

Formatting your home budget page is a lot less complicated than it would seem. A lot of people shy away from setting one up because over time they have come to associate “accounting terms” with budgeting. This is of course the accepted way of discussing finances, but it can also prove to be a bit overwhelming for some.

The true accounting method of budgeting would use terms such as debit or credit. Whether you would use a debit or credit to show an increase or decrease would change depending on if you were tracking an asset or expense. For the purpose of simplicity, I will not use those terms. Instead I will use the terms increase, decrease, cash, loan/debt, and expense, so that this method will be one that anyone will be able to follow. An image of the instructions below can be found at the end of this document.

Use the top 2 rows of the spreadsheet for labeling. Label the first column running from top to bottom as Date and Year. It is important that you have a snapshot of your money situation on a daily basis. The entries made below date/year will be the month and day of the transaction. If you are using a spreadsheet, you will need to make a choice at the end of the month if you want to continue with the next month on the same page, or use a new page.

The second column will be labeled “Explanation”. Use this column to make a short note on why the transaction occurred. The column width can be made wider if need be.

Next you will set up tracking of your available funds. Each funds entry will be given two columns, one for increase and one for decrease. The reason you will use two columns in this area is so you have a total for increases and decreases. Many will find this information surprising.

Put a label over the two columns that reflects the where the funds are located. You might have one two-column set for cash on hand. Another two-column set for savings account and yet another for a checking account. The second line from the bottom of each two-column set will be used to subtotal the individual columns, the row below will be used to total the two columns.

To enable the “sum” feature, click into the box where the total will appear. Then click on the “sum” icon. The spreadsheet will select the boxes it thinks you wish to total. If these are not correct, click on the top box of the list of figures to be totaled and without releasing the mouse, drag it over all of the other boxes you would like to have included. If you are using the paper version, totaling will be done the old fashioned way with a pen and paper or calculator. Add the figures up at least twice, to ensure your amounts are correct.

The first entry made on the row below the labels is Balance Forward. These are the balances remaining from the previous month, which you have this month to work with. Expenses do not get forwarded as they are listed as they occur in a given month. If a balance is positive for cash put it into the Increase column. Since banks allow overdrafts, you may have a negative balance, which will go into the Decrease column with a minus sign in front of the number. Any decreases are listed with a minus sign for cash. I like to make them red as well, but that is your choice. Balances for loans, etc are monies that you owe. These are also listed with a minus sign.

After you have played with spreadsheets for a bit, you will find a number of nice little features that make them easier to work with. I like to add a feature called “freeze”, which keeps the labels for the columns in sight as you scroll down the page. Be sure to make use of the “Help” feature. You might also want to take a short course on using spreadsheets. They are often offered by local community centers.

Formatting a spreadsheet page can take a bit of time. I suggest that when you save it for the first time, you save it with a name like home budget template. Then when you are ready to start working on a specific month, open the template, and choose File – Save As and create a new copy for the month you will be working with. This way you will be able to start each new month without having to redo the formatting of your home budget page.

	A	B	C	D	E	F	G	H	I	J	K	L	M
1	Date	Explanation	Cash on	Hand	Chequing	Account	Totals	Expenses		Monthly	Car Loan	Monthly	Mortgage
2	2010		Increase	Decrease	Increase	Decrease		Groceries	Utilities	Principle	Interest Exp	Principle	Interest Exp
3	Oct 01	Balance Fwd	\$25.66		\$2,400.00		\$2,425.66			-\$4,566.99		-\$99,837.45	
4	Oct 01	Groceries				-\$157.00	-\$157.00	\$157.00					
5	Oct 01	Mortgage				-\$600.00	-\$600.00					\$250.00	-\$350.00
6	Oct 10	Hydro				-\$97.00	-\$97.00		\$97.00				
7	Oct 12	Office Lunch		-\$12.98			-\$12.98	\$12.98					
8	Oct 15	Van Payment				-\$350.00	-\$350.00			\$223.00	-\$127.00		
9	Oct 15	Wages			\$1,400.00		\$1,400.00						
10	Oct 22	Cash Withdr		\$40.00		-\$40.00	\$0.00						
11	Oct 31	Wages			\$1,400.00		\$1,400.00						
12							\$0.00						
13							\$0.00						
14							\$0.00						
15							\$0.00						
16							\$0.00						
17							\$0.00						
18	Sub-Totals		\$25.66	\$27.02	\$5,200.00	-\$1,244.00	\$4,008.68	\$169.98	\$97.00				
19	Balances			\$52.68		\$3,956.00	\$4,008.68	Total Exp \$266.98		-\$4,343.99	-\$127.00	-\$99,587.45	-\$350.00

Please note: Interest calculations are not accurate and only for demonstration purposes.