

3.2 Using a Budget

Expense Report- a report that compares the amounts that you have spent to the amounts that you have budgeted

Emergency Fund- extra money set aside to be used for unpredictable expenses

List three examples of an emergency expense:

Medical Bills

funeral costs

pay for food

home damages.

car damages - windshield
flat tire

Victor always keeps an accurate record of his expenditures. At the end of March, he prepared an expense summary. He planned to spend \$340 on groceries but spent \$361.85. How much more or less did he spend on groceries than he had budgeted?

Budget
- Spent

340
- 361.85

- 21.85
more

Mary always keeps an accurate record of her expenditures. At the end of May, she prepared an expense summary. She planned to spend \$150.50 on her cell phone bill but spent \$195.20. How much more or less did she spend on her cell phone than she had budgeted?

$$\begin{array}{r} 150.50 \\ - 195.20 \\ \hline - 55.30 \end{array}$$

$$\begin{array}{r} - 44.70 \\ \text{over/more} \end{array}$$

Expense Summary Report for the Month of July			
Expenses	Amount Budgeted	Amount Spent	Difference
Food/Groceries	\$290.00	\$302.60	-12.60
Household Expenses			
Electricity	\$45.00	\$44.35	0.65
Heating	\$80.00	\$0	80
Cell Phone	\$35.00	\$35.00	0
Water	\$24.50	\$31.70	-7.20
Cable/Internet	\$95.00	\$95.00	0
Transportation			
Gas/Oil	\$85.00	\$101.70	-16.70
Parking/Tolls	\$70.00	\$50.00	20
Fixed			
Rent/Mortgage	\$625.00	\$625.00	0
Furniture	\$125.00	\$125.00	0
Savings	\$250.00	\$150.00	-100
Contributions	\$140.00	\$158.40	-18.40
Entertainment			
Movies/Theater	\$20.00	\$35.00	-15
Sporting Events	\$65.00	\$32.00	-33
Dining Out	\$140.00	\$158.00	-18

Handwritten annotations on the Fixed expenses section:

- A red box highlights the Budgeted column for Rent/Mortgage, Furniture, Savings, and Contributions, with a red "1140" written next to it.
- A black box highlights the Amount Spent column for the same four categories, with a black "1057.40" written next to it.
- A green horizontal line is drawn between the Budgeted and Amount Spent columns for the Savings row.

- Determine for all categories how much more or less the amount spent is than the amount budgeted
- Which expenses for the month had a negative variance? (more than budgeted)
- How much more or less did you budget for all fixed expenses than budgeted?

\$81.60 under

- How much more or less did the chart budget for transportation costs than they spent on transportation?

\$3.30 under

- Which personal expenses did the chart spend more on than they had budgeted?