



The Moneynet Bank Balance Spreadsheet Guide

How to keep tabs on your 'real' bank balance

The guidance notes and worked example of the **Bank Balance Spreadsheet** will show you, step by step, how to keep your finger on the pulse when it comes to knowing exactly how much spare cash you've got in your bank account.

By using your budget planner in conjunction with your bank statement you can keep a close eye on your balance and the amount of disposable income you have left until your pay or pension income next hits your account.

It's all about being in control and knowing what's going on with your money – only then can you confidently make decisions to manage your money in a way that will maximise your income and minimise any charges or interest you'll have to pay.

There are many people that want to ignore the state of their finances and as a result they don't even bother to open their monthly bank statement, it'll just be stuffed in a drawer with all those other unopened bills and credit card statements.

If this is you, then this practice has to stop now, otherwise you won't have a chance of getting on top of your finances. It's only when you get to grips with what goes in and out of your current account that you can make positive steps to turn your money problems around.

In fact to have any chance of making the most of your money, **you need to be controlling your finances rather than the other way round.**

It's essential that you know exactly what goes into your current account and what goes out every month and at any time during the month you should be able to establish how much disposable income or spending money you have left until you next get paid.

I'm sure that many of you reading this are thinking, how can I ever get myself into a position where I know what money have available at any time during the month?

We'll hopefully show you that it's easier than you think and have devised the following step by step guide to help you keep on top of your bank balance:

STEP 1

To manage your current account effectively, you'll need to keep a few things to hand, so get your folder with all your financial information that you pulled together in week one, and I'll explain what you need to do. Firstly, write down all the direct debit or standing order payments that you have to pay out each month including the amount. Make sure that you list them in order of the date they are debited from your current account.

Date payment debited from your account	Payment for	Payment amount
2nd Monthly	Mortgage	£550.00
5th Monthly	Council Tax	£95.00
7th Monthly	Car Insurance	£24.78
13th Monthly	Life Insurance	£21.00
17th Monthly	Gas	£22.50
19th Monthly	Electricity	£32.00
22nd Monthly	Water	£17.00
26th Monthly	Pension	£50.00

STEP 2

As well as the standing order and direct debit payments that go out of your account, there will be other expenditure that you'll make either by cash, cheque or debit card, so we need to make allowance for these too. So now using the same grid, now add all the other expenses that you know you will have to pay out over the month such as food shopping, petrol etc.

Date payment debited from your account	Payment for	Payment amount
2 May	Mortgage	£550.00
5 May	Council Tax	£95.00
7 May	Car Insurance	£24.78
13 May	Life Insurance	£21.00
17 May	Gas	£22.50
19 May	Electricity	£32.00
22 May	Water	£17.00
26 May	Pension	£50.00
May	Food shopping for the month	£280.00
May	Petrol for the month	£160.00

STEP 3

Before you can start keeping track of your money it's essential that you have a balance to start your calculations from, so you need to get an up to date balance from your bank - this can be an online statement or a print out obtained from your branch or even an ATM - but as well as knowing your balance, you need to be aware of what transactions have been paid from your account in the last full month.

So for example if the balance on your current account is £173.20 on the 24th of April, you know from your list of payments that your pension direct debit of £50 will come out of your bank on 26th of the month, so your real balance or disposable income is actually £123.20.

So now you've established your current balance, you need to include this on your grid, together with your income details.

Date	Payment for	Payment amount	Salary/Wages paid into bank account	Bank Balance
24 April				£173.20CR
26 April	Pension	£50.00		
01 May			£1750.00	
2 May	Mortgage	£550.00		
5 May	Council Tax	£95.00		
7 May	Car Insurance	£24.78		
13 May	Life Insurance	£21.00		
17 May	Gas	£22.50		
19 May	Electricity	£32.00		
22 May	Water	£17.00		
26 May	Pension	£50.00		
May	Food shopping for the month	£280.00		
May	Petrol for the month	£160.00		
	TOTAL PAYMENTS OUT B	£1302.28		
	Bank Balance plus salary A	£1923.20		
	Disposable Income (A - B)	£620.92		

The grid now shows you that you have £620.92 disposable income to last you until you next get paid on 1st June. So establishing your disposable income is the start, now you need to keep on top of this figure and adjust it as the month goes on.

Ideally you should look to update this and check your bank account at least twice a week if you want to remain on top of things. By doing this, you'll always know what you've got available to spend and hopefully won't be tempted to fritter it all away in the first few days after you've been paid, but manage it sensibly so it lasts the full month.

STEP 4

The folder that I suggested you got in step 1 should be used to keep your Bank Balance Spreadsheet in, but also any debit card receipts or ATM (Cash machine receipts). The trick is to not throw these away until you've reconciled your Bank Balance Spreadsheet with your latest bank account printout or statement.

So let's take this process a step further:

2nd May you take out £120 cash from the ATM

3rd May you buy £40 petrol with your debit card

5th May you spend £74.00 on food shopping on your debit card.

On each of these occasions you should have amended your grid accordingly as follows:

Date	Payment for	Payment amount	Salary/Wages paid into bank account	Bank Balance
24 April				£173.20CR
26 April	Pension	£50.00		
01 May			£1750.00	
2 May	Mortgage	£550.00		
5 May	Council Tax	£95.00		
7 May	Car Insurance	£24.78		
13 May	Life Insurance	£21.00		
17 May	Gas	£22.50		
19 May	Electricity	£32.00		
22 May	Water	£17.00		
26 May	Pension	£50.00		
May	Food shopping allowance for the month	£206.00		
May	Petrol allowance for the month	£120.00		
	TOTAL PAYMENTS OUT B	£1302.28		
	Bank Balance plus salary A	£1923.20		
	Disposable Income (A - B)	£620.92		
2 May	CASH	£120.00		
	Disposable Income	£500.92		
3 May	Petrol	£40.00		
5 May	Food	£74.00		
5 May	Disposable Income	£500.92		

You will see that the cash withdrawal of £120 on 2 May has reduced your disposable income to £500.92

The £40 for petrol on 3 May has not reduced your disposable income because you had already allowed £160 for the whole month. Therefore you adjust your petrol allowance for the rest of the month down to £120 (£160 - £40 spent).

Similarly with your food shopping of £74, because you had already budgeted £280 for food for the month, you just reduce your food allowance to £206 and your disposable income remains the same.

STEP 5

Whilst you've kept an accurate record of your budget by using your Bank Balance Spreadsheet, it is now time to get an up to date bank statement to make sure your figures tally up.

Bank Statement 6 May 2008			
Date	Debits	Credits	Balance
24 April			£173.20 CR
26 April	Pension £50.00		£123.20 CR
01 May		Salary £1750.00	£1873.20 CR
02 May	Mortgage £550.00		
02 May	Cash £120.00		£1203.20 CR
03 May	Petrol £40.00		£1163.20 CR
05 May	Council Tax £95.00		£1068.20 CR
05 May	Tesco £74.00		£994.20 CR
06 May			£994.20 CR

So you'll see that your bank account shows that you have a credit balance of £994.20, and without having a Bank Balance Spreadsheet to show exactly what's left to pay out, you could easily be tempted to spend that entire balance and forget about other payments that are still to come out of your account.

This is where a lot of people come unstuck, they end up spending money they don't have, end up going overdrawn and being charged £25 or £30 per time for unpaid cheques and direct debits. Before they know it they have managed to get themselves in a real financial pickle.

However as you've been wise enough to keep a note of what you've been spending, it's time to check your Bank Balance Spreadsheet against your latest bank statement.

The first thing to do is get your spreadsheet and cross off all payments that are shown on your bank statement.

Date	Payment for	Payment amount	Salary/Wages paid into bank account	Bank Balance
24 April				£173.20CR
26 April	Pension	£50.00		
01 May			£1750.00	
2 May	Mortgage	£550.00		
5 May	Council Tax	£95.00		
7 May	Car Insurance	£24.78		
13 May	Life Insurance	£21.00		
17 May	Gas	£22.50		
19 May	Electricity	£32.00		
22 May	Water	£17.00		
26 May	Pension	£50.00		
May	Food shopping for the month	£206.00		
May	Petrol for the month	£120.00		
	TOTAL PAYMENTS OUT B	£1302.28		
	Bank Balance plus salary A	£1923.20		
	Disposable Income (A - B)	£620.92		
2 May	CASH	£120.00		
	Disposable Income	£500.92		
3 May	Petrol	£40.00		
5 May	Food	£74.00		
5 May	Disposable Income	£500.92		

So according to your bank account your balance is £994.20 credit

But according to your updated grid, this is what you have left to pay out this month:

7 May	Car Insurance	£24.78		
13 May	Life Insurance	£21.00		
17 May	Gas	£22.50		
19 May	Electricity	£32.00		
22 May	Water	£17.00		
26 May	Pension	£50.00		
May	Food shopping for the month	£206.00		
May	Petrol for the month	£120.00		
	TOTAL Debits	£493.28		
		DR		
	Bank Balance	£994.20		
		CR		
	Disposable Income	£500.92CR		

If you deduct the amount you have still to pay out £493.28 from your bank balance £994.20 you are left with £500.92 – hey presto – this matches your disposable income figure from your grid.

STEP 6

Just to make sure you're happy with this, let's look at the situation 2 weeks later and after the following additional transactions have been made:

- 8 May cash of £90 taken from ATM
- 14 May Food shopping £63.00 on your debit card
- 16 May Petrol of £40 on your debit card
- 18 May Purchase of new clothes on your debit card £70
- 19 May you send a cheque for £20 to your brother for his birthday

So this is how your updated grid should look on 19 May

7 May	Car Insurance	£24.78
13 May	Life Insurance	£21.00
17 May	Gas	£22.50
19 May	Electricity	£32.00
22 May	Water	£17.00
26 May	Pension	£50.00
May	Food shopping allowance for the month	£143.00
May	Petrol allowance for the month	£80.00
	TOTAL	£493.28 DR
	Bank Balance	£994.20 CR
	Disposable Income	£500.92 CR
8 May	Cash	£90.00
	Disposable Income	£410.92 CR
14 May	Food	£63.00
16 May	Petrol	£40.00
18 May	Clothes	£70.00
	Disposable Income	£340.92 CR
19 May	Birthday present	£20.00
	Disposable Income	£320.92 CR

So you'll see that the £90 cash, £70 for clothes and £20 birthday present have been deducted from your disposable income balance as you hadn't allowed for these items in your original budget.

However as per the situation earlier in the month, the petrol and food spend has not affected your disposable income, you just reduce the amount you had originally budgeted for each of these items.

I hope that you can see how easy it is to keep tabs on how much disposable income or spending money you have left throughout the month, just by spending a little time each week updating your spreadsheet and reconciling it with your bank statement. The other advantage of keeping a close eye on your bank account is that if there is any fraudulent activity or a rogue entry on your account, you'll pick it up straight away.

Click [here](#) to get your own Bank Balance Spreadsheet so you can put this into practice.

Notes: