Using "Budget" to Track Expenses Only

You can set up a budget and track expenses without using the program to manage your "real-world" bank account. You simply set up a "virtual" account, name it anything you like, and then create expense envelopes to track your deposits and withdrawals.

Here are some reasons why you may want to use "Budget" without managing a "real-world" bank account at the same time:

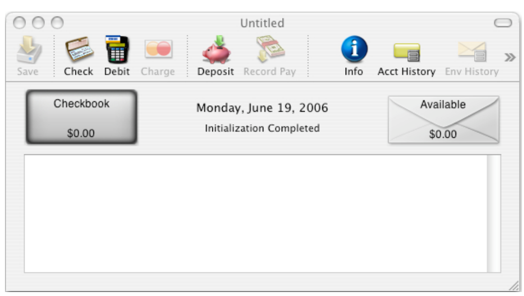
-- You want to replace those actual envelopes
-- You use an on-line banking system to manage your account but you want to manage your budget
-- You want to set up a budget to track only a portion of your income and/or expenses
-- You want to budget combined income from several sources as a "pot" of money

Note: If you use Budget in this way, it will only be a "tool" to manage your budget--you will need to use another method to manage and balance your "real-world" checking account.

Tutorial:

This tutorial is intended as a quick overview to show you how to set up a Budget file to track expenses. You'll set the file up manually rather than using the Set Up Assistant. The tutorial supplements but does not replace the documentation, which contains much more in-depth information about working with the program.

To start "Budget", double click on the Budget application icon. Click the "CANCEL" button on the Budget "Setup Assistant" window, because we will not be using it. The main Window appears.



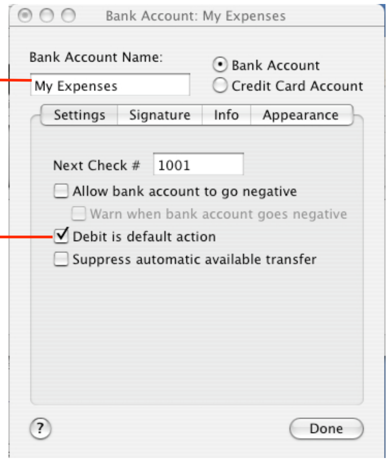
At the top left is an "Account" box, which defaults to "Checkbook". The lower section is currently empty, but it will hold the envelopes that you will create to set aside portions of your money for expenses. We'll explain the "Available" envelope later.

Setting up your "Account":

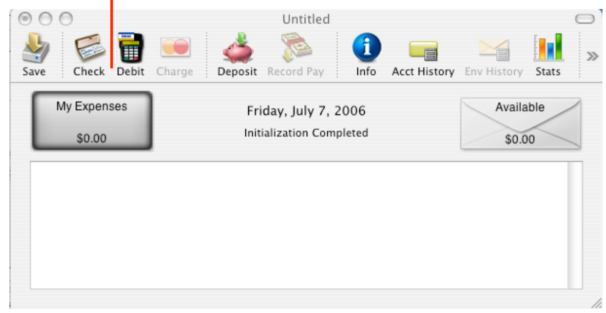
Since you are not using a "real world" bank account, the first thing to do is set up a "virtual account" by renaming the "Checkbook" account to whatever you want, for example, "My Expenses" or "Discretionary Expenses." Click the toolbar "Info" icon. The account information window appears.

Change "Checkbook" to "My Expenses"

Check the box next to "Debit is the default action.



Notice that the account box on the main window changed to "My Expenses".



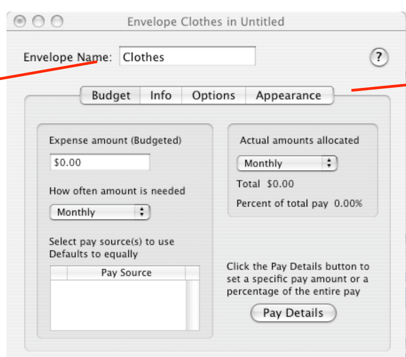
You don't necessarily have to record the specific withdrawal transaction type (check, debit, ATM) if you're just tracking expenses and are not using "Budget" to manage and balance your checking account. If you want to just record all expenses as "Debits," you can check "Debit is the default action" to make it easier to record transactions. Click "DONE" and see your "Account" on the main window.

Creating envelopes:

You can create as many envelopes as you like. For this tutorial, we'll assume you're tracking some discretionary expenses and you'll create 5 envelopes: Clothes, Movies, Dining, Travel, and Books.

To create the first envelope, from the ENVELOPES menu, select "New Envelope." A "New Envelope" information window appears. Change the name of the envelope to "Clothes". (Ignore the "Budget" tab info for now)

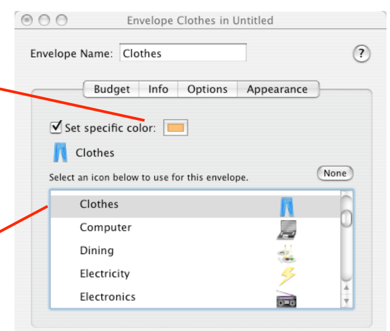
Change name to "Clothes"



Click to add color & icons

Click to see color wheel

Click arrow down to show icons



You may want to personalize your envelope by applying color and an icon. (This is optional-- if you don't want to do this, just create the rest of your envelopes and proceed to the next step).

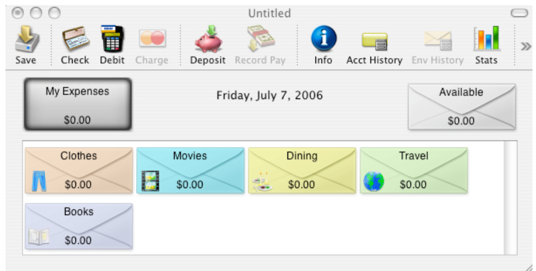
Click on the "Appearance" tab, and on the "Appearance" window, check the box next to "Set specific color" and then click in the rectangle to bring up the color wheel and select a color for that envelope.

In the table at the bottom click the little black arrow next to "Built in Icons (Color)" so that it points down. A list of icons appear that can be placed on the envelope. Scroll down a bit and select "Clothes." Notice that the clothes icon appears on the "Clothes" envelope on the main window.

Close the "Envelope Information" window by clicking on the red button on the top left.

Repeat this procedure for the remaining envelopes. You might use the entertainment icon for the "Movies" envelope, the dining icon for the "Dining" envelope, and the travel icon for the "Travel" envelope.

Now all your personalized envelopes are on the main window just waiting to receive your money.



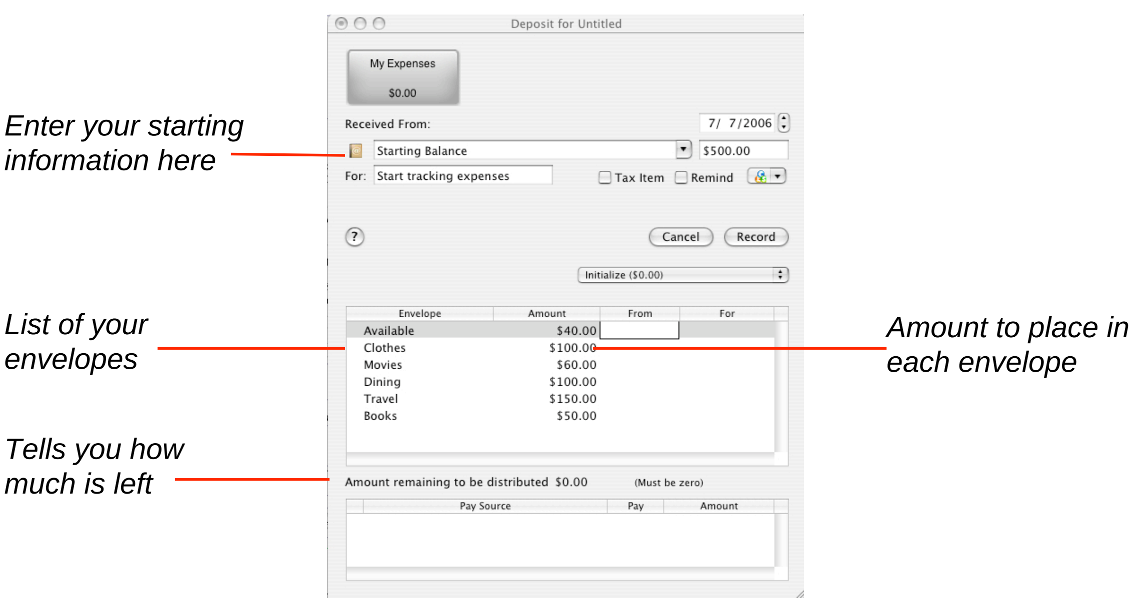
Distributing starting money to envelopes:

We'll assume that you are starting with $500 in your "virtual" account. You will now "deposit" that money into the "My Expenses" account, and distribute it to your envelopes --- Without selecting any envelopes, click the "Deposit" icon on the toolbar. The split deposit window will appear.

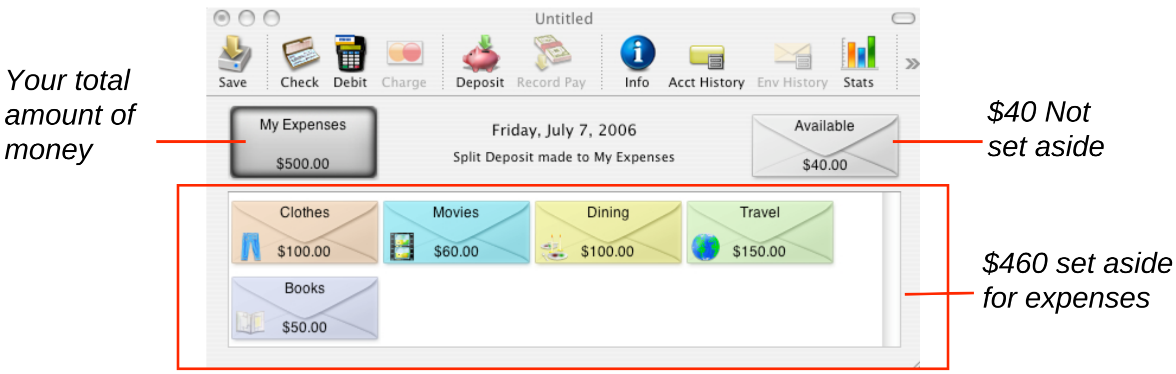
Fill out the top part of the form as shown below. Next, distribute portions of the $500 to the envelopes that are listed down the left side.

Double click on the amount next to "Clothes" and enter $100. Notice as an amount is entered, a message on the lower part of the window relays the amount remaining to be distributed.

Next, distribute $60 to the "Movies" envelope, $100 to the "Dining" envelope, $150 to the "Travel" envelope and $50 to the "Books" envelope in the same way. You still have $40 left to be distributed, but if you don't want to set aside all of your money for expenses, you would put the remaining $40 into the "Available" envelope. (It won't be set aside for expenses and you can use it as you choose). After all the money has been put into envelopes (including the Available envelope), click "RECORD". (The Record button will stay dimmed until you have distributed the entire amount of $500.)

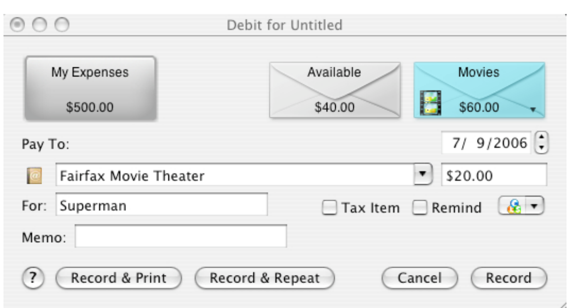


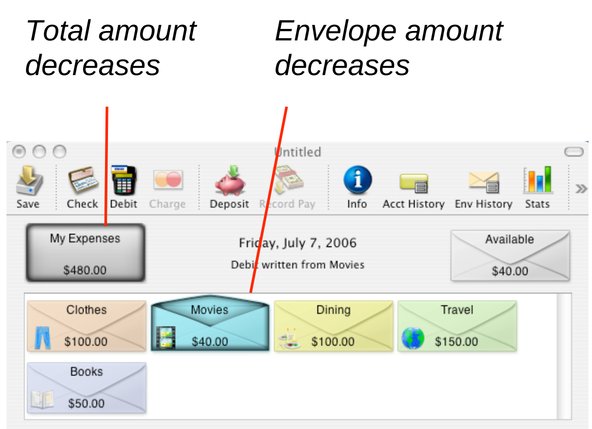
The main window now shows that there is a total of $500 in the "My Expenses" account, and that amount includes $460 that has been set aside for expenses and $40 that is "available" for other uses.



Spending money:

You go to the movies and spend $20.00 --- First select the "Movies" envelope by clicking it once, and then click the "Debit" icon on the toolbar. (You can also just double click on the "Movies" envelope to get the Debit window since you selected "Debit is the default action" when you created your envelopes.) Enter the information in the Debit window as shown and click RECORD.



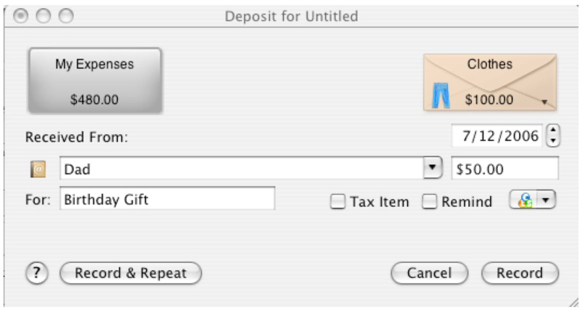


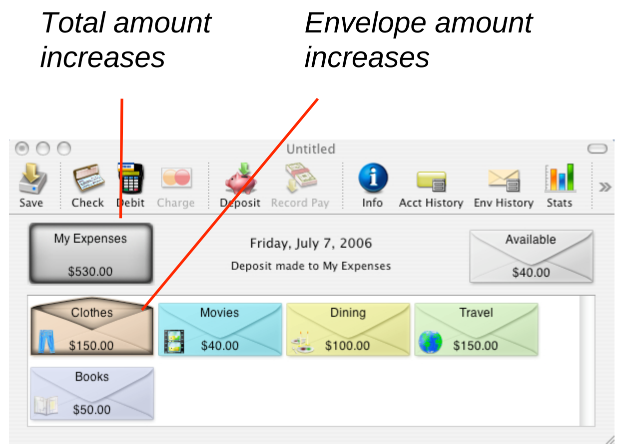
The changes will be shown on the main window, and both the total of "My Expenses" and the "Movies" envelope will be reduced by the $20.00 that was spent.

Depositing money to an individual envelope:

You receive $50 for your birthday and you want to use it to buy clothes --- First select the "Clothes" envelope and then click the "Deposit" icon on the toolbar. The Deposit window will appear.

Enter the infomation in the Deposit window as shown and click RECORD.





The changes will be shown on the main window, and both the total of "My Expenses", and the "Clothes" envelope will be increased by the amount of the deposit.

If you want to deposit money but don't want to put it in any specific expense envelope right away, just deposit it to the "Available" envelope -- you can always transfer it to another envelope later. (See Transferring Money).

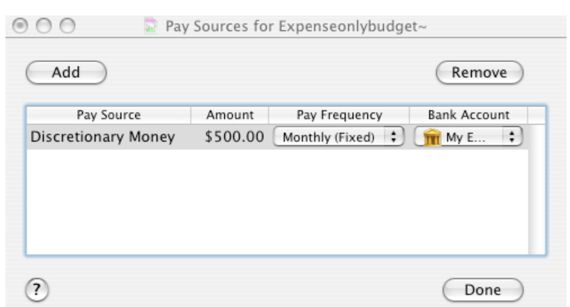
Depositing money to multiple envelopes:

To make a deposit to more than one envelope at the same time, such as when you periodically "fill up" your envelopes when you get paid, use the same method as described in the previous section, **"Distributing Starting Money to Envelopes."** In this case, you will enter the amount of the deposit and the identifying information (such as "July Expense money") at the top, and then distribute the deposit to your envelopes.

Preallocating deposits to envelopes:

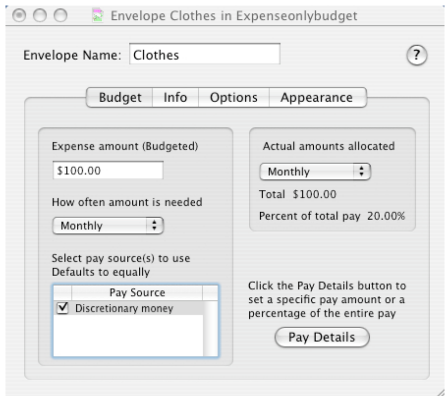
If you deposit the same amount on a regular basis and distribute it in the same way to your envelopes, you may want to set up an allocation plan in advance.This saves you from having to manually distribute each deposit to your envelopes. Here's how you can set up an allocation plan:

Let's assume you want to deposit $500 once a month for your discretionary expenses. From the ACCOUNT menu, select "Pay Source Info." The "Pay Source" window will appear. In your case, the "pay source" is your monthly deposit -- we'll name it "discretionary money." Click the "ADD" button and fill out the pay source window as shown and then click "DONE."



The second step in setting up an allocation plan is to define your "expenses." for each envelope. In your case, "expense" is defined as the amount you plan to distribute to each envelope from the $500 monthly deposit.

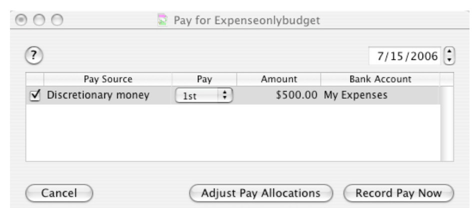
First select an envelope (we'll start with "Clothes"), and then click the "Info" icon on the toolbar. An "Envelope Info" window appears. Let's assume you will distribute $100 to "Clothes" each month. Enter the expense amount, frequency and check the pay source on the left side of the window as shown below. Click the red button to close the envelope info window. Continue defining "expenses" for each of your envelopes in the same way.



"Budget" now knows that you will deposit $500 a month and how much to distribute to each envelope.

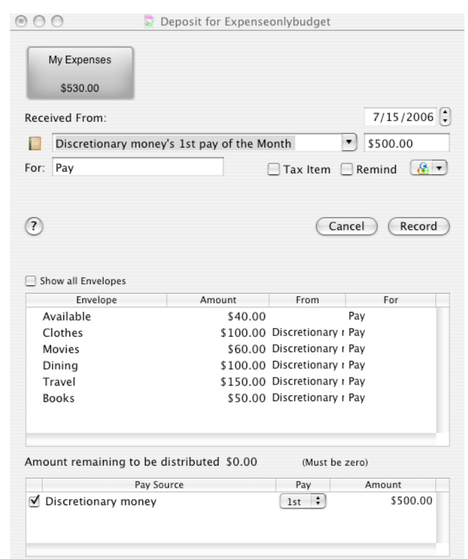
Entering a preallocated deposit (The "Enter Pay" command):

When you want to enter your $500 monthly deposit, click on the "Record Pay" toolbar icon and the "Pay" window will appear. Check the box next to the "Discretionary money" pay. Click on the "ADJUST PAY ALLOCATIONS" button to display the split deposit window. (If you don't need to adjust, you can just click "RECORD PAY NOW").



Now you can see the benefit of setting up an allocation plan -- your total deposit amount is already filled in on the top and your allocation plan amounts are next to your envelopes. You can make adjustments to the total amount or the individual envelopes.

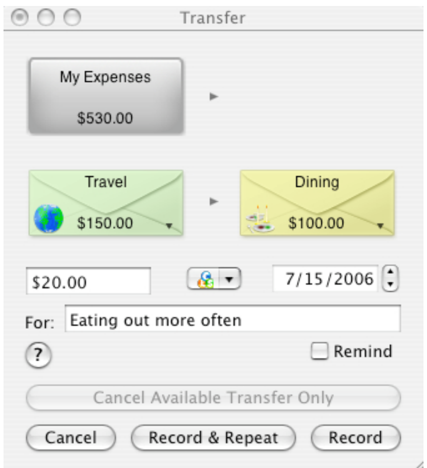
Click the "RECORD" button to record the deposit. The main screen will show updated amounts for both the total account and all the envelopes.

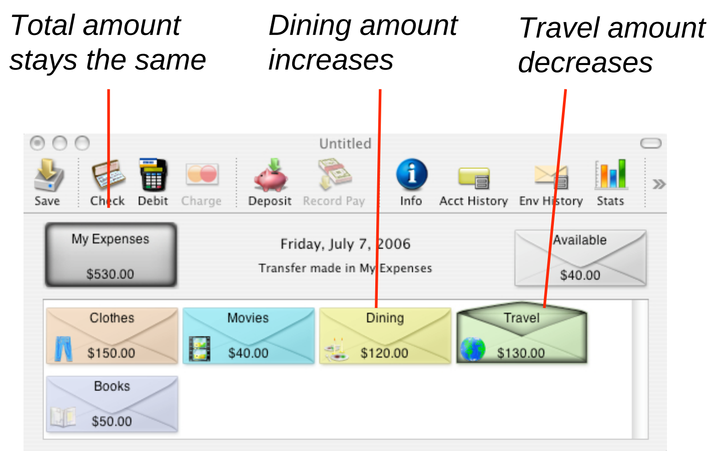


Transferring money:

Money can be transferred between any envelopes (including the "Available" envelope). You may have a shortage in one envelope, and extra money in another that you will not be using. For example, you decide you need more money for dining out this month and can do with $20 less for travel.

To do this, drag from the "Travel" envelope to the "Dining" envelope (Place the mouse over the "Travel" envelope and while holding the mouse down, move the mouse to the "Dining" envelope and release it). The Transfer window will be displayed. Fill out the Transfer as shown and click RECORD. The changes will be shown on the main window.



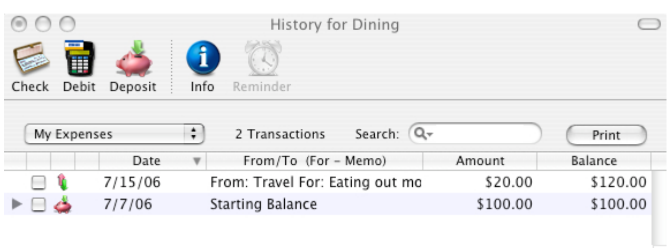


Seeing your transactions

Up until now, you have learned how to record deposits and debits from your envelopes and you've seen how things change on the main window. Your envelopes always show the latest balance. But what about the transactions themselves, where are they, how can you see what you have done?

Envelope History:

On the main window, select the "Dining" envelope. Click the "Env. History" toolbar button.

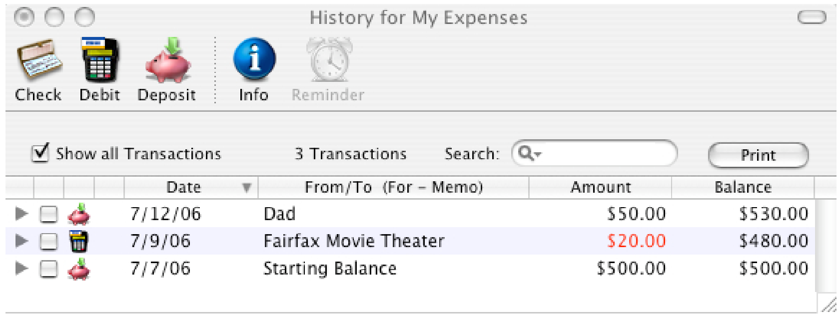


You can now see all the transactions that you have entered into the "Dining" envelope. Not much at this point, but as you enter more transactions, they will all be listed.

You can also print out all the transactions in the envelope by clicking on the "Print" button. Clicking in the header of any column will sort the transactions by that column.

Account History

You can also view all transactions in your "virtual" account. On the main window, click the "Acct. History" button. Make sure the "Show all Transactions" checkbox is checked.



Summary:

Now that you have an idea of how to create a budget file to track expenses, you can set up your own file. Be sure to save your file. If you create a file or make changes and try to quit, Budget will warn you and ask if you want to save your changes. Click the "Save Changes" button, give the file a name, and save it to an appropriate place or the Desktop.