



THE PIGGY BANK

BUDGETING AND BANK STATEMENTS

A practical guide for the Cumbria and North Lancashire community
www.thepiggybank.org.uk

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2 BUDGETING AND MANAGING MONEY

BUDGETING AND PRIORITIES

Budgeting means having an understanding of your income (the money you receive) and expenditure (the money you spend).

TRY OUT THE ONLINE BUDGET PLANNER AT:

www.moneyadvice.service.org.uk

Go to Budgeting & Managing Money/Managing Money/Budget Planner.

DO YOU HAVE MONEY LEFT OVER OR ARE YOU GETTING INTO DEBT?

If things are tight, think about how you can reduce your expenditure (see section 4) and increase your income (see section 5).

Your budget needs to be a flexible plan – some months you may have more money (e.g. if it's your birthday) and other times you will have less (e.g. Christmas, holidays, friends birthdays). Plan ahead and factor in these things, to ensure that you're one step ahead!

PRIORITIES CHECKLIST



1 HOUSEHOLD BILLS

- Rent/Mortgage
 - Electric/Gas
 - Water
 - Council tax
 - Insurance
- Without paying these you may lose your accommodation and/or get into debt.**
- Tip: Set up direct debit payments for these just after you get paid (e.g. 1st of the month). This will ensure these priorities are sorted and you can budget the remaining money.

2 THE ESSENTIALS

- Food
 - Toiletries & household items
 - Clothes
 - Mobile/Telephone
- These are items you need to buy, but how much you spend can vary.**
- For example during one week you could spend £100 on takeaways/ meals out, or £50 on ready meals or £30 making your own and shopping at local markets.

3 THE EXTRAS

- Internet
 - TV Licence
 - Holidays
 - Social – cinema, nights out
- These are items you want, but may not need.**

BANK STATEMENTS

Your bank statement will look similar to the below

Bank name
Your name & address
Account name
Dates

Your statement
Page 1 of 1

Sort Code
Account Number

Your bank account details

Date	Type	Details	Paid Out	Paid In	Balance
5 April		Balance brought forward			100 CR
5 April	CHQ	0123456	10		90 CR
5 April	DD	My Energy Ltd	50		40 CR
5 April	CR	My Employer Ltd		200	240 CR
6 April	ATM	Cash, High Street	40		200 CR
6 April	BACS	Big Company Ltd	50		150 CR
6 April	SO	Rent	400		-250 DR
6 April	MAE	Big Shop Ltd	50		-300 DR
7 April	DD	My Mobile Ltd	30		-330 DR
7 April	ATM	Cash, Low Street	50		-380 DR
7 April	MAE	Cinema Ltd	20		-400 DR
8 April	CHQ	12233445	50		-450 DR

You might need to give this to someone who wants to pay money into your account

The balance is the amount of money you have in your account at any one time. This person is in credit (CR)

Sometimes it's easy to forget about direct debits as they go out automatically

It's good to check that your wage has gone into your account and you've been paid the right amount

This person has now gone into debt. DR = Debit balance (overdrawn)

It's useful to have a record of cash withdrawals so you can include them into your budget planner

This shows what kind of payment it is:

CHQ – Cheque
DD – Direct debit
CR – Credit (money paid in)

ATM – Cash machine
BACS – Automatic bank transfer

SO – Standing order
MAE – Debit card

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