

# Budgeting for Beginners

Budget words	
<p><b>Income:</b> The money that comes in</p>	<p><b>Bottom line:</b> The difference between income and expenses</p>
<p><b>Expenses:</b> The money that gets spent</p>	<p><b>Balanced budget:</b> When income equals expenses</p>



## Whether it's your own or the co-op's budget, all budgets

- are tools for planning
- show where the money comes from and where it goes
- and how much comes and goes too
- cover a certain period
- can be used to plan for savings

## Building a budget – Using the information the Co-op has

- The co-op keeps detailed records that it can use for budgets
- Current performance
- Year end projections
- Analyze expense requirements
- Set Housing Charges
- Get approvals



- ✓ The Co-op should be saving for things you want to do in the future.
- ✓ The co-op should be saving in case of emergencies.

## Budget worksheet

	Monthly	Yearly	
	A	B	
		A x 12	
<b>Income:</b>			
1.			
2.			
3.			
<b>Total income</b>			Add 1 - 3

<b>Expenses:</b>			
1.			
2.			
3.			
4.			
5.			
6.			
7.			
8.			
9.			
10.			
<b>Total expenses</b>			Add 1 – 10

<b>Bottom line</b>			Total income – Total expenses
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<b>Is your bottom line positive or negative or zero?</b>
If it is negative, you need to raise your income or spend less.
If it is positive, should you spend more or save?
If it is zero, you have a balanced budget but no extra to save.