt

| | | | | | |
|---|---|---|---|---|---|
| Insecurity Bank | 15,000 | 85 | 5 | 7/2020 | 6 |
| | | | | | |
| | | | | | |

## Debt Family/Friends

| | | | | | |
|---|---|---|---|---|---|
| | | | | | |
| | | | | | |
| | | | | | |

## Business/Investment Debt

| | | | | | |
|---|---|---|---|---|---|
| | | | | | |
| | | | | | |
| | | | | | |

## Life Insurance Loans

| | | | | | |
|---|---|---|---|---|---|
| | | | | | |
| | | | | | |
| | | | | | |

## Total Debt

| | | |
|---|---|---|
| Total Debt | 163,000 | 1,265 |

## Garantor Loans (Contingent Debt)

| | | | | | |
|---|---|---|---|---|---|
| Uncle Charlie | 3,500 | | | | |
| | | | | | |

# LIST YOUR DEBTS & SNOWBALL 'EM!

| Creditor | Balance Due | Monthly Payment | Interest Rate | Scheduled Pay-Off Date | Snowball Priority |
|---|---|---|---|---|---|
| **Credit Cards** | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| Car Loans | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| Home Mortgages | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| Medical Bills | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| Bank Loans | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |

| Creditor | Balance Due | Monthly Payment | Interest Rate | Scheduled Pay-Off Date | Snowball Priority |
|---|---|---|---|---|---|
| Education Debt | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| Debt Family/Friends | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| Business/Investment Debt | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| Life Insurance Loans | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| Total Debt | 0 | 0 | | | |
| Garantor Loans (Contingent Debt) | | | | | |
| | | | | | |
| | | | | | |

## THE FILING SYSTEM

It is important to keep invoices, cheques, statements and receipts that are necessary for your income tax records or are the only evidence of a paid bill. Bev and I have benefitted from a simple filing system dozens of times. It requires an average of less than one minute a day, and can save you hours of searching. We suggest you keep the receipts for five years before destroying them.

You can choose one of several methods of filing:

1. Save and File Hard Copies. File them in a shoebox, using a separate box for each year. Simple dividers are adequate with the following headings: Income, Giving, Medical, Business Expenses, Insurance, Interest, Taxes, Motor Vehicle, Utilities, Telephone, Home Improvements, Credit Card Statements, and Bank Statements. Add or delete categories, depending on your personal needs.

2. Scan and Save Electronic Files. If you have the ability to scan documents, you may choose to scan your receipts and statements electronically. Create a folder for each year and then save to your computer. It's wise to back up these documents on an external hard drive. If you can't scan documents, some office stores can perform this service.

3. Scan and Save Online. A third option is to save scanned documents online. Th ere are companies that provide secure, password protected online file storage.

## DETERMINING YOUR LIFE INSURANCE NEEDS

Complete the Life Insurance Worksheet to approximate your life insurance needs. Th is is not intended to be precise. Seek the counsel of an expert to determine your needs accurately.

Your **Annual income needs** figure should represent your household's income needs. Then, **subtract the deceased person's living expenses** that will no longer be needed if a breadwinner passes away, such as, income taxes reduced and less food consumed. Also **subtract other income** survivors will receive from all sources, such as Centrelink, investments, and the surviving spouse's earnings. This calculation will give you the **net income needed** for the survivors to maintain their current standard of living.

To estimate the amount of insurance you will need for income, multiply the income required by 20. This assumes the survivors will earn a 5 percent return, after taxes, on the insurance proceeds.

Insurance coverage may also be needed to fund "lump sums," such as, paying off debt or funding a child's education. Determine these needs and add them to the total amount of the insurance.

Keep in mind that your personal figures can be broad estimates that can be used to start a conversation with an insurance professional. Most participants in the small group study will be surprised to learn how much insurance is needed to cover a breadwinner's lost income.

## LIFE INSURANCE WORKSHEET



| | |
|---|---|
| Sample annual income needs | 58,000 |
| Subtract deceased person's needs | 10,000 |
| Subtract other income | 12,000 |
| = Net annual income needed | 36,000 |

| | |
|---|---|
| Net annual income needed, multiplied by 20 (Assumes 5% after-tax investment return on insurance proceeds) | 720,000 |

Lump Sum Needs

| | |
|---|---|
| Debts | 12,000 |
| Education | 15,000 |
| Other | 0 |

| | |
|---|---|
| Total lump sum needs | 27,000 |
| Total life insurance needs | 747,000 |

# LIFE INSURANCE WORKSHEET

| | |
|---|---|
| Your annual income needs | ______ |
| *Subtract deceased person's needs | ______ |
| *Subtract other income | ______ |
| = Net annual income needed | 0 |
| Net annual income needed, multiplied by 20 (assumes 5% after-tax investment return on insurance proceeds) | 0 |
| **Lump Sum Needs** | |
| Debts | ______ |
| Education | ______ |
| Other | ______ |
| Total lump sum needs | 0 |
| Total life insurance needs | 0 |

# JOURNEY TO GENEROSITY

For most of us, becoming more generous is a journey that takes time. The more we expose ourselves to needs and what the Bible teaches about giving, the more generous we become. Follow these steps to make progress in your journey:

1. Describe where you are in your journey to generosity.

2. Complete the Generosity Grid.

   Just as investors seek to grow investment portfolios on earth, so wise followers of Christ should view their giving as growing a giving portfolio in heaven. In Matthew 6:20, Jesus instructs us, *"Store up for yourselves treasures in heaven."* We believe that the Lord wants us to have an investor mentality when considering funding the work of God.

   The grid on the next page is intended to help you evaluate your giving. Few will have a perfectly balanced giving portfolio. For most, their giving is going to be more heavily weighted toward a ministry or need for which God has given them a particular passion.

   The top of the grid represents the basic categories of recipients: your church, evangelism, discipleship, and the needy. The other axis represents geography. Christ said, *"You shall be My witnesses both in Jerusalem, and in all Judea and Samaria, and even to the remotest part of the earth"* (Acts 1:8). Similarly, we have divided the geography into local (Jerusalem), national (Judea) and international (remotest parts of the earth).

   1. Enter your income in the top-left box.
   2. Enter giving amounts in the dash-line boxes as percentages. Ex: .001 = 1%, .01 = 1%, .1 = 10%
   3. All dollar figures are calculated for you.

Enter Income Here -->

# Generosity Grid

| | Church | Evangelism | Discipleship | Needy |
|---|---|---|---|---|
| Total % 0.00% | 0.0% | 0.0% | 0.0% | 0.0% |
| Local | $0.00 Note | $0.00 Note | $0.00 Note | $0.00 Note |
| National | $0.00 Note | $0.00 Note | $0.00 Note | $0.00 Note |
| Global | $0.00 Note | $0.00 Note | $0.00 Note | $0.00 Note |
| Total $ $ 0.00 | $ 0.00 | $ 0.00 | $ 0.00 | $ 0.00 |

Do I view my giving as investing for eternity? If not, what can I do to develop this mindset?

What am I most passionate about helping to fund? Why?

How can I be more effective in funding what God has given me a passion for?

In light of the Giving Grid, do I need to be more generous with certain categories of recipients or geographies? If so, what will I do?

# PERSONALITY PROFILE

As we learned in Ephesians 2:10, *"We are His workmanship, created in Christ Jesus for good works, which God prepared beforehand so that we would walk in them."* God has given each of us special physical and mental abilities and personalities.

It was eye-opening for me to discover some of the unique ways God made me—and it will be for you. Not recognising how you were made can lead to frustration in your work, simply because you might be in a job for which you are not well-suited.

If you are married, not recognising each other's personality can damage your relationship. It was a major breakthrough when Bev and I discovered ours. Why we acted and responded the way we did suddenly made sense, allowing us to respect each other's differences and reach a middle ground instead of constantly arguing. For the first time, we understood how to work together on our finances.

# ESTIMATED SPENDING PLAN

Do you know how your great-grandparents kept a budget before people used cheques, credit and debit cards and online banking? Simple! They used the cash-in-the-envelope system. They labelled envelopes for various spending categories and at the beginning of the month put a budgeted amount of cash in each envelope. And, for example, when the "clothes" envelope was empty, they didn't spend any more on clothes that month. It was simple and effective.

You'll use a similar system whether you use the COMPASS pencil and paper Spending Plan or the electronic spread sheet version.

You've been tracking your income and spending for 30 days, and you're now ready to complete your Estimated Spending Plan on pages 36-37 or download the electronic version from **www.compass1.org.au**.

For many, this can be challenging, because you may be discouraged to learn you're spending more than you're earning. *But take heart–there is hope.* Every week for the rest of the study you will be refining a workable Spending Plan.

Complete the following steps:

## 1. LIST YOUR INCOME.

List all your income in the "Income" section of the Estimated Spending Plan.

Many people don't receive steady, predictable income. This is especially common for the self-employed and commissioned salesperson. If your income is not consistent, estimate your yearly income and divide by 12 to determine your average monthly income.

Business expense reimbursements should not be considered income. Avoid the temptation to spend expense money as if it were income. This can lead to increased debt when those bills come due.

## 2. LIST YOUR EXPENSES.

Review your 30 Days of Tracking on pages 37-38. Then complete and total each expense category on the Estimated Spending Plan. We've designed it to be very detailed to help you identify what you are actually spending. After you complete and total the 12 expense categories, add them together to determine your total expenses.

Not all spending is consistent each month. Spending that varies includes:

- *Irregular monthly expenses* - such as food and utility bills. Simply estimate what you spend in an average month. As you continue to use the Spending Plan, you will become more accurate in projecting these expenses.
- *Expenses that don't occur every month* - such as motor vehicle maintenance, medical bills, clothing, and holidays. Use the list on the next page to compute the average monthly cost by estimating the annual amount spent for an item and dividing by 12. For example, if you spend $600 a year for home repairs, set aside $50 a month to pay for repairs.

| Expense Item | Annual Amount | | Monthly Amount |
|---|---|---|---|
| Home Insurance | ______ | ÷ 12 = | 0.00 |
| Real Estate Taxes | ______ | ÷ 12 = | 0.00 |
| Home Repairs | ______ | ÷ 12 = | 0.00 |
| Medical Bills | ______ | ÷ 12 = | 0.00 |
| Life Insurance | ______ | ÷ 12 = | 0.00 |
| Health Insurance | ______ | ÷ 12 = | 0.00 |
| Disability Insurance | ______ | ÷ 12 = | 0.00 |
| Car Insurance | ______ | ÷ 12 = | 0.00 |
| Replace Car | ______ | ÷ 12 = | 0.00 |
| Clothing | ______ | ÷ 12 = | 0.00 |
| Tuition | ______ | ÷ 12 = | 0.00 |
| Holiday | ______ | ÷ 12 = | 0.00 |
| Other | ______ | ÷ 12 = | 0.00 |

## 3. DETERMINE YOUR SURPLUS OR DEFICIT

At the bottom of the Estimated Spending Plan, subtract the Total Expenses from your Total Income to determine whether you have a surplus or deficit.

**Total Income:** 0

**Minus Total Expenses:** 0

**Equals Surplus or Deficit:** 0

Note:
These items will automatically calculate
as you complete the Estimated Spending Plan

*If income is greater than expenses*, you have a surplus and need only to control spending to maximise the surplus. Using a spending plan will help you accomplish this. *If expenses are greater than income,* you have a deficit and a careful review will be necessary to bring the Spending Plan into balance. You will begin to work on this next week.

# Estimated Spending Plan (Budget)

### Income

| | |
|---|---|
| Monthly Salary | 4,200 |
| Interest Income | 25 |
| Dividends | 15 |
| Commissions Bonuses/Tips | 0 |
| Retirement Income | 0 |
| Net Business Income | 0 |
| Cash Gifts | 10 |
| Child Support/Alimony | 0 |
| **Total Income** | **4,250** |

### 1. Giving

| | |
|---|---|
| Local Church | 350 |
| Poor & Needy | 25 |
| Ministries | 50 |
| **Total Giving** | **425** |

### 2. Taxes

| | |
|---|---|
| Federal | 600 |
| Medicare/Centrelink | 50 |
| Other | 50 |
| **Total Taxes** | **700** |

### 3. Saving & Investing

| | |
|---|---|
| Emergency Savings | 100 |
| Car Replacement | 0 |
| Super/Retire Plans | 0 |
| College Funds | 50 |
| Stocks/Bonds/Other | 0 |
| | 50 |
| **Total Saving & Investing** | **200** |

### 4. Housing

| | |
|---|---|
| Mortgage | 720 |
| Pre-pay mortgage | 0 |
| Land Tax | 100 |
| Homeowners Ins | 40 |
| Rent | 0 |
| Renters Insurance | 0 |
| Electricity | 100 |
| Lawn Care/Gardening | 5 |
| Water/Sewerage | 20 |
| Telephone/Mobile Phone | 45 |
| Gas | 0 |
| Maintenance/Pool | 40 |
| TV/Cable/Satellite/Internet | 25 |
| Pest Control/Termite Bond | 5 |
| Body corporate fees | 0 |
| **Total Housing** | **1,100** |

### 5. Food

| | |
|---|---|
| Groceries | 200 |
| Eating Out | 50 |
| **Total Food** | **250** |

### 6. Transportation

| | |
|---|---|
| Car Payments | 165 |
| Fuel & Oil | 65 |
| Car Insurance | 40 |
| Licenses & Taxes | 5 |
| Repairs/Maint/Tyres | 25 |
| Tolls/Transit Fares/Parking | 0 |
| Car Club (RACQ) | 0 |
| Other | 0 |
| **Total Transportation** | **300** |

**7. Clothing**

| | |
|---|---|
| Adults | 55 |
| Children / Diapers | 25 |
| Laundry / Dry Cleaning | 10 |
| **Total Clothing** | **90** |

**8. Medical & Health**

| | |
|---|---|
| Doctor | 35 |
| Dentist | 20 |
| Prescriptions | 0 |
| Eye Care / Glasses | 20 |
| Health / Vision / Dental Ins | 30 |
| Disability Insurance | 0 |
| Long-Term Care Insurance | 0 |
| Deductibles | 20 |
| Other | 0 |
| **Total Medical & Health** | **125** |

**9. Education**

| | |
|---|---|
| Adult Education | 100 |
| Kids Tuition / Supplies | 25 |
| Tutoring/Lessons/Activities | 0 |
| **Total Education** | **125** |

**11. Entertainment/Holidays**

| | |
|---|---|
| Activities | 25 |
| Holidays / Travel / Motel | 25 |
| Videos / Books / Movies | 50 |
| **Total Entertainment/Holidays** | **100** |

| | |
|---|---|
| **12. Debts** | **310** |
| (See Debt List) | |

**10. Personal**

| | |
|---|---|
| Allowances | 50 |
| Childcare / Babysitting | 25 |
| Life Insurance | 35 |
| Liability Insurance | 25 |
| Cleaning Supplies | 15 |
| Toiletries/Cosmetics | 15 |
| Hair Care | 65 |
| Vitamins / Supplements | 15 |
| Gifts (Birthdays) | 20 |
| Gifts (Christmas) | 30 |
| Gifts (Anniversaries/Weddings) | 10 |
| Gifts (Graduation) | 5 |
| Postage | 5 |
| Alimony / Child Support | 0 |
| Pet Food & Supplies | 0 |
| Veterinarian | 0 |
| Vaccinations/Prescriptions | 0 |
| Boarding / Pet Sitting | 0 |
| Tax Preparation / Legal | 25 |
| Sports / Hobbies | 60 |
| Bank Charges / Fees | 0 |
| Credit Card Charges / Fees | 35 |
| Family Pictures | 5 |
| Subscriptions / Dues | 10 |
| **Total Personal** | **450** |

| | |
|---|---|
| **Total Income** | 4,250 |
| **Minus Total Expenses** | 4,235 |
| **Equals Surplus or Deficit** | 15 |

# ESTIMATED SPENDING PLAN (BUDGET)

## Income

| | |
|---|---|
| Monthly Salary | |
| Interest Income | |
| Dividends | |
| Commissions Bonuses/Tips | |
| Retirement Income | |
| Net Business Income | |
| Cash Gifts | |
| Child Support/Alimony | |
| **Total Income** | 0 |

## 1. Giving

| | |
|---|---|
| Local Church | |
| Poor & Needy | |
| Ministries | |
| **Total Giving** | 0 |

## 2. Taxes

| | |
|---|---|
| Federal | |
| Medicare/Centrelink | |
| Other | |
| **Total Taxes** | 0 |

## 3. Saving & Investing

| | |
|---|---|
| Emergency Savings | |
| Car Replacement | |
| Super/Retire Plans | |
| College Funds Stocks/ | |
| Other | |
| | |
| **Total Saving & Investing** | 0 |

## 4. Housing

| | |
|---|---|
| Mortgage | |
| Pre-pay mortgage | |
| Land Tax | |
| Homeowners Ins | |
| Rent | |
| Renters Insurance | |
| Electricity | |
| Lawn Care/Gardening | |
| Water/Sewerage | |
| Telephone/Mobile Phone | |
| Gas | |
| Maintenance/Pool | |
| TV/Cable/Satellite/Internet | |
| Pest Control/Termite Bond | |
| Body Corporate fees | |
| **Total Housing** | 0 |

## 5. Food

| | |
|---|---|
| Groceries | |
| Eating Out | |
| **Total Food** | 0 |

## 6. Transportation

| | |
|---|---|
| Car Payments | |
| Fuel & Oil | |
| Car Insurance | |
| Licenses & Taxes | |
| Repairs/Maint/Tires | |
| Tolls/Transit Fares/Parking | |
| Car Club (RACQ) | |
| Other | |
| **Total Transportation** | 0 |

**7. Clothing**

| | |
|---|---|
| Adults | |
| Children / Diapers | |
| Laundry / Dry Cleaning | |
| **Total Clothing** | 0 |

**8. Medical & Health**

| | |
|---|---|
| Doctor | |
| Dentist | |
| Prescriptions | |
| Eye Care / Glasses | |
| Health / Vision / Dental Ins | |
| Disability Insurance | |
| Long-Term Care Insurance | |
| Deductibles | |
| Other | |
| **Total Medical & Health** | 0 |

**9. Education**

| | |
|---|---|
| Adult Education | |
| Kids Tuition / Supplies | |
| Tutoring/Lessons/Activities | |
| **Total Education** | 0 |

**11. Entertainment/Holidays**

| | |
|---|---|
| Activities | |
| Holidays / Travel / Motel | |
| Videos / Books / Movies | |
| **Total Entertainment/Holidays** | 0 |

**12. Debts**

(See Debt List)

**10. Personal**

| | |
|---|---|
| Allowances | |
| Childcare / Babysitting | |
| Life Insurance | |
| Liability Insurance | |
| Cleaning Supplies | |
| Toiletries/Cosmetics | |
| Hair Care | |
| Vitamins / Supplements | |
| Gifts (Birthdays) | |
| Gifts (Christmas) | |
| Gifts (Anniversaries/Weddings) | |
| Gifts (Graduation) | |
| Postage | |
| Alimony / Child Support | |
| Pet Food & Supplies | |
| Veterinarian | |
| Vaccinations/Prescriptions | |
| Boarding / Pet Sitting | |
| Tax Preparation / Legal | |
| Sports / Hobbies | |
| Bank Charges / Fees | |
| Credit Card Charges / Fees | |
| Family Pictures | |
| Subscriptions / Dues | |
| **Total Personal** | 0 |

| | |
|---|---|
| **Total Income** | 0 |
| **Minus Total Expenses** | 0 |
| **Equals Surplus or Deficit** | 0 |

# YOUR NET WORTH CALCULATION

Your net worth is easy to determine. Simply subtract your total debts from your total assets.

| | |
|---|---|
| Total Assets<br>(From List Your Assets) | ______________ |
| Minus Total Debts<br>(From Debt List) | ______________ |
| Equals Net Worth | 0 |

As you reduce your debts and increase savings and investments, your net worth will increase.

We recommend that you update your Personal Financial Statement (your list of assets and debts and your net worth) around the first of every year to gage your financial progress. Log on to **www.compass1.org.au** and click on to "Small Group Studies" to download a Personal Financial Statement.

# TRACK & TWEAK YOUR SPENDING PLAN

## TWEAK YOUR SPENDING PLAN

Last week when you completed your Estimated Spending Plan and subtracted your spending from your income, did you have more income than spending? For many people the answer is no! They discover there is too much month at the end of the money. Your tasks this week are to tweak (balance) your Spending Plan and track your income and spending.

The first step is to check out the percentages.

## CHECK OUT THE PERCENTAGES!

How much of your income should be spent on food, clothes, housing, and so forth? It's helpful to compare the percent of income you're spending for these items to recommended percentages that work for thousands of people. But remember, they are only *recommended.*

If you have unusually high or low income, these numbers could change dramatically. For example, if your income is very high, the percentage you spend on food will be much lower than a person who earns a fraction of your income.

If you are spending more than the recommended amount for an item, it may be necessary to reduce your spending in that area to enjoy a balanced Spending Plan.

### PERCENTAGES

| Item | Actual % | Recommended % |
|---|---|---|
| Giving | 10% | 10 – 15% |
| Saving | 7% | 5 – 15% |
| Housing | 33% | 30 – 40% |
| Food | 10% | 5 – 15% |
| Transportation | 7% | 10 – 15% |
| Clothing | 3% | 2 – 7% |
| Medical/Health | 9% | 5 – 10% |
| Education/Child Care | 4% | 2 – 7% |
| Personal | 7% | 5 – 10% |
| Entertainment/Holidays | 2% | 5 – 10% |
| Debts | 8% | 5 – 10% |

## YOUR PERCENTAGES

| Item | Actual % | Recommended % |
|---|---|---|
| Giving | ________ | 10 – 15% |
| Saving | ________ | 5 – 15% |
| Housing | ________ | 30 – 40% |
| Food | ________ | 5 – 15% |
| Transportation | ________ | 10 – 15% |
| Clothing | ________ | 2 – 7% |
| Medical/Health | ________ | 5 – 10% |
| Education/Child Care | ________ | 2 – 7% |
| Personal | ________ | 5 – 10% |
| Entertainment/Holidays | ________ | 5 – 10% |
| Debts | ________ | 5 – 10% |

As you continue to track your income and spending on pages 164-165, you'll discover that your Spending Plan is always changing and in need of tweaking. Your income may change, the interest you earn will fluctuate, and spending certainly will not be static. You will constantly refine the Spending Plan with one simple objective in mind: *spend less than you earn!*

Using a Tweak Sheet each month will remind you to try to continue to reduce spending and increase income so that your monthly surplus will grow.

## TWEAK SHEET

| What to Tweak | Spending Reduced | Income Increased |
|---|---|---|
| Secured part-time job | | $250 |
| Eating out less | $120 | |
| Cut the lawn | $ 60 | |
| Brown bag lunch | $ 80 | |
| Sell car with loan | $240 | |

# TRACK & TWEAK

Continue to track your income and spending and note below any new tweaks you decide to start.

## TWEAK SHEET

| What to Tweak | Spending Reduced | Income Increased |
|---|---|---|
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |

# TRACK YOUR SPENDING PLAN

As we mentioned last chapter, it's helpful to think of your Spending Plan as the old cash-in-the-envelope system. Envelopes were labeled for various spending categories and at the beginning of the month a budgeted amount of cash was deposited in each envelope. It was simple and effective. When an envelope was empty, you stopped spending!

Think of each of the 18 spending categories as an envelope. Instead of depositing cash, you will use an "Estimated Amount" for the month to spend. And instead of taking cash out of an envelope, you just record what you spend. It's easy to always know exactly how much you have left to spend.

You will track income and spending. Here's how to use it.

**1. Fill in the monthly "Estimated Amount."** From your Estimated Spending Plan on pages 135-136, fill in the Estimated Amount for each category. For example, giving is $425.

**2. Record your income and spending for the month.** And if you are using the paper Spending Plan, don't forget to use a pencil to make changes easily.

Anytime you can easily find out how you're doing simply by adding all you have spent for a category and comparing it to your Estimated Amount. We suggest you do this for every category midway through the month on the line titled "This Month Subtotal" to help you monitor your progress.

**3. At the end of the month, total each category on the "This Month Total" line.** Subtract this from the "Estimated Amount" to determine "This Month Surplus/(Deficit)."

**4. How you are doing Year To Date?**

To determine how well you are doing in each category for the year:

- Add this month's "Estimated Amount" to the previous month's "Year-to-Date Estimated Am't" to calculate the current "Year-to-Date Estimated Am't."
- Then add "This Month Total" to last month's "Year-to-Date Actual" to find the current "Year-to-Date Actual."
- Subtract the "Year-to-Date Actual" from the "Year-to-Date Estimate" to determine whether you have a surplus or deficit.

If you are not a math whiz, the description of the mathematical part of the Spending Plan can be confusing until you've done it for a few months. If you are using the COMPASS electronic Spending Plan, all these calculations will be automatically done for you!

## SPENDING PLAN BIG PICTURE

### Tracking Totals

| This Month | |
|---|---|
| Total Income | $ 4,375 |
| minus Total Expenses | $4,210 |
| = Surplus/(Deficit) | $ 165 |

+

| Previous Month YTD | |
|---|---|
| Total Income | $ 33,725 |
| minus Total Expenses | $ 35,142 |
| = Surplus/(Deficit) | $ (1,417) |

=

| Year to Date | |
|---|---|
| Total Income | $ 38,100 |
| minus Total Expenses | $ 39,352 |
| = Surplus/(Deficit) | $ (1,252) |

### This Month

Check out the three boxes at the bottom of the Spending Plan to discover the big picture of how you are doing. In the box titled "This Month," enter "This Month Total" income and "This Month Total" expenses, and subtract the expenses from the income to determine the surplus or the deficit for the month.

### Year to Date

To discover how you're doing for the year, in the "Previous Month YTD" box enter the figures from last month's "Year to Date" box. Then add the figures from the "This Month" box to the "Previous Month YTD" box to arrive at the totals for the "Year to Date" box.

Congratulations! You've now started using your Spending Plan! It's a journey that becomes easier as you do it, so don't give up. The benefits of getting out of debt, giving and saving more, and enjoying financial health are worth the effort.

## TRACKING SPENDING PLAN

**MONTH:** June **YEAR:** 2012

| Category | INCOME | GIVING | TAXES | SAVE / INVEST | HOUSING | FOOD |
|---|---|---|---|---|---|---|
| Budget Amount | 4,250 | 425 | 700 | 200 | 1,100 | 250 |
| Date | | | | | | |
| 1 | 2,100 | | 350 | 100 | 860 | |
| 2 | | | | | | |
| 3 | | 100 | | | | 80 |
| 4 | | | | | | |
| 5 | | | | | | |
| 6 | | | | | | |
| 7 | | | | | | 90 |
| 8 | | | | | | |
| 9 | | | | | | |
| 10 | 25 | 100 | | | 43 | |
| 11 | | | | | | |
| 12 | | | | | | |
| 13 | | | | | | |
| 14 | | | | | | |
| 15 | | | | | | |
| Subtotal | 2,125 | 200 | 350 | 100 | 903 | 202 |
| 16 | 2,100 | | 350 | 100 | | |
| 17 | | 100 | | | | |
| 18 | | | | | | 41 |
| 19 | 50 | | | | | |
| 20 | | | | | 7 | |
| 21 | | | | | | |
| 22 | | | | | | 19 |
| 23 | 25 | | | | | |
| 24 | | 100 | | | | |
| 25 | | | | | | |
| 26 | | | | | 56 | |
| 27 | 75 | | | | | |
| 28 | | | | | | |
| 29 | | | | | 4 | |
| 30 | | | | | | 50 |
| 31 | | | | | | |
| This Month Total | 4,375 | 400 | 700 | 200 | 970 | 312 |
| This Month Surplus/(Deficit) | 125 | 25 | 0 | 0 | 130 | (62) |
| YTD Budget Amount | 38,250 | 3,825 | 6,300 | 1,800 | 9,900 | 2,250 |
| Year-To-Date Actual | 38,100 | 3,900 | 6,300 | 1,800 | 10,350 | 2,000 |
| YTD Surplus/(Deficit) | (150) | (75) | 0 | 0 | (450) | 250 |



## Tracking Summary

| This Month | |
|---|---|
| Total Income | 4,375 |
| Minus Total Expenses | 4,210 |
| = Surplus or (Deficit) | 165 |

| Previous Month YTD | |
|---|---|
| Total Income | 33,725 |
| Minus Total Expenses | 35,142 |
| = Surplus or (Deficit) | (1,417) |

| Year To Date | |
|---|---|
| Total Income | 38,100 |
| Minus Total Expenses | 39,352 |
| = Surplus or (Deficit) | (1,252) |

## TRACKING SPENDING PLAN

**MONTH:** June **YEAR:** 2012

| Category | TRANSP. | CLOTH. | MED / HEALTH | EDU. | PERS. | ENTER / VAC | DEBT |
|---|---|---|---|---|---|---|---|
| Budget Amount | 300 | 90 | 125 | 200 | 450 | 100 | 310 |
| Date | | | | | | | |
| 1 | | | 65 | | 21 | | |
| 2 | | | | | | | |
| 3 | | | | 30 | | 12 | |
| 4 | 15 | | | | | | |
| 5 | | 20 | | | 35 | | |
| 6 | | | | | | | |
| 7 | | | | | | | |
| 8 | | | | 190 | | 40 | 120 |
| 9 | | | | | 76 | | |
| 10 | | | | | | | |
| 11 | 215 | 15 | | | | | |
| 12 | | | | | 9 | | |
| 13 | | | | | | | 25 |
| 14 | | | 11 | | | | |
| 15 | | | | | 50 | | |
| Subtotal | 230 | 35 | 76 | 220 | 191 | 52 | 145 |
| 16 | | | | | 20 | | |
| 17 | | | | | | | |
| 18 | 15 | | | | | | |
| 19 | | | | | | | |
| 20 | | 42 | 5 | | | 7 | 20 |
| 21 | | | | | 17 | | |
| 22 | | | | | 82 | | |
| 23 | 15 | | | | | | |
| 24 | | | | | | 40 | |
| 25 | | | | | | | |
| 26 | | | | | 23 | | |
| 27 | | | | 11 | | | |
| 28 | | | | | | | |
| 29 | | 16 | | | 110 | 46 | 80 |
| 30 | 15 | | 65 | | | | |
| 31 | | | | | | | 50 |
| This Month Total | 275 | 93 | 146 | 231 | 443 | 145 | 295 |
| This Month Surplus/(Deficit) | 25 | (3) | (21) | (31) | 7 | (45) | 15 |
| YTD Budget Amount | 2700 | 80 | 1125 | 1800 | 4050 | 900 | 2655 |
| Year-To-Date Actual | 3120 | 670 | 1240 | 1780 | 4650 | 887 | 2655 |
| Surplus/(Deficit) | (420) | 140 | (115) | 20 | (600) | 13 | 0 |

## TRACKING SPENDING PLAN

**MONTH:________________ YEAR: ___________**

| Category | INCOME | GIVING | TAXES | SAVE / INVEST | HOUSING | FOOD |
|---|---|---|---|---|---|---|
| Budget Amount | | | | | | |
| Date | | | | | | |
| 1 | | | | | | |
| 2 | | | | | | |
| 3 | | | | | | |
| 4 | | | | | | |
| 5 | | | | | | |
| 6 | | | | | | |
| 7 | | | | | | |
| 8 | | | | | | |
| 9 | | | | | | |
| 10 | | | | | | |
| 11 | | | | | | |
| 12 | | | | | | |
| 13 | | | | | | |
| 14 | | | | | | |
| 15 | | | | | | |
| Subtotal | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 16 | | | | | | |
| 17 | | | | | | |
| 18 | | | | | | |
| 19 | | | | | | |
| 20 | | | | | | |
| 21 | | | | | | |
| 22 | | | | | | |
| 23 | | | | | | |
| 24 | | | | | | |
| 25 | | | | | | |
| 26 | | | | | | |
| 27 | | | | | | |
| 28 | | | | | | |
| 29 | | | | | | |
| 30 | | | | | | |
| 31 | | | | | | |
| This Month Total | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Budget Surplus/(Deficit) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| YTD Budget Amount | | | | | | |
| Year-To-Date Actual | | | | | | |
| YTD Surplus/(Deficit) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |

## Tracking Summary

| This Month | |
|---|---|
| Total Income | 0.00 |
| Minus Total Expenses | 0.00 |
| = Surplus or (Deficit) | 0.00 |

| Previous Month YTD | |
|---|---|
| Total Income | |
| Minus Total Expenses | |
| = Surplus or (Deficit) | 0.00 |

| Year To Date | |
|---|---|
| Total Income | |
| Minus Total Expenses | |
| = Surplus or (Deficit) | 0.00 |

# TRACKING SPENDING PLAN

**MONTH:________________ YEAR: ____________**

| Category | TRANSP. | CLOTH. | MED / HEALTH | EDU. | PERS. | ENTER / VAC | DEBT |
|---|---|---|---|---|---|---|---|
| Budget Amount | | | | | | | |
| Date | | | | | | | |
| 1 | | | | | | | |
| 2 | | | | | | | |
| 3 | | | | | | | |
| 4 | | | | | | | |
| 5 | | | | | | | |
| 6 | | | | | | | |
| 7 | | | | | | | |
| 8 | | | | | | | |
| 9 | | | | | | | |
| 10 | | | | | | | |
| 11 | | | | | | | |
| 12 | | | | | | | |
| 13 | | | | | | | |
| 14 | | | | | | | |
| 15 | | | | | | | |
| Subtotal | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 16 | | | | | | | |
| 17 | | | | | | | |
| 18 | | | | | | | |
| 19 | | | | | | | |
| 20 | | | | | | | |
| 21 | | | | | | | |
| 22 | | | | | | | |
| 23 | | | | | | | |
| 24 | | | | | | | |
| 25 | | | | | | | |
| 26 | | | | | | | |
| 27 | | | | | | | |
| 28 | | | | | | | |
| 29 | | | | | | | |
| 30 | | | | | | | |
| 31 | | | | | | | |
| This Month Total | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| This Month Surplus/(Deficit) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| YTD Budget Amount | | | | | | | |
| Year-To-Date Actual | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Surplus/(Deficit) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |

# ORGANISING YOUR ESTATE

Someone once said that people will work 40 years to accumulate assets, about 10 years conserving what they've accumulated, but no more than two hours planning for its ultimate distribution. Approximately seven out of ten people die without a will. To die without a will has four major drawbacks.

1. The state laws will dictate who receives your our assets. For instance, in some states a wife would receive only one-third to one-half of the husband's estate with the children (even adult children) receiving the rest.
2. The heirs will face more cumbersome court proceedings and added legal fees.
3. The estate may pay higher estate taxes than would have been paid with wise planning.
4. Tragically, under some circumstances the court can appoint a guardian (who may not know the Lord) to raise your children.

The person who knows Christ has a solemn duty to provide for his family. *"But if anyone does not provide for his own, and especially for those of his household, he has denied the faith, and is worse than an unbeliever" (1Timothy 5:8).* This requirement extends to the responsibility of planning for the future of *your loved ones should you predecease them.*

Whether you are married or single, rich or poor, you should have a will or trust and complete the Organizing Your Estate worksheet. As Isaiah told Hezekiah,

*"Thus says the Lord, 'Set your house in order, for you shall die'"* (2 Kings 20:1).

Someday you will die. One of the greatest gifts you can leave your loved ones for that emotional time will be an organised estate. Thirty-six percent die before retirement. So do not delay in preparing your will just because you are young. An increasingly popular option to the traditional will is a revocable living trust. Please seek legal and tax counsel before you decide which instrument is most suitable for you to use.

Complete the Organising Your Estate worksheet and review the information with your spouse or heirs. After the review, give a completed copy to your attorney or accountant and a trusted family member or friend who will be involved in settling your estate.

The Organising Your Estate worksheet is designed to be brief and is not intended to fully organise your estate. We strongly recommend that you enrol in the Set Your House In Order small group study to more thoroughly organise your estate.

## MEETING WITH YOUR SOLICITOR

It will save you time and money if you are prepared to meet with your solicitor to draft your will. Make these decisions in advance: (1) who will be my personal representative and who will be the successor personal representative of my estate, (2) who will be the guardian and successor guardian of our children, (3) who are my heirs and what will each of them receive, and (4) how much do I want to give from my estate to the Lord's work.

It will also save time if you bring your personal financial statement with you.

# ORGANISING YOUR ESTATE

Date: January 15, 2012

## WILL AND/OR TRUST

The Will (Trust) is located: David Smart's office

The person designated to carry out its provisions is: Janet

If that person cannot or will not serve, the alternate is: James Faithful

Solicitor: David Smart Phone: (07) 3321-1000

Accountant: Jennifer Numbers Phone: (07) 3432-4000

## INCOME BENEFITS

1. **Company Benefits**
   My (our) heirs will receive the following benefits: One-third regular wage

   Contact: HR Department Phone: (07) 3786-4545

2. **CentrelinkBenefits**
   To receive Centrelink Benefits go to the Chermside Centrelink Office. Do this promptly because a delay may void benefits. When you go, take: (1) my Centrelink card; (2) my death certificate; (3) your birth certificate; (4) our marriage certificate; (5) birth certificates for each child.

3. **Veterans' Benefits**
   You are / are not eligible for veterans' benefits: Are not

   To receive these benefits, you should do the following: N/A

4. **Life Insurance Coverage**

   Insurance Company: Good Insurance Co. Policy #: 07 3563-777

   Face Value: $150,000 Person Insured: Don Beneficiary: Janet

   Insurance Company: Solid Insurance Co. Policy #: 838-776

   Face Value: $50,000 Person Insured: Janet Beneficiary: Don

## FAMILY INFORMATION

Family Member's name:

| Name | | |
|---|---|---|
| Don | Address: | 12 Nice Ave, Pleasantville, OH |
| | Centrelink #: | 123-45-6789 |
| Janet | Address: | 12 Nice Ave, Pleasantville, OH |
| | Centrelink #: | 234-56-7890 |
| John | Address: | 12 Nice Ave, Pleasantville, OH |
| | Centrelink #: | 345-67-8901 |
| Ruth | Address: | 12 Nice Ave, Pleasantville, OH |
| | Centrelink #: | 456-78-9012 |
| | Address: | |
| | Centrelink #: | |
| | Address: | |
| | Centrelink #: | |

## MILITARY SERVICE HISTORY

Branch of service: Navy    Service number: 9876543    Rank: first class (e-6)

Length of Service: 3 years    From: 5/17/95    To: 4/20/99

Location and description of important military documents: Honorable discharge in cabinet at home

## FUNERAL INSTRUCTIONS

Funeral Home: King's Funeral    Phone: (07) 3645-3000

Address: 325 Orange St, Kedron, QLD

My (our) place of burial is located at: Wood Lawn Memorial Gardens

I (we) request burial in the following manner: A closed casket

I (we) request that memorial gifts be given to the following church/organisation:

First Church    Address: 400 Main St, Kedron

Food for the Poor Ministries    Address: 200 Second, Ave, Kedron

# ORGANISING YOUR ESTATE

Date:______________

## WILL AND/OR TRUST

The Will (Trust) is located:_____________________________________________________

The person designated to carry out its provisions is:_________________________________

If that person cannot or will not serve, the alternate is _______________________________

Solicitor: ____________________________________ Phone:___________________

Accountant:__________________________________ Phone:___________________

## INCOME BENEFITS

1. **Company Benefits**
   My (our) heirs will receive the following benefits:_____________________________

   Contact:______________________________ Phone:___________________

2. **Centrelink Benefits**
   To receive Centrelink Benefits go to the ______________ Centrelink Office. Do this promptly because a delay may void benefits. When you go, take: (1) my Centrelink card; (2) my death certificate; (3) your birth certificate; (4) our marriage certificate; (5) birth certificates for each child.

3. **Veterans' Benefits**
   You are / are not eligible for veterans' benefits:_______________________________
   To receive these benefits, you should do the following:__________________________

4. **Life Insurance Coverage**

   Insurance Company:____________________ Policy #:__________________

   Face Value:_________Person Insured:____________Beneficiary:_______________

   Insurance Company:____________________ Policy #:__________________

   Face Value:_________Person Insured:____________Beneficiary:_______________

## FAMILY INFORMATION

Family Member's name:

_________________________ Address:______________________________________

Centrelink #: ______________________________

_________________________ Address:______________________________________

Centrelink #: ______________________________

_________________________ Address:______________________________________

Centrelink #: ______________________________

_________________________ Address:______________________________________

Centrelink #: ______________________________

_________________________ Address:______________________________________

Centrelink #: ______________________________

## MILITARY SERVICE HISTORY

Branch of service:__________ Service number:__________ Rank:__________

Length of Service:__________ From:________________ To:__________

Location and description of important military documents:

## FUNERAL INSTRUCTIONS

Funeral Home:____________________________ Phone:________________

Address:______________________________________________________

My (our) place of burial is located at:________________________________

I (we) request burial in the following manner:____________________________

I (we) request that memorial gifts be given to the following church/organisation:

_________________________ Address:______________________________________

_________________________ Address:______________________________________

# CRISIS BUDGET

The best time to prepare a budget for a crisis is *before* one happens because you are not under emotional stress. An added benefit is that it often helps people reduce unnecessary spending *now*.

Review your current budget and ask this question: If I (*we*) were in a crisis that demanded reduced spending, what cuts would be made? Consider trying to reduce your spending by a certain percentage, such as ten or twenty percent.

## REDUCE OR ELIMINATE THESE EXPENSES

| Expenses | Describe Reduction | Reduced Amount |
|---|---|---|
| Pay TV | Discontinue Pay TV | $25 |
| Electricity | Be more careful with it | $35 |
| Water | Be more careful with it | $5 |
| Car payment | Sell car and buy used for cash | $200 |
| Fuel & Oil | Drive less | $40 |
| Eating Out | Discontinue most eating out | $100 |
| Holiday | Reduce time away | $25 |
| Pets | Give away fish and hamsters Buy | $5 |
| Clothing | less clothing and buy 2nd hand Cut | $40 |
| Savings | in half | $80 |
| Allowances | Reduce | $30 |
| Subscriptions | Discontinue | $20 |
| Gifts | Cut in half | $25 |

| | |
|---|---|
| Total Amount Reduced | $630 |
| Percentage Reduced: | 15% |

# CRISIS BUDGET

## REDUCE OR ELIMINATE THESE EXPENSES

| Expenses | Describe Reduction | Reduced Amount |
|---|---|---|
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Total Amount Reduced 0.00

Percentage Reduced:

# TRACK & TWEAK

Continue to track your income and spending and note below any new tweaks you decide to start.

## TWEAK SHEET

| What to Tweak | Spending Reduced | Income Increased |
|---|---|---|
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Return to List of Practical Applications

# FINANCIAL GOALS

Determining your financial goals will help you accomplish what is important to you. Here's how to proceed:

1. Complete the Financial Goals worksheet. If married, we suggest you and your spouse separately write down your goals, then compare them and compile a complete list on the worksheet.

2. Don't limit yourself by your current situation. Many of your goals may be "faith" goals that you must trust the Lord to provide.  So pray and prioritize your goals.

3. List your goals for the coming year. One caution: Don't set completely unrealistic goals. It's better to accomplish three goals than to become frustrated with 10 unattainable ones.

# FINANCIAL GOALS

Date: January 18

**Giving Goal**

Would like to give 15 percent of my income.

Would like to increase my (our) giving by 1/2 percent each year

Other giving goals: Contribute $5,000 to world missions over the next 10 years and help support one needy child.

**Debt Repayment Goals**

Would like to pay off the following debts first:

| Creditor | Amount |
|---|---|
| Visa | $350 |
| Sears | $2,400 |
| Mastercard | $4,250 |
| Crazy Lou's Auto Sales | $5,000 |

**Educational Goals**

Would like to fund the following education:

| **Person** | **School** | **Annual Cost** | **Total Cost** |
|---|---|---|---|
| John | Vo-Tech | $4,000 | $8,000 |
| Melissa | State College | $9,500 | $38,000 |

Other educational goals: Michelle would like to study to become a teacher

**Lifestyle Goals**

Would like to make the following major purchases (home, car, etc.)

| Item | Amount |
|---|---|
| Add Deck to Home | $8,000 |
| Replace Janet's Car | $8,500 |
| Replace Refrigerator | $900 |

Would like to achieve the following annual income: $60,000

**Saving & Investment Goals**

Would like to save 10 percent of my income.

Other savings goals: Increase savings to 15% a year within 15 years

| Would like to make the following investments: | Investment Amount |
|---|---|
| Rental Property | $25,000 Down Payment |
| Retirement Account | $3,000 each year |
| Mutual Fund | $2,000 each year |

Would like to provide my (our) heirs with the following: House and rental property paid for and enough insurance to provide adequate income to meet their needs.

**Starting a business**

Would like to begin my (our) own business: Michelle would like to own her own day care facility within the next 5 years.

## Goals For This Year

I believe the Lord wants me (us) to accomplish these goals this year:

| Priority | Financial Goals | Our Part | God's Part |
|---|---|---|---|
| 1 | Increase Giving | Write Cheque | Provide Money |
| 2 | Save 10 percent | Reduce Spending | Give Wisdom |
| 3 | Pay off 2 credit cards | Sell Boat | Provide Buyer |
| 4 | | | |
| 5 | | | |
| 6 | | | |
| 7 | | | |
| 8 | | | |
| 9 | | | |
| 10 | | | |
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# FINANCIAL GOALS

Date:______________

**Giving Goal**

Would like to give ____present of my income.

Would like to increase my (our) giving by ___ percent each year

Other giving goals:

**Debt Repayment Goals**

Would like to pay off the following debts first:

| Creditor | Amount |
|---|---|
| ______________________________ | __________________ |
| ______________________________ | __________________ |
| ______________________________ | __________________ |
| ______________________________ | __________________ |

**Educational Goals**

Would like to fund the following education:

| **Person** | **School** | **Annual Cost** | **Total Cost** |
|---|---|---|---|
| ____________ | __________________ | ____________ | ____________ |
| ____________ | __________________ | ____________ | ____________ |

Other educational goals:

### Lifestyle Goals

Would like to make the following major purchases (home, car, etc.)

| Item | Amount |
|---|---|
| ____________________________________ | _______________ |
| ____________________________________ | _______________ |
| ____________________________________ | _______________ |

Would like to achieve the following annual income: ____________________

### Saving & Investment Goals

Would like to save ___ percent of my income.

Other savings goals:

| Would like to make the following investments: | Investment Amount |
|---|---|
| ______________________________ | _______________ |
| ______________________________ | _______________ |
| ______________________________ | _______________ |

Would like to provide my (our) heirs with the following:

### Starting a business

Would like to begin my (our) own business:

## Goals For This Year

I believe the Lord wants me (us) to accomplish these goals this year:

| Priority | Financial Goals | Our Part | God's Part |
|---|---|---|---|
| ______ | ________________ | ________________ | ________________ |
| ______ | ________________ | ________________ | ________________ |
| ______ | ________________ | ________________ | ________________ |
| ______ | ________________ | ________________ | ________________ |
| ______ | ________________ | ________________ | ________________ |
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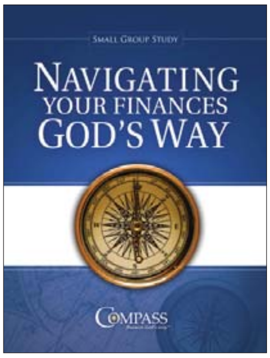
| ______ | ________________ | ________________ | ________________ |
| ______ | ________________ | ________________ | ________________ |
| ______ | ________________ | ________________ | ________________ |
| ______ | ________________ | ________________ | ________________ |

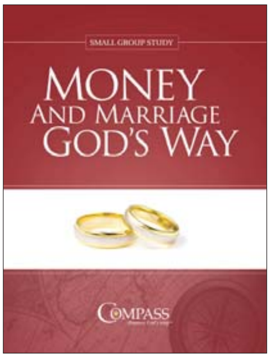
Return to List of Practical Applications

# Compass Small Group Studies

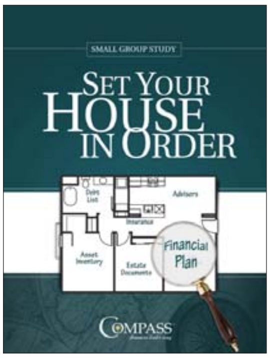
COMPASS
-finances God's way™



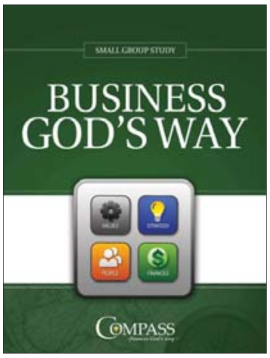

***Navigating Your Finances God's Way*** is a nine-week study that hundreds of thousands have benefitted from taking. You'll learn what God wants you to know about earning money, spending, giving, getting out of debt, saving, investing, training children and much more.




***Money and Marriage God's Way*** is a six-week study that will improve your marriage and your finances because you will be learning what God's word says about them both. You will discover how to communicate effectively, resolve conflict and achieve financial unity.




***Set Your House in Order*** is a five-week study that is specifically designed to enable you to assemble and organise your important financial information in just one place. It is also an outstanding tool to help you plan your estate and manage your current finances.




***Business God's Way*** is a powerful and practical six-week study designed to help people learn God's way of operating a business. This thought-provoking study has helped many succeed in the business world—God's way.