

THE FINANCIAL HANDBOOK

**LEARNING TO MANAGE
ESSENTIALS – NECESSITIES – NON-ESSENTIALS**



**by Melvin Collins, Jr. M.Ed.
and Yolanda L. Salazar**

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The Financial Handbook

Table of Contents

Chapter	Page
Foreword.....	5
Introduction to Finance.....	6
Chapter 1 Financial Categories.....	8
Chapter 2 Creating A Budget.....	12
Chapter 3 Everyday Expenses.....	18
Chapter 4 Other Necessary Expenses.....	24
Chapter 5 Taking The Mystery Out of the Checking Account.....	36
Chapter 6 Credit Cards and ATM's.....	49
Chapter 7 Cleaning Up Your Credit.....	52
Chapter 8 Staying Financially Fit.....	58



FOREWORD

The Financial Handbook and other Life Skills books have been developed because, in this high-tech world we live in, many of the common-place things have been forgotten, or maybe never learned.

Many students leaving home to live on their own are unfamiliar with some of life's simple skills. Many have not handled a checking account, found their own place to live, done household shopping, or even paid bills. As a matter of fact, quite a few adults have shortcomings in these areas, as well. ADAPT Publishing Company developed this series of books to assist those individuals lacking in these skills.

The Financial Handbook will cover all types of financial categories, expenses, checking accounts, credit cards, and many other topics that might have created issues in family living

Follow the steps in this book to understand the steps to take in creating your budget, understanding and managing your finances, making your money work for you, as well as, completing worksheets to help you along the way.

Get in charge of your life financially and Get Financially Fit!

Melvin Collins, Jr., M.Ed., LPC
President
ADAPT Publishing Company

Introduction To Your Workbook

If you're born poor, it's not your mistake. But if you die poor, it's your mistake.

—Bill Gates

What is the worst thing that you can hear at the end of a long, grueling day of work? How about, “You’re a month behind on your gas bill. When do you think you’ll be able to make a payment?” Not pleasant, huh? Nope, well, with the help of this handbook and some organization on your part, you may never have to hear that statement again.

This book was designed to assist you in dealing with your finances on a comfortable and hopefully, stress-free level. The majority of us live from paycheck to paycheck. That’s the American way, right? If you make \$2,000 a month, you spend \$2,500. That’s normal, right? Wrong.

Every family should live within their means. This is called budgeting. This means that all your bills are paid in full and on time every month, not every other month or every three months. Every month! This is because you have set aside enough money to cover all your expenses throughout the month. You have not created any new debts that can’t be covered or you haven’t gone out and bought a new appliance when there is no money to pay for it. You have reasoned with yourself and made yourself a budget and you’ve stuck to it, month after month after month.

Doesn’t it feel good when you can pay all your bills and still have money left over to do some of the fun things or put something aside: savings for the children’s education, a vacation, Christmas or that big anniversary party you’ve always craved? Well, it should feel good. You shouldn’t have to steal money out of the rent jar to pay the electric bill. Depressing, isn’t it? Well, it doesn’t have to be that way. We’re going to make it all better.

First, we have to prioritize. In doing this, you are looking at all the money that comes into the household and all the bills you have to pay. In paying your bills, you have to put the most important things first, the next most important second and so on and so on.

The first thing we have to do is make a short list. This is the list of every source of income coming into your household. Is this a short list or what? Yeah, I thought so. Make a list of all your money and make a note of that total amount. Second, you are going to break up your bills into three categories. The categories are **Essentials, Necessities and Non-Essentials**.

These three categories are described in detail in the first chapter of this handbook. Pay attention to what fits in each category. You may be a little dismayed when you see something in a category that you don't think belongs in there, but, rest assured, it has been well-thought out and it really does work.

Managing your finances is a vital part of your everyday life, because if you are living on the edge and you have one little hiccup in your life, that can send you over the edge. So, let's look at our categories, our expenses, and our income and create a budget that will work for your family.

Once you get on a working budget, you will see that life is so much better. No worries, no hassles, no stress, just plain enjoyment.

*Don't take financial advice from broke people.
Do what rich people are doing.*

—Dave Ramsey





CHAPTER 1

Financial Categories

Prepare for the road ahead.

—Unknown

Essentials

Essentials are those bills that have a consequence. In other words, if you don't pay it, something will happen. These bills are essential and quite needed. Can you come up with a list of essentials? Like rent, car payment, car insurance, child support, utilities, and maybe food? Wrong, food does not come under **Essentials**. We'll explain that in a minute. Now, remember what I said, **Essentials** are bills that when not paid, will create a consequence. If you don't pay the rent, you will get evicted. If you don't make the car payment, it will be re-possessed. If you don't pay the car insurance, that's against the law (to drive without car insurance). If you don't pay your child support, you could go to jail. If you don't pay the utilities, you will not have any.

So, have we learned something? We must pay the **Essentials**. This is your priority category. After that, it's all a piece of cake. There may be a few other **Essentials** important to you. But just remember, take care of those bills as much as you can to help get you started on the right road.

Essentials

Necessities



Necessities is a category where the bills are the type that may have some annoying things happen to you as a result of your not paying them, but they are not essential to your well-being. This includes such things as credit cards, department store cards, music clubs, book clubs or any other expenses.

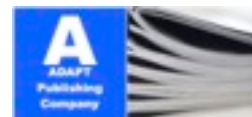
We aren't saying, "Don't pay these bills." We are simply saying these are bills with which you can negotiate. In other words, these department stores are not going to come by your house and ask for that old pair of socks you bought three months ago. They don't want them. They just want you to pay your bill.

So, what you need to do here is work something out with them. Direct communication is very important. If your payment is \$50.00 a month, then, agree to pay \$25.00 or \$20.00 regularly for six months or nine months. Sometimes, all it takes is three months and they will put your account back into good standing and maybe even lower your payment to make it something you can handle. You just have to communicate. Don't run away from these problems. Face them up front. Creditors like that. They like the fact that you are willing to talk to them and work something out (which benefits you and them).

Communication works very well with this category, as the creditor realizes that you are not just writing them off. You show them that you actually care about your account with them, thus, care about your credit rating. We will discuss credit ratings later on in this book.



Non-Essentials



Non-Essentials are just that, non-essential. Believe it or not, food comes under **Non-Essentials**. Whaaat? "No, you say!" Well, it does. The reason we say it does is because luxuries, in this sense, are those items that you need or want to buy but, you can control how much of it you buy or how or where you buy it. The **Non-Essentials** category can include such things as clothes, toiletries, magazine subscriptions, eating out, movies and yes, your food!

This category is one which you control. You decide what will be spent, not what someone is telling you that you have to pay. If you need to buy clothes, find a good sale or better yet, go to a slightly used clothes store. There are many good ones around. Do research on the internet and check them out. Look under Clothing-Resale. Pick out a couple of them and just go and browse. Don't force yourself to buy something the first time. I bet you'll find something you like. What these stores do is buy or take clothes under consignment from individuals who have outgrown them or who have simply cleaned out their closets. The consignment stores wash or clean them and re-sell them to the public. Some of these garments have barely been worn and some are brand new (with tags still on them)! You'd be surprised to find out how particular these stores can be when putting such items up for sale.

First and most important, they require the clothes to be cleaned, pressed and make a good presentation. I understand a lot of the consignment stores will clean them again, according to how they look. Then, they ask that the clothes not be torn or faded or buttons missing. Many of these clothes are name-brand clothes that Richie Rita bought and wore one time. Then she ate that extremely large piece of chocolate cake and the next time she tried to wear them, she couldn't even get the zipper up. Oops! Hello, time to go to the re-sale store; got to buy a bigger size!! So sad for her, but good for you. Did you ever hear the saying, "One person's trash is another one's treasure." It's true.

Now, let's talk about groceries. When you go buy your groceries, keep these things in mind. Most food items you buy are prepared, packaged and distributed out of the same place. So, don't feel that you have to buy Del Monte or the Jolly Green Giant. That's your money the Jolly Green Giant is getting. Save that money and don't let that ole' giant get your money.

Store-brand items can be just as good as the name brand, sometimes better. There are a few occasions when this may not always be true, but this is something that you will have to explore and try.

If you'll notice, the name brand stuff on your grocery shelves is always at eye level. You have to search for the store brand. It is usually on the very bottom shelf. The Post and Cheerios boxes of cereal that you see at eye level taste the same as the corn flakes and oats you can buy in the see-through packages on the bottom shelves. If your kids won't eat the generic brand, then, buy them a name brand box of cereal one time and keep the box. From then on, buy the generic and put it into the name brand box. They will never taste the difference. Believe me, I've tried it. It works with adults, as well (coffee, sugar, etc.)

So, squat down there and get those store brand items. You will get your exercise in, as well, when you do that. Remember, if you have doubts, buy it once and decide on your own, plus you will save money. Don't fight it. Just try it!

Non-Essentials



Anyway, these are your three categories. Notice we didn't put savings into any category. When you are in a situation where bills have gotten out of hand, you need to set things straight first, not save for the future. We are talking about really bad times here, where you're wondering how you're going to pay your bills or pay for last night's meal and you've already eaten it. Thus, the three categories work for you to prioritize your expenses. After your situation gets better, then, a savings category will go into your budget.





CHAPTER 2

Creating A Budget

A budget isn't about restrictions. Having a plan allows you the freedom to make purchases without guilt and regret.

—Unknown

Creating the Budget

We are going to actually create a budget. We are going to take some hypothetical figures and use them in creating a budget.

We will say our family is comprised of a husband and a wife with a family of two and a dog. The husband makes \$45,000 a year and the wife makes \$30,000 a year. Pretty good salaries, huh? Not bad, but now, we have to see how it is going to look on a monthly basis.

A \$45,000 a year salary probably equates to approximately \$2,437.50 a month, net or take-home pay. A \$30,000 a year salary will have a net amount of approximately \$1,625.00 a month. Combine those two salaries for the household and that would be \$4,062.50 a month for this family to meet all their bills, buy groceries and take care of home and family. Out of this money, you have to pay all your living expenses and still manage to pay all of your other incidentals.

Let's start looking at this family's monthly budget and see what we can set up for them. Let's first look at the amounts we have for them for income. It pretty much looks like this.

MONTHLY INCOME	AMOUNT
Husband	\$2,437.50
Wife	1,625.00
TOTAL	\$4,062.50

Now, let's see what our categories look like. First, we will list all the Essentials. Remember, these are items that, if not paid, there will be consequences.

Right below that, we will list the Necessities. These items don't necessarily have consequences like the Essentials do, but they are items that will need to get paid at one time or another. There are times when it is necessary to contact your creditors and make them aware that you are having financial constraints. Later in this chapter, you will see a sample of a Credit Letter that has been used to contact creditors.

ESSENTIALS	AMOUNT
Housing	\$1,025.00
Car	300.00
Auto Insurance	150.00
Child Care	500.00
UTILITIES	
Electric	125.00
Gas	40.00
Cell Telephone	80.00
TOTAL	\$2,220.00

NECESSITIES	AMOUNT
VISA Credit Card	\$ 40.00
Sears	25.00
Term Insurance-Husband	45.00
Term Insurance-Wife	30.00
Kids' Lunch Money	100.00
Renter's Insurance	40.00
Health Insurance	500.00
TOTAL	\$780.00

Next, we have our Non-Essentials. Remember, this category will hold everything that doesn't fit into our Essentials or Necessities. Some of the things that go into this category are such things as magazines, movies, eating out, etc. However, by the same token, this category will also hold such things as the kids' lunch money, a monthly car maintenance amount for such things as oil changes, tire repairs, etc. Even though people may think cable is a utility, it is really a Non-Essential. Okay, so here is the breakout for the Non-Essential category.

NON-ESSENTIALS	AMOUNT
Groceries	\$ 200.00
Cable	110.00
Eating Out	100.00
Movies	80.00
Car Maintenance	50.00
Gasoline	120.00
Household Expense	100.00
TOTAL	\$ 760.00

MONTHLY INCOME	EXPENSES	MONTHLY AMOUNTS	DIFFERENCE
\$4,062.50			
	Essentials	\$2,220.00	
	Necessities	780.00	
	Non-Essentials	760.00	
TOTAL		\$3,760.00	
Difference			\$ 302.50

This leaves you \$302.50 to take care of any other incidentals we didn't cover in the above three categories. Like what, you say? Well, like the newspaper, paper and supplies for your computer, taking the boss to lunch, birthday presents, etc. Anyway, this is just a basic budget. Use it to create your own budget and see how your money is being spent. There are many variations to a budget. This is just one of them. Choose one that will work for you and your family situation.

Instructions: Now, create your own budget, using the templates below.

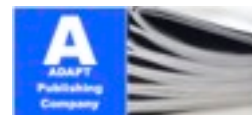
ESSENTIALS	AMOUNT
Housing	
Car	
Auto Insurance	
Child Care	
UTILITIES	
Electric	
Gas	
Cell Telephone	
TOTAL	\$ 0.00

NECESSITIES	AMOUNT
Credit Card	
Credit Card	
Credit Card	
Gas Card	
Store Card	
Term Insurance-Husband	
Term Insurance-Wife	
Kids' Lunch Money	
Renter's/Homeowner's Insurance	
Health Insurance	
TOTAL	\$ 0.00

NON-ESSENTIALS	AMOUNT
Groceries	
Cable	
Eating Out	
Movies	
Car Maintenance	
Gasoline	
Household Expense	
TOTAL	\$ 0

MONTHLY INCOME	EXPENSES	MONTHLY AMOUNTS	DIFFERENCE
	Essentials	\$	
	Necessities	\$	
	Non-Essentials	\$	
TOTAL		\$ 0.00	0.00
Difference			\$ 0.00

The Credit Letter



I am inserting a sample of a letter that can be used whenever it is time to contact your creditors to let them know you are having financial issues and are requesting help. Use your own figures as to how much you can pay monthly or for long a period of time you want to request help.

Your Address
Your Phone #

Creditor's Name and Address

Dear Sir/Madam,

Re: Account Number _____

This letter is a written request for a temporary change in the repayment terms of my account. I am currently going through a financial crisis and may not be able to follow the current payment plan. I do not intend to file bankruptcy and would prefer to completely repay this obligation.

I would like to request that you allow me to pay \$20 a month on my account for the next three to six months or until such time as I can get back on my feet and resume my regular payment.

I would appreciate your co-operation in making this payment plan effective as soon as possible. I can begin making regular monthly payments as soon as I recover from this financial crisis. I hope you will understand my situation and co-operate with me. I shall notify you of any change in my financial situation.

Thank you for your time and attention to this matter during this most difficult time. I truly appreciate any help you can extend.

Sincerely

Your Name



CHAPTER 3

Everyday Expenses

Beware of little expenses; a small leak will sink a great ship.

—Benjamin Franklin

Food and Groceries

Weekly grocery shopping can be a challenge and often adds up to be a major monthly expense. By planning ahead and making a list of what you absolutely need, you can manage your money wisely and still serve appetizing meals.

When deciding what you can realistically spend, consider your preferences, nutritional needs, number of meals a week eaten away from home, how much you entertain, where you stop, how much food you prepare yourself and other demands on your income.

The following suggestions can help you save money on your weekly grocery bill.

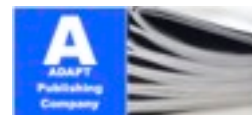
1. Take a lunch to work or school. Fast food may save you time, but it doesn't save you money and isn't as nutritious as the food you prepare at home.
2. Dinner is the most expensive meal at a restaurant. If you want to eat out, try going for breakfast or lunch. Watch the papers for coupons and/or discount offers.
3. Plan your grocery shopping in advance. Either make up a week's menus or take a shopping list. By buying only what's on your list, you can save as much as \$10 on a \$70 grocery bill. Be sure to leave room on your list for store specials and don't ever shop when you are hungry.
4. When grocery shopping, look at the higher and lower shelves for bargains or lower-priced items. Stores put the most expensive brands at eye level to get your attention. Keep in mind that a store's house brands usually cost less than national brands.
5. Look at unit prices on grocery shelves to help determine the best value for each item you buy.

6. Use coupons, but only if you plan to buy those items. For the best savings, use a coupon to buy the smallest size of whatever it is you want. To save even more money, take advantage of rebates and mail-in offers.
7. Be wary of convenience foods. Mixes, frozen dinners and prepared foods can save you time, but they're usually more expensive and less nutritious than something you can make from scratch.
8. Buy fruits and vegetables in season. That's when they're least expensive. Canning or freezing fresh fruits and vegetables will also help stretch your food budget.
9. Look for economy cuts of meat. You can also save money and help lower your cholesterol levels by eating more chicken, turkey and fish.
10. Cut your milk costs by buying regular milk for drinking; use the less expensive combination of regular, evaporated and powdered milk for cooking and baking.
11. Look for savings on day-old bakery items. You will be amazed that some bakery items are pretty much as fresh as anything on the shelf.
12. Finally, check out the dollar stores from time to time. More and more, the dollar stores are stocking more food products, even dairy and meats. Some dollar stores are so popular that they cannot keep products on the shelves for very long, which is good for you, the consumer, because they will always have fresh items on their shelves.

The form on the following page is a sample of a good shopping list to use when you go out and buy your groceries. It might help you stay focused so that you buy only the items that you need and that you put on your list. Impulse buying can be very dangerous. Beware of impulse buying!



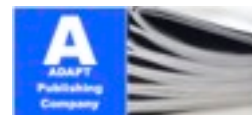
Shopping List



Instructions: Print this shopping list and use it to help you plan your purchases more effectively and efficiently. Perhaps, you can print this sheet (front and back) with the sheet on the next page.

✓	Produce	✓	Refrigerated	✓	Meat/Seafood/Deli	✓	Canned Goods
<input type="checkbox"/>	Apples	<input type="checkbox"/>	Bagels	<input type="checkbox"/>	Deli Turkey	<input type="checkbox"/>	Applesauce
<input type="checkbox"/>	Bananas	<input type="checkbox"/>	Block Cheddar	<input type="checkbox"/>	Deli Ham	<input type="checkbox"/>	Fruit Cocktail
<input type="checkbox"/>	Blueberries	<input type="checkbox"/>	Block Mozzarella	<input type="checkbox"/>	Deli Roast Beef	<input type="checkbox"/>	Baked Beans
<input type="checkbox"/>	Cantaloupe	<input type="checkbox"/>	Block Swiss	<input type="checkbox"/>	Pita Pockets	<input type="checkbox"/>	Black Beans
<input type="checkbox"/>	Grapes	<input type="checkbox"/>	Butter	<input type="checkbox"/>	Salmon	<input type="checkbox"/>	Green Beans
<input type="checkbox"/>	Lemons/Limes	<input type="checkbox"/>	Cheese Sticks	<input type="checkbox"/>	Shrimp	<input type="checkbox"/>	Kidney Beans
<input type="checkbox"/>	Oranges	<input type="checkbox"/>	Cream Cheese	<input type="checkbox"/>	Fish	<input type="checkbox"/>	Mandarin Oranges
<input type="checkbox"/>	Peaches	<input type="checkbox"/>	Eggs	<input type="checkbox"/>	Chicken	<input type="checkbox"/>	Peaches
<input type="checkbox"/>	Plums	<input type="checkbox"/>	English Muffins	<input type="checkbox"/>	Ground Beef	<input type="checkbox"/>	Pineapple
<input type="checkbox"/>	Strawberries	<input type="checkbox"/>	Flour Tortillas	<input type="checkbox"/>	Steak	<input type="checkbox"/>	Rice
<input type="checkbox"/>	Watermelon	<input type="checkbox"/>	Half and Half	<input type="checkbox"/>	Roast Beef	<input type="checkbox"/>	Tuna
<input type="checkbox"/>		<input type="checkbox"/>	Milk	<input type="checkbox"/>	Pork Chops	<input type="checkbox"/>	
<input type="checkbox"/>	Broccoli	<input type="checkbox"/>	Shredded Cheddar	<input type="checkbox"/>	Pork Roast	<input type="checkbox"/>	Pasta
<input type="checkbox"/>	Carrots	<input type="checkbox"/>	Shredded Mozzarella	<input type="checkbox"/>	Ham	<input type="checkbox"/>	Angel Hair
<input type="checkbox"/>	Cauliflower	<input type="checkbox"/>	Shredded Parmesan	<input type="checkbox"/>	Sausage	<input type="checkbox"/>	Macaroni
<input type="checkbox"/>	Coleslaw	<input type="checkbox"/>	Sliced American	<input type="checkbox"/>	Bacon	<input type="checkbox"/>	Rotini
<input type="checkbox"/>	Cucumbers	<input type="checkbox"/>	Sliced Cheddar	<input type="checkbox"/>	Pepperoni	<input type="checkbox"/>	Shells
<input type="checkbox"/>	Garlic	<input type="checkbox"/>	Sliced Mozzarella	<input type="checkbox"/>	Hot Dogs	<input type="checkbox"/>	Spaghetti
<input type="checkbox"/>	Green Beans	<input type="checkbox"/>	Sliced Provolone	<input type="checkbox"/>		<input type="checkbox"/>	Spaghetti Sauce
<input type="checkbox"/>	Green Peppers	<input type="checkbox"/>	Sliced Swiss	<input type="checkbox"/>	Cereal/Breakfast	<input type="checkbox"/>	Tomato Paste
<input type="checkbox"/>	Mushrooms	<input type="checkbox"/>	Sour Cream	<input type="checkbox"/>	Cereal	<input type="checkbox"/>	
<input type="checkbox"/>	Onions	<input type="checkbox"/>	Soy Milk	<input type="checkbox"/>	Grits	<input type="checkbox"/>	Bread
<input type="checkbox"/>	Potatoes	<input type="checkbox"/>	Almond Milk	<input type="checkbox"/>	Oatmeal	<input type="checkbox"/>	Burger/Hot Dog Buns
<input type="checkbox"/>	Salad/Lettuce	<input type="checkbox"/>	Yogurt	<input type="checkbox"/>	Malt-O-Meal	<input type="checkbox"/>	Wheat Bread
<input type="checkbox"/>	Sweet Potatoes	<input type="checkbox"/>	Whipping Cream	<input type="checkbox"/>	Cream of Wheat	<input type="checkbox"/>	White Bread
<input type="checkbox"/>	Tomatoes	<input type="checkbox"/>		<input type="checkbox"/>	Syrup	<input type="checkbox"/>	Rolls

Shopping List



Instructions: Print this shopping list and use it to help you plan your purchases more effectively and efficiently. Perhaps, you can print this sheet (front and back) with the sheet on the previous page.

✓	Baking Goods	✓	Paper/Cleaning	✓	Snacks	✓	Other Goods
<input type="checkbox"/>	Baking Soda	<input type="checkbox"/>	Ajax	<input type="checkbox"/>	Corn Chips	<input type="checkbox"/>	Batteries
<input type="checkbox"/>	Baking Powder	<input type="checkbox"/>	Bleach	<input type="checkbox"/>	Cookies	<input type="checkbox"/>	Deodorant
<input type="checkbox"/>	Brown Sugar	<input type="checkbox"/>	Dishwasher Detergent	<input type="checkbox"/>	Crackers	<input type="checkbox"/>	Feminine Products
<input type="checkbox"/>	Coconut	<input type="checkbox"/>	Dishwashing Detergent	<input type="checkbox"/>	Nuts	<input type="checkbox"/>	Shampoo
<input type="checkbox"/>	Flour	<input type="checkbox"/>	Fabric Softener/Sheets	<input type="checkbox"/>	Potato Chips	<input type="checkbox"/>	Conditioner
<input type="checkbox"/>	Honey	<input type="checkbox"/>	Laundry Detergent	<input type="checkbox"/>	Popcorn	<input type="checkbox"/>	Hand Soap
<input type="checkbox"/>	Oil	<input type="checkbox"/>	Light Bulbs	<input type="checkbox"/>	Pretzels	<input type="checkbox"/>	Body Wash
<input type="checkbox"/>	Spray Oil	<input type="checkbox"/>	Napkins	<input type="checkbox"/>	Raisins	<input type="checkbox"/>	Toothpaste
<input type="checkbox"/>	Paper Baking Cups	<input type="checkbox"/>	Paper Towels	<input type="checkbox"/>	Rice Cakes	<input type="checkbox"/>	
<input type="checkbox"/>	Sugar	<input type="checkbox"/>	Swiffer Refill	<input type="checkbox"/>	Tortilla Chips	<input type="checkbox"/>	Add Your Own Items
<input type="checkbox"/>	Sugar Substitute	<input type="checkbox"/>	Toilet Paper	<input type="checkbox"/>	Trail Mix	<input type="checkbox"/>	
<input type="checkbox"/>	Vanilla	<input type="checkbox"/>	Trash Bags	<input type="checkbox"/>	Condiments	<input type="checkbox"/>	
<input type="checkbox"/>	Spices	<input type="checkbox"/>	Zipper Bags-gallon	<input type="checkbox"/>	Barbecue Sauce	<input type="checkbox"/>	
<input type="checkbox"/>	Basil	<input type="checkbox"/>	Zipper Bags-quart	<input type="checkbox"/>	Honey	<input type="checkbox"/>	
<input type="checkbox"/>	Chili Powder	<input type="checkbox"/>	Zipper Bags-snack size	<input type="checkbox"/>	Jelly/Peanut Butter	<input type="checkbox"/>	
<input type="checkbox"/>	Cinnamon	<input type="checkbox"/>	Sandwich/snack bags	<input type="checkbox"/>	Ketchup	<input type="checkbox"/>	
<input type="checkbox"/>	Cumin	<input type="checkbox"/>	Frozen	<input type="checkbox"/>	Mayonnaise	<input type="checkbox"/>	
<input type="checkbox"/>	Garlic Powder	<input type="checkbox"/>	Asparagus	<input type="checkbox"/>	Mustard	<input type="checkbox"/>	
<input type="checkbox"/>	Nutmeg	<input type="checkbox"/>	Blueberries	<input type="checkbox"/>	Olives	<input type="checkbox"/>	
<input type="checkbox"/>	Oregano	<input type="checkbox"/>	Broccoli	<input type="checkbox"/>	Pickle Relish	<input type="checkbox"/>	
<input type="checkbox"/>	Pepper	<input type="checkbox"/>	Broc/Cauliflower	<input type="checkbox"/>	Pickles	<input type="checkbox"/>	
<input type="checkbox"/>	Rosemary	<input type="checkbox"/>	Waffles	<input type="checkbox"/>	Salad Dressing	<input type="checkbox"/>	
<input type="checkbox"/>	Salt	<input type="checkbox"/>	Frozen Dinners	<input type="checkbox"/>	Salsa	<input type="checkbox"/>	
<input type="checkbox"/>	Kosher Salt	<input type="checkbox"/>	Ice Cream	<input type="checkbox"/>	Soy Sauce	<input type="checkbox"/>	
<input type="checkbox"/>	Substitute Salt	<input type="checkbox"/>	Pizza	<input type="checkbox"/>	Steak Sauce	<input type="checkbox"/>	
<input type="checkbox"/>	Thyme	<input type="checkbox"/>	Strawberries	<input type="checkbox"/>	Worcestershire	<input type="checkbox"/>	

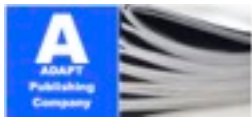
Household Purchases



This list contains a few tips on how you might be able to save on your everyday household expenses. Many times, there are things that we can do to cut our expenses or help us to stretch a product's use or something of this nature. I am sure there are tips of your own that you can come up with to help you save a dollar or two when you take this shopping trip.

1. Think twice about buying housewares, hardware and other non-food items at the supermarket. You can usually buy them for less somewhere else.
2. Cleaning supplies are a big part of your grocery bill. You can save money by replacing brand name products with generic ones.
3. Cut down on your use of paper towels. Dishcloths, sponges and hand towels are a less expensive alternative.
4. Rent seldom-used items such as formal wear, camping gear, garden equipment, office equipment, guest beds, party equipment and special tools, especially if it for a one-time use event or activity.
5. When buying toilet paper, stores such as Sam's Club or Costco, charge 8 to 10 percent less on toilet paper than grocery stores do. However, near the first and 15th of each month, many supermarkets discount paper products by 20 to 40 percent.
6. Buying products online is not such a bad thing. Amazon carries all kinds of products and items. Check them out to see if there are items cheaper there than at your grocery store.
7. Buy the powder version of washing detergent rather than the liquid or pods and you will cut your cost by at least 10 percent. This is, of course, if your washing machine can use the powder version.
8. Again, just as was mentioned for food and groceries, check out the dollar stores. They carry many products that can be just as good as anything you buy in the grocery stores. And everything is just a dollar!





Household Purchases Worksheet

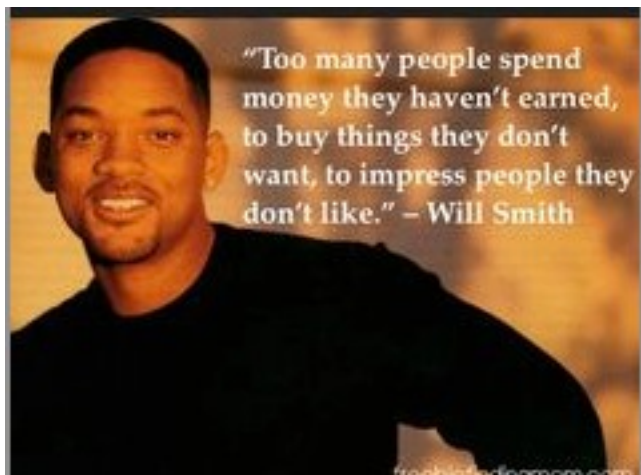
Instructions: Make a list of the items that you usually buy on nearly every trip to your grocery store or household goods store. Put the price of the Name Brand in the chart, then, place the price of the Store Brand. Then, subtract the Store Brand price from the Name Brand price and record that amount under the Savings Column. Multiply your savings times the number of items you buy to find your savings on every trip to the store. Over a period of a year, how much have you saved for other budget areas?

Item	Name Brand	Store Brand	Savings



CHAPTER 4

Other Necessary Expenses



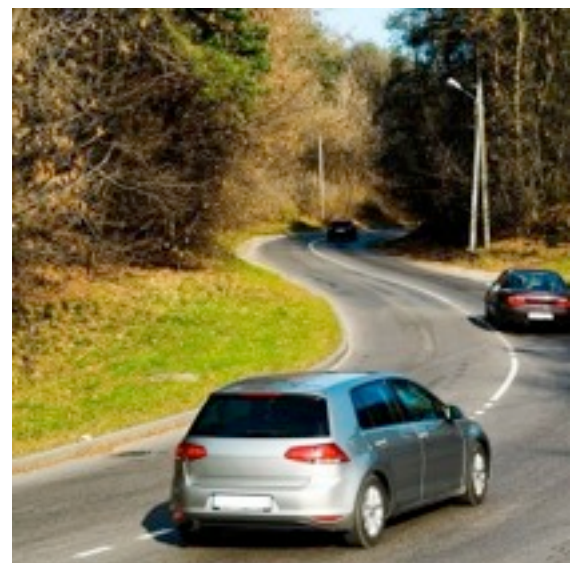
Transportation

Buying, maintaining, and insuring one or more cars can be expensive. The following suggestions will help you save money on your transportation costs. (See the next section to find out ways to save on car insurance.)

These suggestions are all dependent upon where you live, where you work and what size city you live in because some of these suggestions may not work for everybody.

1. Ride a bike, use public transportation or ride in a car or van pool, if possible. Not only will you save money by not driving your car, but you will also be helping the environment.
2. Buy only as much car as you need. You can save thousands of dollars by buying a compact or sub-compact car. Steer clear of fancy options that you don't really need or will ever use. These things add both to the original cost of the car, as well as, maintenance expenses.
3. Have a used car checked out by a dependable and reliable mechanic, someone you trust, prior to buying your vehicle. This small expense could save you many wasted dollars (not to mention the aggravation of driving a "lemon.")
4. Shop for financing. While more convenient, loans from car dealers are usually more expensive. They charge higher interest rates than loans from your bank or credit union.
5. Don't shop your car insurance with the dealer either. Shop around for your car insurance. More information on this later in this chapter.

6. Keep your car in tune. By making sure your car is properly maintained (tune-ups, oil changes, winterizing), you will be able to avoid major car repair bills. Learning how to do your own routine maintenance can also save you money.
7. Keep your tires inflated to the proper level. Have them rotated so that they last longer and won't need to be replaced as often.
8. Don't let your car idle for more than a few minutes (maybe five), except at traffic lights, of course. If you have to stop someplace for longer than that, it is cheaper to turn off your engine and re-start it when you're ready to go again.
9. Try to use your air conditioner as little as possible. Running the air conditioner at high speeds is fairly economical, but running it in stop-and-go traffic can lower your gas mileage.
10. To save money, use the lowest octane possible.
11. To improve your gas mileage, get rid of unnecessary weight stored in your trunk (for example, golf clubs, snow tires, etc.)
12. Combine short trips to save gas money; run several errands in one trip.
13. Don't drive with your hand on the gear shift or your foot on the clutch or gas pedal. This causes unnecessary wear.
14. A car's starting problems are frequently related to corroded battery terminals. Clean the battery terminals occasionally with baking soda and then, reduce the corrosion problem by smearing them with a thin coat of petroleum jelly.
15. Getting a second opinion is as valid a practice in the mechanical world as it is in the medical world. It is acceptable to ask that the price quote or estimate be written and that the mechanic contacts you, if the work is to exceed the written quote.



Transportation Worksheet

Instructions: Make a list of ten ways that you could possibly save money on your family's transportation expenses.

1. _____

2. _____

3. _____

4. _____

5. _____

6. _____

7. _____

8. _____

9. _____

10. _____



Periodic Expenses

What are Periodic Expenses?

Periodic Expenses are those expenses that need to be paid or budgeted for, but it is not an amount that comes every month, so it could be a little difficult to plan for these expenses because they don't exactly fit well into your budget.

Periodic Expenses can be such things as:

- Annual or Semi-Annual Auto Insurance Premiums
- Homeowner's or Renter's Insurance Premiums
- Annual or Semi-Annual Life Insurance Premiums
- Homeowner Association Fees
- Annual Vehicle Registration
- Major Car Repairs
- Property Taxes
- Income Taxes
- Holiday Gift Giving

To determine how best to budget for these bills, first, determine what that amount will be and then, divide your total cost for the year by 12 and set aside that amount each month. This is an amount that could be put into your budget on a monthly basis, so when that bill comes due at the end of the quarter or at the end of the year, then, you will have that money set aside to pay your premiums or tax bills.

By planning ahead and putting money into a special savings account, if that is possible at the time, you help ensure that you'll be able to pay these bills when they come due.





Periodic Expenses Worksheet

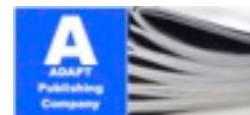
Instructions: List all your periodic expenses below. Add their addresses and telephone numbers to keep for emergency use, if needed, using the space on the next page. Using the table below, list the estimated amount that item will be for the year, then, divide it by 6 or 12 and insert that amount into the appropriate column. Next, add all your figures and this can be an amount that you can use for your budget, if this is something workable for your family.

Budgeted Item	Estimated Amount		Monthly Budgeted Amount	Due Date
	Semi-Annual (Divide by 6)	Annual (Divide by 12)		
Auto Insurance				
Homeowner's or Renter's Insurance				
Life Insurance				
Long-Term Insurance				
Disability Insurance				
Homeowner Association Fees				
Vehicle Registration				
Property Taxes				
Income Taxes				
Holiday Gift Giving				
TOTALS	\$ 0.00	\$ 0.00	\$ 0.00	

Example:

Budgeted Item	Estimated Amount		Monthly Budgeted Amount	Due Date
	Semi-Annual (Divide by 6)	Annual (Divide by 12)		
Auto Insurance	\$800.00		\$133.33	April 17, 2017
Homeowner's or Renter's Insurance	\$187.00		\$31.16	May 1, 2017
Homeowner Association Fees		\$180.00	\$15.00	November 1, 2017
Vehicle Registration		\$85.00	\$7.08	October 31, 2017
Holiday Gift Giving		\$1000.00	\$83.33	December 1, 2017
TOTALS			\$269.90	

Periodic Expenses Worksheet *continued...*



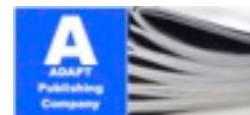
Instructions: *In this section, you will list all your periodic expense items plus their addresses, telephone numbers and e-mails to use, when needed. You can also write down their account numbers or other pertinent information. There are also many, many apps to download to your phone or tablet where you can also maintain all this information. It is your preference.*

INFO	AUTO #1 PAYMENT	AUTO #2 PAYMENT
Name		
Address		
Telephone #		
Email		
Account Number		

INFO	AUTO INSURANCE COMPANY	HEALTH INSURANCE COMPANY
Name		
Address		
Telephone #		
Email		
Account Number		

INFO	LIFE INSURANCE COMPANY	LONG-TERM INSURANCE COMPANY
Name		
Address		
Telephone #		
Email		
Account Number		

Periodic Expenses Worksheet *continued...*



Instructions: *In this section, you will list all your periodic expense items plus their addresses, telephone numbers and e-mails to use, when needed. You can also write down their account numbers or other pertinent information.*

INFO	DISABILITY INSURANCE	HOMEOWNER'S OR RENTER'S INSURANCE
Name		
Address		
Telephone #		
Email		
Account Number		

INFO	PROPERTY TAX INFORMATION	INCOME TAX INFORMATION
Name		
Address		
Telephone #		
Email		
Account Number		

List the individual who helped you prepare your taxes and how to reach them, if needed.

Name	Telephone	E-Mail Address
------	-----------	----------------

List your childcare provider and their information, should you need to contact them in a hurry.

Name	Telephone	E-Mail Address
------	-----------	----------------

Physical Address

Insurance Expenses

Just like anything else, shopping for insurance can be tricky. You just have to be careful when choosing your insurance policies. There are so many now that it is very difficult to decide which ones we can afford and which ones we, sometimes, do without. This is unfortunate. Perhaps, if we can budget and get our finances settled, we can find our way to obtaining all the insurance that we need in our lifetime.

1. Shop for the best insurance values. Search the internet thoroughly for your insurance quotes (auto, health, life, etc.) The best thing to remember is that once you find that right insurance company, stay with it for everything. For instance, you can get a discount if you get your auto, home, life and perhaps, health with the same company. If that is possible, it is a good way to get some great discounts.
2. Look for an insurance company that will cover you fully and pays claims promptly.
3. Choose an insurance company that is financially strong with a good management team.
4. Check Best Insurance Reports online and review product testing magazines such as Consumer Checkbook and Consumer Reports. Also call the Better Business Bureau or check it out online, as well as your state's insurance commission, to find out how your insurance company measures up.
5. Review your insurance policies each year to make sure you have the adequate coverage that you need for each of your situations. Having too much or too little coverage could end up costing you more money.
6. If you're young, your chances of becoming disabled are much greater than your chances of dying. See if your employer offers disability insurance and consider signing up for it. Also, your bank or credit union also may offer such policies at very affordable rates, especially for younger individuals. If something happens to you, this type of insurance can pay part of your salary until you are able to return to work.
7. Find out about those discounts I talked about above. Many companies offer reduced rates for members of the armed forces, government employees or those who own their own business. Many insurance companies offer discounts if you insure all your cars and your home with the same company.
8. To save money on your car and homeowner's insurance, consider increasing your deductibles. Prior to making this change, however, decide how much you can afford to pay out of your own pocket, in the event of an accident.
9. Consider reducing or dropping collision and comprehensive coverage on older cars. Eliminate medical coverage on your car insurance that may duplicate coverage that you have in other insurance policies. If you carpool or use public transportation to get to work, you may qualify for additional savings on your auto insurance policy.

Taxes



Property Taxes

“What is the purpose of property taxes?” you might ask. Well, property taxes are a primary source of funding for local government entities, to include, county, city, and schools mostly. However, paying your taxes also helps other entities in your community such as libraries, police and fire districts, new construction and maintenance of buildings, local infrastructure, to include highways, roads and streets, as well as operations, including salaries of the local units of government. Property taxes are based on and assessed in accordance with each taxpayer’s property.

Consult your property tax agency, from time to time, to insure that you are paying the appropriate amount of taxes on your home or other property. This is one of the taxes we talked about in the Periodic Expenses Section because it is an amount that has to be paid all at once. Budgeting for this, on a monthly basis, can help you avoid all that stress at the end of the year in meeting your property tax payments.

Income Taxes

Another tax we talked about in Periodic Expenses is our Income Tax. This is something that you can consult your tax adviser about to ensure that you are having the correct amount of federal and state income tax withheld from your paycheck. If you make estimated income tax payments yourself, be sure to put aside the right amount each month, in accordance with the chart we did earlier. This works if you pay quarterly, semi-annually or annually tax payments.

If you have any questions regarding your tax issues, just go to www.irs.gov and you can find all your answers there. Otherwise, you can call your local IRS office and someone is always ready to help you with any questions or issues you may have.



Child Care

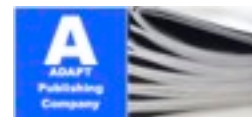


Child care and school tuition can take up a very large part of your family's budget. While cost is a very important consideration when looking for a good day-care provider, it's even more important to ensure that your children receive the best possible care while you are at work.

There are many things to consider, with price being one of the important items, when seeking the correct child care provider for your child(ren). You need to make sure that this is going to be a place where your child is happy being there. You also have to ensure that the provider is one who connects with your child. Here are a few tips when making your selection.

1. Before hiring a childcare provider, interview each candidate or company carefully. Ask them how they would handle emergencies and how they discipline the children.
2. Watch how each person relates to your children and see how you react to them.
3. Check to ensure that the person or company you hire doesn't have an adverse background.
4. If you are planning to use a daycare center, check to ensure that it is truly a state licensed facility.
5. Visit the center periodically with unannounced visits and at different times of the day or week.
6. Ensure that the facility is clean and that the children there seem to be happy.
7. Call all given references to ensure that this is indeed a good provider.
8. Ensure that the adult/child ratio is appropriate for the type of facility that you choose in accordance with state legal standards.
9. After your child(ren) are enrolled, continue to drop in unexpectedly to see how your children are doing.
10. If you have a school-age child, make sure that your provider of choice offers after school care and that your child will be picked up at the school and transported to the appropriate location.
11. You can save money on tuition by either sending your children to public school or seeing if they qualify for a scholarship.
12. If you're responsible for paying child support or alimony, make it a priority in your budget. Others are depending on your contribution so that their budgets work out.

Entertainment and Recreation



Having fun does not have to cost a lot of money. Most communities offer a range of free or low-cost activities that you can enjoy year-round with your family.

1. A trip to your local public library can be an adventure. Use the library instead of buying books or magazines. Most libraries will let you check out records, audiotapes and videotapes. Many public libraries also offer story time for young children.
2. Along the lines of libraries, it does not cost anything to get a library card. There is an app for your smartphone or tablet called Hoopla. Hoopla is like going to the library, but on your phone or tablet. You can browse all the titles they have and you are allowed to download up to 4 titles a month. Not all areas or libraries offer Hoopla. You will have to check with your local library to see if it is offered for your area.
3. If you like to go to the movies, go to half-price or discount shows or rent videotapes.
4. Use the TV magazine from the Sunday paper, instead of buying a separate guide, or download the TV Guide to your phone or tablet from the App Store or Google Play.
5. Take advantage of local parks, concerts, museums and lectures. Check the paper or internet for free or low-cost activities for the whole family.
6. Another advantage of the park is plan a family picnic, either at the park or along the lake. It's nice to get outside with the family when the weather is good.
7. Cut your vacation costs by taking the family camping or joining clubs that offer charters. Vacation during the off-season, when possible. Also, try bus or train tours. They can be really fun.
8. Movies earn large profits through food and drink sales. If the theater does not prohibit it, bring your own snacks to save money.
9. Most performing arts theaters use last-minute plays to unload unsold seats at a reduced rate. Call the theaters and ask them to explain their policy.
10. Quality productions are, sometimes, give at community theaters. Check these out, as well.
11. Entertainment books with discount coupons for theaters, restaurants, recreational facilities, and hotels are a good by, if you frequent the places.
12. Dinner parties are an inexpensive way to entertain friends. Potlucks are fun and even cut costs.

Entertainment and Recreation Worksheet



Instructions: Complete the following worksheet, using your family and friends as examples of what you would do in each instance.

1. Our family and friends like to do these things for entertainment and recreation.

2. This list contains entertainment and recreation that will cut into my budget.

3. This list contains entertainment and recreation that we can do free or almost free.

4. These are things that we can do for absolutely no money.





CHAPTER 5

Taking The Mystery Out Of The Checking Account

We often wonder, especially in today's world, "Why do I need a checking account?"

Well, for one, you need to have a place to put all that money you are earning. Many people feel that they don't really need a checking account. And perhaps, that is true for some people. There are those who simply cannot handle a checking account. But, we are going to go through this chapter and tell you everything you always wanted to know about the checking account.

First and foremost, you must find a bank or a credit union where you can feel comfortable about putting your money into. Once you have selected about four or five, check out all the information about the bank:

- location
- branch offices (local as well as statewide)
- ATM cards
- ATM locations
- online banking
- reasonable fees
- overdraft protection
- notary service
- credit card and loan capabilities and
- how much money does it take to open an account

Once you find one or two that you think you might be interested in, go visit the two locations. Check out the site itself, easy to get in and out, clean, nice, but especially, check out the people. The people at the bank are very important because these are the individuals who will be handling your money every time you go in there, or they may be having to handle your money when you can't come into the site in person.

Each bank has their own different types of accounts. Some charge no monthly fees at all; some require that you should have a minimum balance of maybe \$100 and they won't charge a monthly fee, unless you go below that amount. Some require more of a balance. Some of them limit how many checks or how many transactions you can conduct in a month's time. All of these fees are automatically taken out of your checking account at the end of the month. Some banks offer savings accounts for children or special accounts for senior citizens. There are many, many different types of accounts, so once you decide on which bank and which account you want, then, you are ready to go.

ATM Card



An ATM Card is an Automatic Teller Card which allows you to conduct bank business, such as withdrawing cash, depositing check or checking your balance. An ATM card requires you to create a four-digit password that only you should have. This is called your PIN number (personal identification number). This is not a number you want to give to anyone else. It would be wise to store it somewhere, as well, just in case you get amnesia and can't remember the number. Oh, I'm kidding, but it would be a good idea to have it stored somewhere.

When you choose this PIN number, be sure that you make it a number that will be easy to remember. Don't come up with some concoction that you can't even remember. Make it easy for yourself, but not too obvious. Never use any part of your birthdate or Social Security number. So, make it easy for you to remember, but difficult for someone else to try and figure it out. Pick something that no one else would even think about you using.

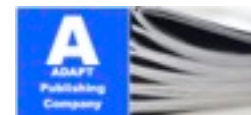
Also, remember, that if you use the wrong PIN when trying to withdraw cash, it will give you another two tries. If, however, after the third try, you still get it wrong, it may keep your card, if that is the type of ATM that you are using. Today, most of the ATM's don't require you to put your card into the machine. They just have you slide it or swipe it. In this case, it could lock up your account. Then, you have to make a special trip to the bank to get this fixed.

Checks

Next, you will look at the different types of check that are available for your account. On the day you open your account, the bank can print up some temporary checks for you, usually anywhere from 10 to 20, but you will have to order permanent. This is unless you prefer not to get checks for your account. It is strictly your preference. The majority of individuals go ahead and get checks because there are some things that you have to pay for that might require a check. In today's world, that doesn't seem to be true, but you never know, there might be that one or two instances where you may need to write a check.

You will need to let the bank teller know what information you want on your check — how you want it to look. In other words, your name, address, and telephone number. Some people even put their Driver's License number on it. It's up to you what you want to display on your check. Be aware, though, of displaying your Driver's License number because thieves can use this information to create their own false checks using your name and your information. Doing this, thieves can write all kinds of "hot" checks using your name. A "hot" check, if you don't know, is a check that is written on an account when there is no money there. If a thief writes this type of check with your name on it, one of two things can happen: 1. all your money could be taken, or 2. there will be many "hot" checks out there with your name and your information on them. That's when the state and the county officials come knocking on your door. So, be very careful.

Checks



There are different kinds of checks, as well. You can select the general bank checks (very plain) or you can select a fancy check or a two-part check. The two-part check will provide you with a carbon copy of the check you have written. By using this type of check, you probably will not have to write down all your check transaction in the bank register that the bank provides for you. This bank register is a journal-type of notebook where you record every check you've written, to include who you wrote it to, for how much, the date and the check number. You will also record deposits and any bank charges there, as well.

You need to remember that everything you do in terms of ordering checks, what type and how many, will all come out of your checking account automatically. So, be careful what you order and what types and how many because it all has a price. You can, sometimes, find checks a lot cheaper when you order them online. There are many websites where you can scan and search and look at different types of checks, covers and anything else you might need for your checks. You will have to provide these companies with your bank routing number and your checking account number. When you open your checking account, you will receive both of these numbers. This is another number that you do not freely give out to people. Only use this number when you have to, such as when you buy something or pay a bill. Most of those types of websites are security-protected. Any time you use this type of website, make sure that you check it out before you buy anything or pay for anything, that it shows a security-protected logo or statement.

Your permanent printed checks will arrive in your mailbox within a week to 10 days. Once you receive these checks, discard the temporary ones that were given to you at the bank. By discarding, i mean, don't just throw them away; tear them up or shred them.

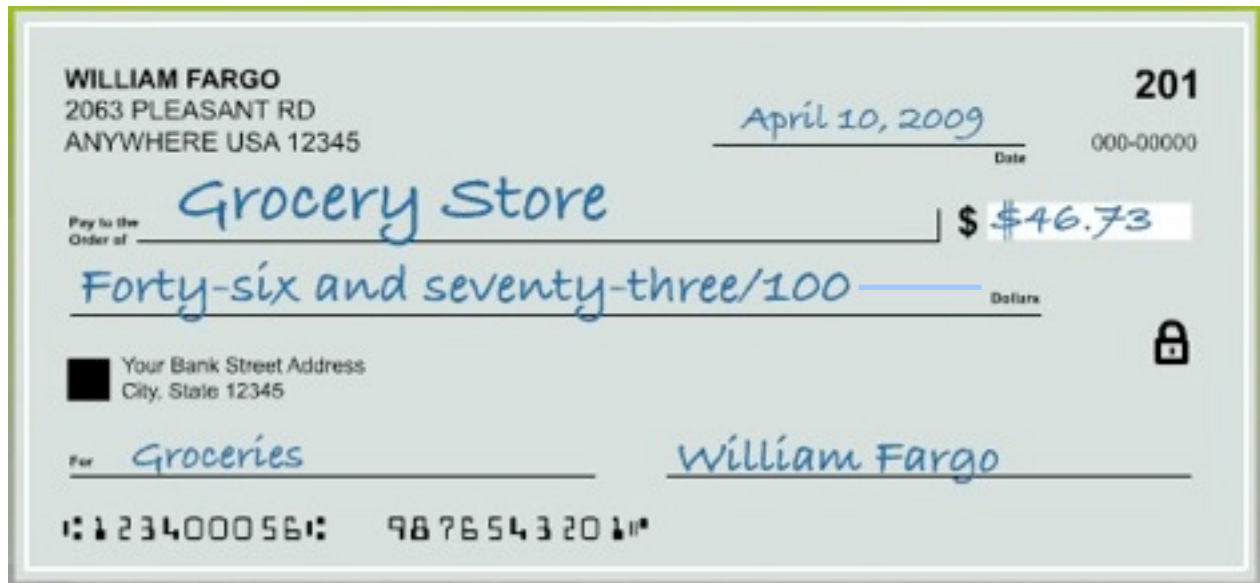
When you get your checks, they will come in a box of maybe 100, or dependent upon how many you ordered. They usually come in pads of 25, so normally, initially, you get 4 pads. At the time you start using that last pad, there will be a reorder form there for you to complete and mail to your bank or simply drop it off on your next visit. This will alert them to order more checks for you and remember, your account will be debited for whatever that amount is. A debit is when they take money out of your account and a credit is when you put money in. So, you know that little journal that you are keeping, the bank register, the amount of the newly ordered checks will have to be entered there so that you can have an accurate balance.

Remember, it is important to keep up with that register, because if your register is showing a \$25.09 balance and you write a check for \$20.00, you think you are okay, but that check re-order that you just did cost \$26.95. Now, you have a "hot" check that will bounce or an overdraft, as it is called, plus a debit transaction that is not covered in addition to the fact that you will get charged for overdraft fees for each of these items. Now, get this! The person, company or store that you wrote the check also has an option to charging you an insufficient check charge, sometimes up to \$25 or \$30. All because you didn't keep up with your register. Don't let this happen to you!

Using Your Checking Account



Now, you have your new checks and you are ready to write out your first check. Do you know how to write out a check? If you don't, here is a sample of a hand-written check. I say hand-written because you can download apps that will write your checks out for you, keep track of all your transactions and even balance your checkbook at the end of the month. We haven't talked about that yet, but it is coming up in this chapter. Anyway, so here is that sample of a written check.



You will notice that the check is written out to Grocery Store for \$46.73. The bank will read this number, but it will also require you to write out the amount. Normally, if the amounts don't match, they will go with the written out amount. Notice how the amount is written out "Forty-six and seventy-three/100. The "and" separates the dollars from the cents. If you were trying to write out \$159.66, you would not write out "One hundred and fifty-nine dollars and 66/100's." That would be wrong. You would need to write out "One hundred fifty-nine dollars **and** 66/100's." Also, notice how there is a line between the /100 and the Dollars word at the end of that line. The reason for this is so that it shows this is all there is to that amount. In other words, nothing else can be written in there. By the same token, don't leave space at the beginning of this line. Start your written amount all the way to the left. Don't leave room for anything else to be inserted in there.

All the information at the top is your own personal information and right under your written-out amount line is the bank information. Right below that will be your Memo or sometimes, it says For, as this one does. There, you will insert for what purpose you wrote this check for. In this instance, it was Groceries. Right across from that is where you will place your signature. On the carbon checks or two-part checks, everything you write will be transferred over the the carbon, with the exception of your signature. At the very bottom on the left side, you will see 9 digits. That is your bank's routing number. Right next to that, you will see your entire checking account number, with the last three digits being the check number. Those last three digits will always correspond with the check number at the very top right corner.

The Bank Register



When we talked about overdrafts earlier, we didn't very much into the charges that come with the overdrafts. Depending on your bank, they will, sometimes, cover a check that you have written when there is not enough money there, but first, they may go into your savings account or they may charge it to your credit card, if it is tied to your account. But you still pay the insufficient charge, so be very careful not to write any amounts over what is in your account. You could write a check for a hamburger and a drink and pay \$5.23 with your debit card and you end up paying the \$5.23 plus \$25, \$30 or sometimes even \$35. That's a pretty expensive hamburger. That is why the check register is so important. Let's look at a sample of a check register.

Check No.	Date	Description of Transaction	Payment (Debit)	Fee	Deposit (Credit)	Balance
						577.80
3308	6/10/04	Northern Electrics	83.46			- 83.46
		May electric bill				494.34
	6/12/04	Deposit			100.00	+ 100.00
		birthday money				594.34
3309	6/15/04	Maria's Shoe Shop	29.80			- 29.80
		shoes for Jennifer				564.54
	6/17/04	ATM withdrawal	20.00	1.00		- 21.00
		lunch with Judy				543.54
3310	6/17/04	Eclipse Hair Salon	29.00			- 29.00
		hair color				514.54

As you can see, the sample above shows a checking account with several transactions. You can see the checks that have been written. Look at the second transaction; that shows a deposit of \$100.00. Notice how the balance fluctuates according to the transaction made. First, \$83.46 was deducted from the balance leaving a new balance of \$494.34 and then the \$100 was added in the next transaction showing the new balance there of \$594.34. Now, notice on 6/17/04, there is an ATM withdrawal of \$20.00. Notice how the ATM fee of \$1.00 was taken into account to reflect an accurate balance. If you can make your bank register look like this one and follow all the rules in keeping an accurate bank register, you will be okay. Doing this, you should never bounce a check or cause yourself any added fees.



A Bank Deposit

In making a deposit, there are several ways to do this. Back in the day, there used to only be only three ways.

1. You would ride to the bank, fill out a deposit slip and hand it and your money to the bank teller.
2. Take the deposit slip out from the bank of your check pad, fill it out, place that and your money in an envelope and mail it to the bank. OR,
3. Put your deposit slip and your money in an envelope and drop it in the night depository.

Today, you have the option of going to the ATM machine and making a deposit in this way:

1. Go to the ATM Machine, insert your debit card and enter your PIN (remember the four digit number you selected when you opened your account).
2. Choose the on-screen option for deposits.
3. Choose the account you want to deposit to.
4. Enter the amount of your deposit, if necessary. Some ATM's can figure out how much you are depositing by reading it from the check or by counting the bills; they won't ask.
5. Slip the envelope, checks or cash into the ATM.
6. Wait for confirmation and your receipt. Make sure your session has ended and that your account is no longer accessible before you walk away.

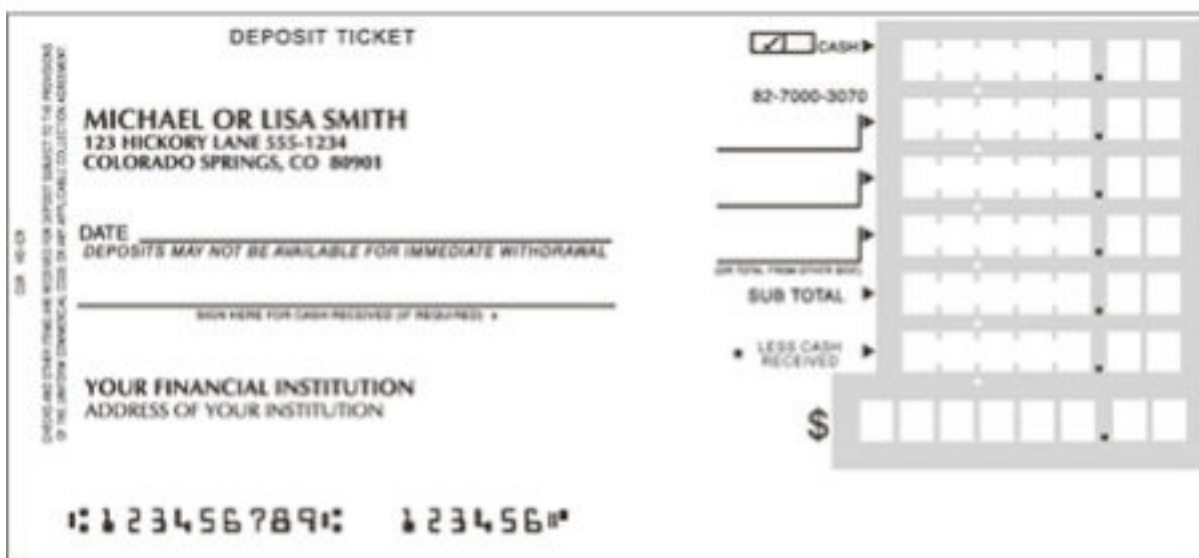
Okay, so that's one way. Another way is to have the bank app on your smart phone or tablet.

1. Sign into your bank account using your username and password.
2. Find your menu of services.
3. Click on Deposit Check.
4. Select the account you want to deposit to.
5. Enter the amount of your check.
6. Take a picture of your check.
7. Then, submit.

Another way, your check can be deposited into your account is one where you don't have to go anywhere or do anything. Well, yes, you do have to sign up for Direct Deposit at your job. If your employer offers a Direct Deposit option, explore that and see if it is something that can work for you. Every pay day, your employer automatically, like clockwork, will deposit your check right into your account. So if you know the date of your pay day, that is the day you will get money deposited into your account.

Now, just in case you ever have to go to the bank and fill out a deposit slip, we are going to look at a sample of one on the following page.

A Deposit Slip



DEPOSIT TICKET

MICHAEL OR LISA SMITH
123 HICKORY LANE 555-1234
COLORADO SPRINGS, CO 80901

DATE _____
DEPOSITS MAY NOT BE AVAILABLE FOR IMMEDIATE WITHDRAWAL

SIGN HERE FOR CASH RECEIVED (IF NECESSARY) _____

YOUR FINANCIAL INSTITUTION
ADDRESS OF YOUR INSTITUTION _____

☒ CASH →

82-7000-3070 →

→

→

→

SUB TOTAL →

* LESS CASH RECEIVED →

\$ _____

⑆ 1 2 3 4 5 6 7 8 9 ⑆ 1 2 3 4 5 6 ⑆

This is an image of a very simple and routine bank deposit slip that is part of your check order. These deposit slips are located at the very back of your check pad. You can also order separate deposit slips and they also come in pads of 25, if you feel you are going to be making a lot of deposit slips at the bank. Notice that all your personal information is on this deposit slip. Enter the date and if you are going to be getting cash back, you will need to sign your deposit slip on the line below the date. NOTE: Notice that this deposit slip also has your bank's routing number and your check account number at the bottom.

Look on the right side of the deposit slip. See where it says Cash at the top. Here, you would enter any cash that you would like to deposit. On the following three lines, you would enter the amounts of any checks you will be depositing. On the line that says Sub-Total, you will enter the sum of the three checks plus the cash, if you had any. Should you be depositing just checks and you want to keep some cash for yourself. then you would enter that amount on the next line that says Less Cash Received. Lastly, you would subtract the Less Cash Received from the Sub-Total and enter that amount on the very last line.

Let's look at a different scenario. Say you are depositing several checks, more than the three that fit on the front of the deposit slip. You will have to flip the deposit slip over and list the rest of your checks there. However, because you have more than three, you will have to either list only two on the front and the rest on the back or just list them all on the back and bring that total over to the front on that last line for the checks. It depends on how many checks you have. Let's create this scenario.

You have made 8 sales of your homemade jewelry and 7 of the payments were in checks and one was in cash. Here is the breakdown:

Cash: \$20.00

Like I previously said, you can list your checks as two on the front, five on the back (bringing the total of the back to the last check line). Or, you could list all seven checks on the back (bringing the total of all checks to the last check line). See the two samples below.

1. **DATE** _____
 2. **TIME** _____
 3. **LOCATION** _____
 4. **DESCRIPTION** _____
 5. **AMOUNT** _____
 6. **TOTAL** _____
 7. **REMARKS** _____
 8. **SIGNATURE** _____
 9. **DATE** _____
 10. **TIME** _____
 11. **LOCATION** _____
 12. **DESCRIPTION** _____
 13. **AMOUNT** _____
 14. **TOTAL** _____
 15. **REMARKS** _____
 16. **SIGNATURE** _____
 17. **DATE** _____
 18. **TIME** _____
 19. **LOCATION** _____
 20. **DESCRIPTION** _____
 21. **AMOUNT** _____
 22. **TOTAL** _____
 23. **REMARKS** _____
 24. **SIGNATURE** _____
 25. **DATE** _____
 26. **TIME** _____
 27. **LOCATION** _____
 28. **DESCRIPTION** _____
 29. **AMOUNT** _____
 30. **TOTAL** _____
 31. **REMARKS** _____
 32. **SIGNATURE** _____
 33. **DATE** _____
 34. **TIME** _____
 35. **LOCATION** _____
 36. **DESCRIPTION** _____
 37. **AMOUNT** _____
 38. **TOTAL** _____
 39. **REMARKS** _____
 40. **SIGNATURE** _____
 41. **DATE** _____
 42. **TIME** _____
 43. **LOCATION** _____
 44. **DESCRIPTION** _____
 45. **AMOUNT** _____
 46. **TOTAL** _____
 47. **REMARKS** _____
 48. **SIGNATURE** _____
 49. **DATE** _____
 50. **TIME** _____
 51. **LOCATION** _____
 52. **DESCRIPTION** _____
 53. **AMOUNT** _____
 54. **TOTAL** _____
 55. **REMARKS** _____
 56. **SIGNATURE** _____
 57. **DATE** _____
 58. **TIME** _____
 59. **LOCATION** _____
 60. **DESCRIPTION** _____
 61. **AMOUNT** _____
 62. **TOTAL** _____
 63. **REMARKS** _____
 64. **SIGNATURE** _____
 65. **DATE** _____
 66. **TIME** _____
 67. **LOCATION** _____
 68. **DESCRIPTION** _____
 69. **AMOUNT** _____
 70. **TOTAL** _____
 71. **REMARKS** _____
 72. **SIGNATURE** _____
 73. **DATE** _____
 74. **TIME** _____
 75. **LOCATION** _____
 76. **DESCRIPTION** _____
 77. **AMOUNT** _____
 78. **TOTAL** _____
 79. **REMARKS** _____
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 84. **DESCRIPTION** _____
 85. **AMOUNT** _____
 86. **TOTAL** _____
 87. **REMARKS** _____
 88. **SIGNATURE** _____
 89. **DATE** _____
 90. **TIME** _____
 91. **LOCATION** _____
 92. **DESCRIPTION** _____
 93. **AMOUNT** _____
 94. **TOTAL** _____
 95. **REMARKS** _____
 96. **SIGNATURE** _____
 97. **DATE** _____
 98. **TIME** _____
 99. **LOCATION** _____
 100. **DESCRIPTION** _____
 101. **AMOUNT** _____
 102. **TOTAL** _____
 103. **REMARKS** _____
 104. **SIGNATURE** _____
 105. **DATE** _____
 106. **TIME** _____
 107. **LOCATION** _____
 108. **DESCRIPTION** _____
 109. **AMOUNT** _____
 110. **TOTAL** _____
 111. **REMARKS** _____
 112. **SIGNATURE** _____
 113. **DATE** _____
 114. **TIME** _____
 115. **LOCATION** _____
 116. **DESCRIPTION** _____
 117. **AMOUNT** _____
 118. **TOTAL** _____
 119. **REMARKS** _____
 120. **SIGNATURE** _____
 121. **DATE** _____
 122. **TIME** _____
 123. **LOCATION** _____
 124. **DESCRIPTION** _____
 125. **AMOUNT** _____
 126. **TOTAL** _____
 127. **REMARKS** _____
 128. **SIGNATURE** _____
 129. **DATE** _____
 130. **TIME** _____
 131. **LOCATION** _____
 132. **DESCRIPTION** _____
 133. **AMOUNT** _____
 134. **TOTAL** _____
 135. **REMARKS** _____
 136. **SIGNATURE** _____
 137. **DATE** _____
 138. **TIME** _____
 139. **LOCATION** _____
 140. **DESCRIPTION** _____
 141. **AMOUNT** _____
 142. **TOTAL** _____
 143. **REMARKS** _____
 144. **SIGNATURE** _____
 145. **DATE** _____
 146. **TIME** _____
 147. **LOCATION** _____
 148. **DESCRIPTION** _____
 149. **AMOUNT** _____
 150. **TOTAL** _____
 151. **REMARKS** _____
 152. **SIGNATURE** _____
 153. **DATE** _____
 154. **TIME** _____
 155. **LOCATION** _____
 156. **DESCRIPTION** _____
 157. **AMOUNT** _____
 158. **TOTAL** _____
 159. **REMARKS** _____
 160. **SIGNATURE** _____
 161. **DATE** _____
 162. **TIME** _____
 163. **LOCATION** _____
 164. **DESCRIPTION** _____
 165. **AMOUNT** _____
 166. **TOTAL** _____
 167. **REMARKS** _____
 168. **SIGNATURE** _____
 169. **DATE** _____
 170. **TIME** _____
 171. **LOCATION** _____
 172. **DESCRIPTION** _____
 173. **AMOUNT** _____
 174. **TOTAL** _____
 175. **REMARKS** _____
 176. **SIGNATURE** _____
 177. **DATE** _____
 178. **TIME** _____
 179. **LOCATION** _____
 180. **DESCRIPTION** _____
 181. **AMOUNT** _____
 182. **TOTAL** _____
 183. **REMARKS** _____
 184. **SIGNATURE** _____
 185. **DATE** _____
 186. **TIME** _____
 187. **LOCATION** _____
 188. **DESCRIPTION** _____
 189. **AMOUNT** _____
 190. **TOTAL** _____
 191. **REMARKS** _____
 192. **SIGNATURE** _____
 193. **DATE** _____
 194. **TIME** _____
 195. **LOCATION** _____
 196. **DESCRIPTION** _____
 197. **AMOUNT** _____
 198. **TOTAL** _____
 199. **REMARKS** _____
 200. **SIGNATURE** _____
 201. **DATE** _____
 202. **TIME** _____
 203. **LOCATION** _____
 204. **DESCRIPTION** _____
 205. **AMOUNT** _____
 206. **TOTAL** _____
 207. **REMARKS** _____
 208. **SIGNATURE** _____
 209. **DATE** _____
 210. **TIME** _____
 211. **LOCATION** _____
 212. **DESCRIPTION** _____
 213. **AMOUNT** _____
 214. **TOTAL** _____
 215. **REMARKS** _____
 216. **SIGNATURE** _____
 217. **DATE** _____
 218. **TIME** _____
 219. **LOCATION** _____
 220. **DESCRIPTION** _____
 221. **AMOUNT** _____
 222. **TOTAL** _____
 223. **REMARKS** _____
 224. **SIGNATURE** _____
 225. **DATE** _____
 226. **TIME**

One last thing to do before the deposit can be completed is to make sure that you endorse (or sign) each check. Two ways to sign or endorse your check(s) are: 1. If you are strictly depositing to your account, without withdrawing any monies from this deposit, you will need to sign as shown in Sample 1 on the next page. You may also list your account number under For Deposit Only. 2. If you are just depositing your checks, you can simply sign the checks with just your signature as shown on Sample 2. NOTE: Remember, you should endorse or sign exactly the way you signed your name when you opened your account.



Sample 1



Sample 2

You can also obtain a deposit slip at the bank that is plain and you have to fill in your own information, such as your name, address, account number, etc.

The Monthly Statement

Each month, the bank will send you a monthly statement or an activity statement. This statement lists everything that has occurred in your bank account for the entire month, all checks written, all deposits made and all charged and/or monthly fees. You can make the choice at your bank when you open your account whether you want to receive a paper statement in the mail or whether you would like an electronic copy sent to your e-mail. The result is the same: you need to reconcile!

The purpose of the statement is to allow you to reconcile or balance your checkbook. To reconcile means to compare your checkbook balance in your register to the balance that the bank is showing on the statement and to correct any differences. These two figures should agree exactly—to the penny!

It is very important that you take a few minutes each month to reconcile your account. If you let it slide a month or two, it's almost guaranteed that you will lose track of a fee or not find an error that could cost you a lot of money.

Remember earlier I mentioned that a bounced \$5.00 check could easily cost you \$30.00 to \$35.00. Well, you can avoid this easily if you reconcile your account every month. It's not difficult to reconcile your checkbook, but it does require a step-by-step approach. In case you ignore this advice and let your checkbook get out of balance, the bank would usually be willing to help you straighten it out. If it's in too much of a mess, they may charge you for the help they give you, but it may well be worth it.

To avoid this embarrassment, take a few minutes to study the statement in the next section. If you follow the step-by-step procedure, you will be sure to have a trouble-free checkbook.

Reconciling Your Checkbook

This is the activity that confuses many people and causes them to put off doing it until things are so confused that they just quit trying. The result is that you never know exactly how much money is really in your account and you are either going to bounce checks or you're just gonna have to keep extra money in the account and pray that it is enough. The secret to a "no headache" checkbook is to *reconcile the account every month when the monthly statement is received!*

Monthly Bank Statement

24 HOUR TELEPHONE TRANSFER LINE - 123-5678
CUSTOMER SERVICE NUMBER - 567-1234 EXT 295

DEPOSIT ACCOUNTS
DETAIL CHECKING
REGULAR CHECKING
ACCOUNT:
SOC. SEC.

THIS STATEMENT SHOWS ALL ACCOUNT TRANSACTIONS FROM SEP 14, 19?? - THRU OCT 12, 19??

DEPOSITS		CHECKS AND DEDUCTIONS						DAILY BALANCES	
DATE	AMOUNT	NO	DATE	AMOUNT	NO	DATE	AMOUNT	DATE	AMOUNT
9/19	100.00	4882	9/15	32.00				9/15	2533.40
		****						9/16	2503.45
		****						9/19	2503.45
9/28	259.00	4885	9/18	29.95				9/26	2593.45
		4886	9/26	10.00				9/28	2862.45
		****						10/02	2822.45
		4888	10/02	40.00					

**** INDICATES ONE OR MORE MISSING CHECKS

BEGINNING BALANCE 9/14/??	DEPOSITS & CREDITS		CHECKS & DEBITS		ENDING BALANCE 10/12/??
	NO	AMOUNT	NO	AMOUNT	
2565.40	2	359.00	4	111.95	2822.45

ENCLOSURES: 8

As you can see by the sample above, this statement has all of the transactions that have happened during the period indicated on the statement. For our reconciliation, you will start by finding all the deposits made during this period. Here it is very simply placed in the column to the far left. That would be \$100.00 and \$269.00. At this point, you will need to pull out your bank register because you will need to place a check mark next to those two deposits. This is to show that you have acknowledged those two deposits, per your bank statement and to insure that they match. Now, it is possible that you may have made another deposit of \$200.00 on October 14th. If you will notice the end date of this statement is October 12th. Therefore, the \$200.00 deposit would not be reflected on this particular bank statement. That will be reflected on next month's statement and you will deal with that deposit at that time.

Well, did it reconcile? Did your bank register balance come out to be the same as the Adjusted Balance in the sample above? Hopefully, it did. But, if it didn't, you might have to go back and re-check your math and make sure that you have not made an error in adding and subtracting. Sometimes, it could just be a penny off. That has happened to me and I cannot quit until I find that one darn penny. But, on the other hand, if it really comes to the fact that I can't make it reconcile right to the penny, I will always go with the balance that is on the bank statement. After all, they will be the ones who will be paying your checks when they come through.

Here is what I am talking about. If your bank balance ends up \$2,887.45 as shown in the sample above, and your register balance comes out to \$2,887.54, make an adjustment in your bank register of $-\$.09$ and just label it Adjustment. That way, your register balance and your statement balance will match.

At this point, your account is reconciled....until next month!

Not so bad, huh? I know, you thought it was going to be more difficult. As easy as this was, I really have to tell you that bank reconciliations are not done much any more because of our current technology. All those bank apps I have been talking to you about during this chapter, make it pretty easy for you to maintain a pretty accurate balance in your account, if you don't write a lot of checks. You will have to keep up with your checks because those do not go on your bank app until they have cleared your bank. You may look at your account and see that you still have \$300.00 left in your account, so you decide to buy that new electric toothbrush for \$199.00. What you failed to remember is that you sent a check to your insurance company for \$254.00. That means that when your check is presented to the bank for payment, you will be short \$153.00. And guess what happens then? You will get charged approximately \$35 for an insufficient check charge. If you have overdraft protection, your bank will go ahead and pay the check, but they will still charge you that check charge.



Avoiding Problems In Your Checking Account



Most states have laws which impose punishment for passing “hot” checks. Remember, we talked about these. “Hot” checks are checks that are written without having enough money in your account to cover them. Most “hot” checks fall into one of four groups:

1. You might write a check believing that you had enough money in the account. Maybe you didn’t bother to reconcile your checkbook and some fees that you didn’t know about were charged against you and it caused the balance to be too low.
2. You might have written a checking knowing that your balance was too low, but you were expecting some money to cover the shortage. If the expected money arrives later than you expected, you won’t be able to deposit it in time. The result may cause one or more “bounced” checks. At \$35 per check returned fee, this can be a very expensive gamble.
3. You may have made a withdrawal with your ATM card and forgotten to write it down in your bank register. In this case, the balance is lower than you thought.
4. Some people deliberately write bad checks, plain and simple. They keep on the move to try and avoid getting caught. This does not work! The authorities will catch up to them and they will end up in a lot of legal trouble, with possibly ruined credit!

Don’t let this happen to you!





CHAPTER 6

Credit Cards and ATM's

Being in control of your finances is a great stress reliever.

—Unknown

Credit Cards

While credit cards afford you convenience, they can also create financial problems, if you're not careful. Try to limit the number of credit cards in your possession because at the end of the month, all those cards have to get paid. Also, if you have credit cards that carry an annual fee, you will be required to pay that amount, as well. That can really add up if you have four, five or more cards.

To avoid problems, don't spend any more in one month that you can afford to pay back the following month. Keep in mind that the more cards you have, the easier it is to spend money that you may not be able to pay back.

Another potential drawback to credit cards is the many opportunities for fraud that exist. Credit card fraud costs over 500 million dollars each year, which is passed on to you in the form of higher prices. Watch out for the following dishonest attempts to obtain your credit card number.

1. Someone calls you to say you've qualified for a discount vacation or special investment absolutely free. All you have to do is pay the \$4.99 processing fee. You get excited and say, "Yes!" You sign up. BAM! They have your credit card number, expiration date, zip code and the three-digit security code on the back of your card.
2. Someone rifles through the trash behind a store looking for discarded carbons or receipts. With your number, the thief can order merchandise by mail or over the telephone.
3. A dishonest clerk makes an extra imprint of your card for his or her own use.

All terrible scenarios, correct? Absolutely, but they do happen, just like that. Now, you have a major issue on your plate to take care of and it is a terrible ordeal cleaning up a mess like that.

To avoid these problems, take the following precautions:

1. Never give your credit card or debit card number freely to someone just calling you on the telephone.
2. Keep infrequently used cards in a secure place or close those accounts.
3. Carry cards separately from your wallet, if possible.
4. Keep your card in view when giving it to a clerk or cashier. Today, we have the privilege of just inserting our chip cards into the readers which helps, but there are instances when your card leaves your possession, such as in a restaurant.
5. Never sign blank receipts.
6. Draw a line through blank spaces above the total (such as tips, if you are not putting the tip on your credit card) before you sign your receipt.
7. Destroy credit card receipts prior to throwing them away.
8. Always sign new cards as soon as they arrive and cut up your old ones before throwing them away.
9. A new thing that is being done is to not sign your card at all. Instead, write SEE ID on the line where your signature normally goes and this way, every time you use your card, you will be asked to see your ID. If your card is stolen or lost, the user will have to produce ID and the clerk should be alerted to credit card theft.
10. Try to carry your credit cards in an RFID (Radio Frequency IDentification) sleeve. These security sleeves can protect all your credit cards from those individuals who try to steal your information by simply passing by you.



ATM Use



Electronic banking gives you 24/7 access to the money in your bank accounts through automated teller machines (ATM's). You can have your paycheck deposited directly into your checking account or savings account. Although ATM's are convenient, it's easy to lose track of how much money you've actually spent, unless you are careful about keeping your deposit and withdrawal slips and you limit yourself to one or two trips a week to the ATM. Use you own bank's or credit union's ATM's to avoid transaction fees.

Please know that every time you use your ATM card at an ATM machine not belonging to your bank, you will be charged a fee, ranging anywhere from \$2.00 to possibly \$5.00. This is every time you use the ATM, so that can really add up. So, be very careful.

To ensure that you don't overdraw your accounts, save all your withdrawal and deposit slips so that you can keep your checkbook balanced. Don't write checks when you don't have the money in your account to cover them. (Check out the next chapter to learn all about taking the mystery out of your checking account.)

When depositing a check, ask the bank how long it will take before the money is available for you to use. Balance your checkbook at the end of each month. Call the bank right away, if you see any discrepancies, or any ATM uses that look suspicious to you.

You cannot lose more than \$50, if your credit card is lost or stolen, but if someone uses your ATM card without your permission, you can lose much more. Check with your bank to see what your liability would be if your ATM card is stolen. They can all be different.





CHAPTER 7

Cleaning Up Your Credit

My wife just underwent plastic surgery. I cut up her credit cards.

—Unknown

Cleaning Up Your Credit Report

If you've been denied credit due to information supplied by a credit bureau, the lender is required by law to direct you to the credit bureau. If you write to the credit bureau within 30 days of being denied credit, the credit bureau must supply you with a free copy of your report.

Once you have your credit report, examine it carefully to make sure that all the information is accurate. The Fair Credit Reporting Act gives you the right to find out what is on your credit report and have the opportunity to dispute any inaccurate information. You also have the right to add a 100-word explanation of any problem to your credit report. Anyone requesting a copy of your credit report will also get a copy of your statement.

If you have errors on your credit report, you can dispute these errors by sending a letter of explanation or dispute to the credit bureau. They must verify your information with the creditor and correct the error. You will, then, receive a corrected report.

If you have information on your credit report that should have aged off, dispute this, as well. Negative information remains on your credit report for seven years, while bankruptcies remain on your credit report for 10 years and inquiries remain for two years.



Beware of Credit Repair



People are paying millions of dollars each year to credit repair clinics around the world that promise to clear up their credit reports and help them obtain credit, regardless of how negative the credit history is reported to be. Unfortunately, these credit clinics often make misleading promises and charge high fees to do the same thing that you can do on your own. No one, not even you, can eliminate a bad credit history, if the information is accurate and is within the time limits of the law (seven to 10 years).

Consumer Laws For Your Protection

As credit use becomes more widespread, it is obvious that some lenders were taking advantage of consumers, and the need for rules to protect borrowers became increasingly apparent. In 1968, Congress passed the first in a series of laws, under the Consumer Credit Protection Act, designed to shield consumers from unfair lending practices.

Since credit terms can be confusing and lenders change varying rates, they are required by the Truth in Lending Law to state charges in a clear and uniform manner so that you can easily compare prices. The cost of credit must be expressed in two forms:

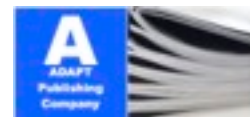
1. the finance charge, or total dollar amount; and
2. the annual percentage rate (APR), the cost of your credit expressed as a yearly rate.

The Equal Credit Opportunity Act does not guarantee that credit will be extended to you, but it does assure that you will not be denied it because of race, color, sex, marital status, religion, national origin, age or because you receive income from assistance programs.

The Fair Credit Reporting Act controls the use of credit reports, limits the length of time that negative information may appear in credit reports, and sets up the means for correcting errors in your file. The Fair Credit Billing Act mandates that creditors follow certain procedures when billing you and lets you know what to do in care of errors on your billing statement. It also sets up guidelines for settling a dispute over a billing item.

Now, let's talk about cleaning up your credit, your way!

There Is Help Out There



When you find yourself in Credit Trouble, there are ways you can get back on track. It is not a lost case or don't think you can never have credit again. Don't think that you have messed up your credit so bad, that you will never see credit in your lifetime again. No way!

First, what needs to be done is collect all your owed accounts. This means all your credit cards, bank loans, car loans, student loans, and any other financial issues that you have gathered to date. Once you know what you owe, you are ready to go!

I want you to contact an agency that has been around since 1951 and they are the only credit counseling agency that you need to contact. Forget all those commercials about getting your credit cleared up and forget all those emails that you continue to get telling you they can solve all your problems.

Consumer Credit Counseling Services (CCCS) offers money counseling services, to include financial education, budgeting assistance, and Debt Management Plans. All CCCS agencies are non-profit organizations and are part of the National Foundation for Consumer Credit.

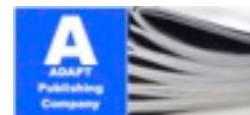
Credit Counseling Sessions

When you call a CCCS, you are given access to a confidential, non-judgmental consultation with a certified counselor. This counseling session takes approximately 45 to 90 minutes, and it involves a comprehensive review of your debt and personal finances. The counselor offers expert advice along with a workable budget based on your unique financial situation. You are provided a realistically tailored plan for paying down your debt, increasing your savings, and improving your financial situation.

This is all provided free of charge and it carries no obligation. This is why anyone with financial concerns or mounting debt are encouraged to contact a CCCS and take advantage of this non-profit community service.



Debt Management Plans



A CCCS agency offers Debt Management Plans (DMP) that consolidates your unsecured credit and debt payments into one new convenient monthly payment. This offers many advantages, to include:

1. A single payment to all of your creditors
2. Total monthly payment amount may be reduced
3. Interest rates may be lowered
4. DMP designed to pay off debt in 3-5 years
5. Budgeting advice and support for every client

Considering that it takes a typical credit card 20-30 years to pay off at the minimum monthly payment, a DMP from a CCCS agency eliminates debts much faster than traditional methods. Even without a DMP, you could benefit from a free, confidential session that provides you with a workable budget and expert advice on managing personal finances and reducing debt over time.

I cannot say enough good stuff about Consumer Credit Counseling Services. They are an awesome agency to work with and they can handle any case that comes to them. Again, don't be fooled by other agencies calling themselves Consumer Credit something or other, because they are not the same people. Be very careful about letting anybody else help you with this situation. Be aware that **Springboard Social Enterprises** is the new identity to CCCS. There are many CCCS agencies throughout the country and for each state, city, county. etc. Go to: www.credit.org and get your finances back on track.

Here are other services you might be interested in:

- Bankruptcy Counseling and Debtor Education: www.BKhelp.org or call 888.425.3453.
- Housing Counseling and Foreclosure Prevention: www.homeownership.org or call 800.294.3896.
- Reverse Mortgage Counseling: www.homeownership.org or call 800.294.3896.
- Student Loan: www.studentdebt.org
- Homebuyer Education: www.credit.org/homebuyerclass/ (available in English and Spanish)
- Rental Counseling: www.rentalcounseling.org
- HELOC: If your home equity line of credit has or is about to reset causing your mortgage payments to increase, credit.org offers free one-on-one assistance to help determine which relief programs you qualify for and then, they help you apply for them. www.HELOChelp.org
- HAMP Resets: If you are facing a financial hardship from or have questions about your HAMP Modification Reset, credit.org offers free one-on-one assistance. Your certified counselor will help determine which mortgage relief programs you qualify for, help you in applying for them and they will review your new budget.



Cleaning Up Your Credit Worksheet

Instructions: Complete the following worksheet to help you in understanding how to clean up your credit and your credit history.

1. How many days do you have to contact the credit bureau after being denied credit to get a free report?

2. How do you dispute information on your credit report?

3. Are there consumer laws to help you, as an individual?

4. Who do you contact if you want to get your credit cleaned up?

5. How do you know you are using a certified consumer agency that will help you?

6. How much can you be expected to pay a consumer counseling agency to help you clean up your credit?

See how you did on the following page...

1. How many days do you have to contact the credit bureau after being denied credit to get a free report?

After you have been denied credit, you have 30 days to request a free credit report from any of the credit bureaus. There are some sites online where you can obtain a free credit report without ever having applied for credit. This is something that can only be done once a year.

2. How do you dispute information on your credit report?

By sending a letter of explanation or dispute to the credit bureau. They must verify my information with the creditor and correct the error. I will, then, receive a corrected report.

3. Are there consumer laws to help you, as an individual?

Yes, there is :

- The Consumer Credit Protection Act, designed to shield consumers from unfair lending practices.
- The Equal Credit Opportunity Act does not guarantee that credit will be extended to you, but it does assure that you will not be denied it because of race, color, sex, marital status, religion, national origin, age or because you receive income from assistance programs.
- The Fair Credit Reporting Act gives you the right to find out what is on your credit report and have the opportunity to dispute any inaccurate information.
- The Fair Credit Billing Act mandates that creditors follow certain procedures when billing you and lets you know what to do in care of errors on your billing statement. It also sets up guidelines for settling a dispute over a billing item.

4. Who do you contact if you want to get your credit cleaned up?

The Consumer Counseling Credit Services at www.credit.org or call 1.800.431.8157.

5. How do you know you are using a certified consumer agency that will help you?

I know it is the correct agency because it is a non-profit agency and it belongs to the National Foundation for Consumer Credit and most importantly, I know it is the correct agency because all their services are provided free of charge.

6. How much can you be expected to pay a consumer counseling agency to help clean up your credit?

\$0.00.

Make your money work for you — it does not sleep, get tired or go on vacation.

—Unknown



CHAPTER 8

Staying Financially Fit

"You've got to tell your money what to do or it will leave."

—Dave Ramsey

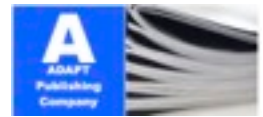
Staying Financially Fit

As part of your effort to establish credit, it's important to learn how to manage your money. As mentioned in the previous chapter, Consumer Credit Counseling Services has offices in all areas of the country. They can help you develop a budget that you can live with and that can work for you. A budget is a plan for anticipating expenses and paying what you owe.

In order to help you a bit in getting some organization into your money management skills, use the chart on the following page to help you keep up with your expenses, how much is owed, how much you actually pay and then, when you actually paid it.

**"A BUDGET IS TELLING YOUR
MONEY WHERE TO GO
INSTEAD OF WONDERING
WHERE IT WENT"
-DAVE RAMSEY**

Monthly Expenses for _____



Instructions: Fill in the chart below to help you get organized with your monthly expenses. You may make several copies of this form for each month needed.

EXPENSE	ESTIMATED AMOUNT OWED	ACTUAL AMOUNT PAID	DATE PAID	✓
Mortgage/Expense				<input type="checkbox"/>
Property Taxes/Co-op Fees				<input type="checkbox"/>
House Insurance				<input type="checkbox"/>
Electricity Bill				<input type="checkbox"/>
Gas Bill (for house)				<input type="checkbox"/>
Water Bill				<input type="checkbox"/>
Telephone (Landline)				<input type="checkbox"/>
Telephone (cellular)				<input type="checkbox"/>
Cable				<input type="checkbox"/>
Internet				<input type="checkbox"/>
Credit Card				<input type="checkbox"/>
Credit Card				<input type="checkbox"/>
Credit Card				<input type="checkbox"/>
Auto Loan/Lease				<input type="checkbox"/>
Auto Insurance				<input type="checkbox"/>
Car Expenses				<input type="checkbox"/>
Gasoline (auto)				<input type="checkbox"/>
Other Transportation				<input type="checkbox"/>
Groceries/Household Items				<input type="checkbox"/>
Child Care				<input type="checkbox"/>
Child Support/Alimony				<input type="checkbox"/>
School Expenses				<input type="checkbox"/>
Sports Expenses				<input type="checkbox"/>
Clothing Expenses				<input type="checkbox"/>
Gifts				<input type="checkbox"/>
Vacation				<input type="checkbox"/>

About The Authors



Melvin Collins, Jr., M.Ed., LPC

Melvin is a “counselor” at heart. He completed his Master’s Degree in Vocational Counseling at the University of Texas at Austin. He completed his internship in a special joint project between the Texas Rehabilitation Commission, Austin Community College and the Texas Department of Human Services. Melvin, then, gained employment with the State Commission for the Blind as a Vocational Rehabilitation Counselor with special training in job placement. He is also a Licensed Professional Counselor.

In his position with the Austin Housing Authority for five years, he handled Texas Department of Human Services’ employment contracts. In all of his positions, Melvin has had to handle, manage and create many budgets and monitor all financial activities associated with delivery of services for various projects.

Since 1995, he has delivered Financial Management Seminars to military personnel, laid-off employees, dislocated workers, as well as, state workforce clientele.

Yolanda L. Salazar

Yolanda “Yoli” has over 20 years of state employment, beginning with the State Commission for the Blind, where she completed 13 years as Clerical Supervisor and Office Manager. She, then, transferred to the Texas Department of Human Resources where she completed her 20 years of state employment. Yoli graduated from Durham’s Business School with a Certification in Executive Secretarial Course.

Since 1995, Yoli has had the opportunity to work with military personnel, laid-off employees, dislocated workers, and state workforce clientele in assisting in classroom instruction and completion of resumes for all clients served. She is bilingual and has vast knowledge of various computer programs and applications, as well as, operating all types of projects.

Between Melvin and Yoli, over 20 books have been authored and over 30 are carried through the website for ADAPT Publishing Company, to include job-readiness books, videos and presentations. Also available are life skills books, as well as, personal skills books along with various presentations pertaining to these topics. Go to www.workforcepmg.com and click on Books.



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