

Schedule of Non-Monthly Family Living Expenses

by Marsha A. Goetting, Ph.D., CFP®, CFCS, Family Economics Specialist,
and Beverly B. Wallace, former Gallatin County Extension Agent

Your monthly budget may seem lower than it really is if you forget to include annual or periodical expenses such as insurance, property taxes, or holiday gifts. This MontGuide includes instructions and a worksheet for establishing the true monthly cost of your family's living expenses.



MontGuide

MT198910HR Reprinted 11/09

IF YOU HAVE A SYSTEM FOR TRACKING YOUR

family living expenses on a yearly basis you know where your money goes. If, however, you have tracked your expenses for only a certain time period, such as two or three months, you may have forgotten about major non-monthly bills you pay during the year that did not come due during your tracking period. Examples of non-monthly bills include: property taxes, car and life insurance premiums, car license plates, filling the fuel oil tank, vacations and holiday gifts.

You may think your monthly living expenses are lower than they actually are. One family, for example, thought their monthly living expenses were around \$2,500 and developed their spending plan accordingly. They also established financial goals for the education of their children as well as their own retirement, and planned for a family vacation, all based on the \$2,500 figure. In reality, when non-monthly expenses were included, they were amazed to discover their actual monthly living expenditures were closer to \$3,120 – a difference of \$620.

A financial planning tool that may help you determine the amount to allow for non-monthly expenses is a Schedule of Non-Monthly Family Living Expenses, which has been included in this MontGuide for your use. This form will give you a clear picture of how your non-monthly payments are distributed throughout a 12-month period. At a glance you can see when major bills are due and plan for them. The form will help you calculate how much to set aside monthly so you can avoid the stressful feeling that often results when several major bills come due the same month and you don't have the funds set aside to pay for them.

A sample form and directions for filling it out follow. Use the blank form on the back page to list your non-monthly expenses. After you have completed the form, keep it in an easily accessible place.

At the end of the year you may find adjustments are needed for certain amounts such as gifts or vacations. Adjust accordingly and make a new year's resolution to make your Schedule of Non-Monthly Family Living Expenses as accurate as possible.

This MontGuide is one of many financial management resources that are available from your county Extension agent or from MSU Extension Publications, PO Box 172040, Bozeman, MT 59717. Many publications are also available on-line at www.montana.edu/publications.

Other publications include:

- *Helping Friends Cope With Financial Crisis* (MT200206HR)
- *PowerPay*, computerized credit analysis
- *Using a Check Register to Track Your Expenses* (MT198703HR)
- Check Register (EB 50) as described in MT198703HR above - \$1 for Montana residents; \$2 for out of state
- *Credit Card Tracker* (EB 168). Free.

How To Fill Out Your Schedule of Non-Monthly Expenses

1. List descriptions of non-monthly expenses that are due during the year in the Item column (first column, left side).

The family in the example anticipates expenses for holidays/birthdays, school supplies, car license plates, car servicing and tires, as well as car and life insurance, club memberships, newspapers, magazines, property taxes, and vacations.
2. Record non-monthly family living expense amounts in the space provided under the appropriate month. If you don't know the due dates, refer to previous year's returned checks.

This family expects to spend \$75 for holidays and birthdays in April, \$100 in August, and \$350 in December; \$420 for life insurance in October, car insurance of \$310 in February and August, and so on.
3. Total the amount to be spent for each non-monthly expense item horizontally (across) and place in the Yearly Cost column. In the example, this family expects to

pay \$625 in property taxes in May and another \$625 in November for a total of \$1,250. This is written in the Yearly Cost column on the Property Taxes line.

- Total the non-monthly family living expense amounts vertically (up and down) by month.

For example, in January \$210 is due to license the car. Since there are no other non-monthly expenses in January, \$210 is written on the bottom line beside the Total Amount column. In February, \$100 is required for membership dues and \$310 for car insurance. The total (\$410) is written on the Total Amount line for February.

- To determine total yearly cost of non-monthly expenses, add figures in the Yearly Cost column.

This family adds figures of \$525, \$150, \$210, \$390, and so on in the yearly cost column for a total cost of non-monthly family living expenses of \$3,922.

- Add the bottom line total amounts by month (January through December).

This family adds \$210 in January, \$410 in February, \$53 in March, \$75 in April and so on for a yearly total of \$5,153 non-monthly expenses.

- The grand total of the Yearly Cost column and total amounts by month line should be identical. If they're not, perhaps you have made an error in addition. Recheck your figures in each column and line. Once they agree, go to Step 8.

- Divide the yearly cost of each non-monthly item total by 12 to determine the average monthly cost.

This family anticipates paying \$210 for car license plates in January. The average monthly cost is \$17.50. This family plans to spend a total of \$1,400 for vacations for an average of \$116.67 per month, and so on.

- Total the Average Monthly Amount column. This total should equal the amount of the yearly cost total divided by 12. If the two figures don't agree, possibly you have made an error. Recheck your figures horizontally and vertically.

In the example, the total of the Average Monthly Amount column (\$43.75) for holidays, \$12.50 for school supplies, \$17.50 for car licensing and so on equals \$429.42. The result of dividing the total in the Yearly Cost column (\$5,153) by 12 equals \$429.42.

- Add the total of your Average Monthly Amount column to the expenses you tracked for the period of time. This will give you a more realistic idea of the average monthly living expenses for your chosen lifestyle.

Ideally, you should set aside monthly the average of your non-monthly expenses (\$429.42 in the example) in a separate checking or savings account. If you do, you should be able to promptly pay all your monthly bills and avoid the feeling of financial stress at bill paying time.

Schedule of Non-Monthly Expenses Sample

Item	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	Yearly cost	Average monthly amount
Holidays/Birthdays				\$75				\$100				\$350	\$525	\$43.75
School-books, supplies									\$150				\$150	\$12.50
Car license plates	\$210												\$210	\$17.50
Car servicing/tires			\$35			\$35			\$35		\$250	\$35	\$390	\$32.50
Union dues/ club memberships		\$100								\$25			\$125	\$10.42
Car insurance		\$310								\$310			\$620	\$51.67
Life insurance										\$420			\$420	\$35.00
Newspaper/magazines			\$18			\$21			\$24				\$63	\$5.25
Property Taxes					\$625						\$625		\$1,250	\$104.17
Vacation					\$1,000	\$400							\$1,400	\$116.67
Total Amounts	\$210	\$410	\$53	\$75	\$1,625	\$456	0	\$100	\$209	\$755	\$875	\$385	\$5,153	\$429.42



To order additional publications, please contact your county or reservation MSU Extension office, visit our online catalog at www.msuextension.org/publications.asp or e-mail orderpubs@montana.edu

Copyright © 2009 MSU Extension

We encourage the use of this document for nonprofit educational purposes. This document may be reprinted for nonprofit educational purposes if no endorsement of a commercial product, service or company is stated or implied, and if appropriate credit is given to the author and MSU Extension. To use these documents in electronic formats, permission must be sought from the Extension Communications Coordinator, 115 Culbertson Hall, Montana State University, Bozeman MT 59717; E-mail: publications@montana.edu

The U.S. Department of Agriculture (USDA), Montana State University and Montana State University Extension prohibit discrimination in all of their programs and activities on the basis of race, color, national origin, gender, religion, age, disability, political beliefs, sexual orientation, and marital and family status. Issued in furtherance of cooperative extension work in agriculture and home economics, acts of May 8 and June 30, 1914, in cooperation with the U.S. Department of Agriculture, Douglas L. Steele, Vice Provost and Director, Montana State University Extension, Bozeman, MT 59717.