

# Budgets and Financial Records

- Budgeting and Record Keeping
- Legal Documents and Filing Systems

# Importance of Financial Planning

- Disposable income
- Financial plan

# Preparing a Budget

- Estimate your income.
- Decide how much to save.
- Estimate your expenses.
- Balance your budget.

# Simple Budget

## Income

Work	\$320
Allowance	20
Lunch money	<u>40</u>
Total income	<u><u>\$380</u></u>

## Expenses

Lunches	\$ 80
Supplies	20
Snacks	40
Entertainment	<u>120</u>
Total expenses	<u><u>\$280</u></u>

## Savings

To credit union	<u>\$100</u>
Total expenses plus savings	<u><u>\$380</u></u>

# Monthly Budget

- Fixed expenses
- Variable expenses

# Personal Records

- Records of income and expenses
- Net worth statement
- Personal property inventory
- Tax records

# Personal Property Inventory

<b>Item</b>	<b>Year Purchased</b>	<b>Purchase Price</b>	<b>Approximate Current Value</b>

# Types of Contracts

- Express contracts
  - Oral
  - Written
- Implied contracts

# Elements of an Enforceable Contract

- Agreement
- Consideration
- Contractual capacity
- Legality
- Genuine assent
- Legal form

# Consumer Responsibilities in Agreements

- Understand agreement.
- Keep a copy of the agreement.
- Be sure the agreement is dated correctly.
- Be sure all blank spaces are filled in or marked out.
- Be sure all terms agreed upon are written clearly.
- Be sure all dates, amounts, and other numbers are correct and clearly written.
- Be sure proper disclosure is made by the seller.
- Be sure all cancellations and adjustments are made in accordance with the contract.

# Negotiable Instruments

- Must be in writing and signed by the maker
- Must contain an unconditional promise to pay a definite amount of money
- Must be payable on demand or on a fixed or determinable future date
- Must be payable to the order of a particular person or to the holder of the note
- Must be delivered to the payee

# Warranties

- Guarantee
- Limited warranty

# Filing Systems for Personal Records

- Paper filing system
- Electronic record keeping
  - Spreadsheet
  - Database

# Home Filing System

**Medical**

**Insurance**

**Household**

**Entertainment**

**Automobile**

**Warranties**

**Utilities**

**Travel**

**Taxes**

**Subscriptions**