

## CREATING AN OCCASIONAL EXPENSE FUND

Nobody's cash flows the same each and every month. One thing that can really ruin a budget is to forget to factor in those expenses that don't occur each and every month. Some expenses like property taxes, insurance premiums, car registrations and birthdays come up only once or twice a year. Others are seasonal, such as school clothes in the fall and holiday gifts in December. These expenses differ from emergency expenses because you know what they are, when they will happen and how much they will be. They just don't happen every month.

To ensure that you have the money to meet these occasional expenses when they happen, consider opening an Occasional Expense fund to cover these costs. To figure out how much to set aside each month, use this form to list all of your projected occasional and seasonal expenses for the year. For each month, list all expenses that will occur exclusively in that particular month. Do not include things like rent, phone bills, or other payments that occur every month.

MONTH	EXPENSE NAME(S)	\$ AMOUNT (\$)	TOTAL FOR MONTH
JANUARY			
FEBRUARY			
MARCH			
APRIL			
MAY			
JUNE			
JULY			
AUGUST			
SEPTEMBER			
OCTOBER			
NOVEMBER			
DECEMBER			
<b>TOTAL MONTHLY EXPENSES (\$) ÷ 12 = SUGGESTED MONTHLY DEPOSIT AMOUNT (\$)</b>			
\$ _____ ÷ 12 = \$ _____			

When it comes time to pay the bill, simply withdraw that amount from your Occasional Expense fund and pay it in full. Your spending plan stays intact and you have avoided juggling other bills. Your first thought may be that there is no way you will be able to save that much each month. Just remember these are all bills that you somehow find a way to cover when they happen. This is simply a way to do it in a less stressful, proactive manner.