

Intro *to* Cash Planning



Learn what you're doing.
Then just do it better.

GEORGE B GILBERT

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George B Gilbert

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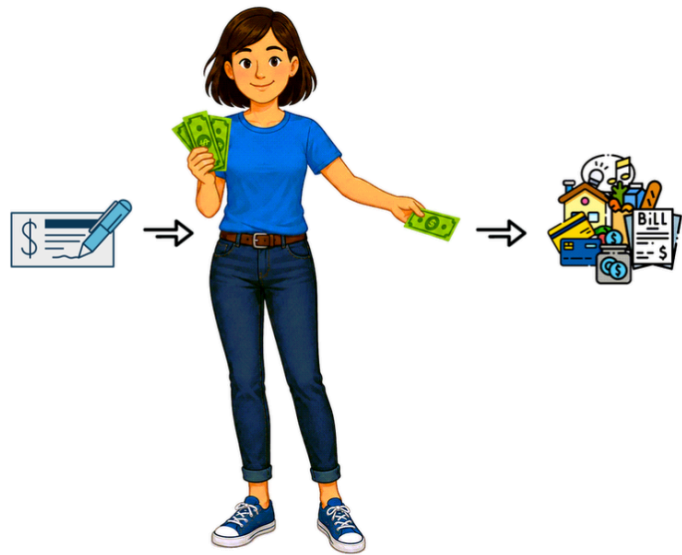
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Introduction

Managing household money is something nearly everyone has to do, yet few of us are ever taught how the money we use every day actually moves through a household.

We learn about earning money, spending it, paying bills, using credit cards, saving, investing, and budgeting. Each is usually discussed separately. What is often missing is the simple structure that connects them all: income arrives over time, and that income is used over time for many different purposes.

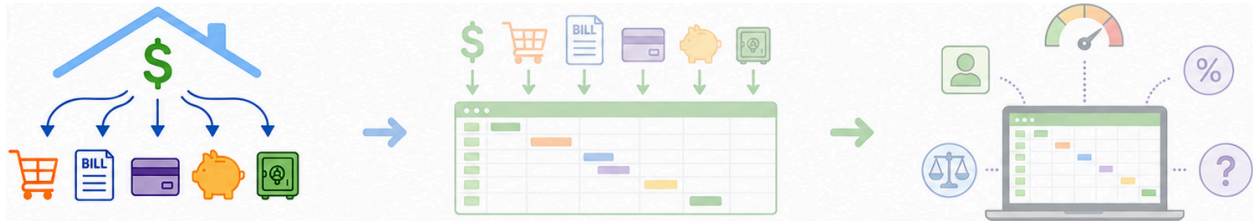


The amounts are different in every household. The sources of income are different. The bills are different. What we spend, save, and set aside is different. Even the timing is different.

But underneath all those differences, the money flows in essentially the same way. That flow is what this short book is about.

Part 1 follows household everyday money from the arrival of income through the ways that income is used and shows how a few simple adjustments make the flow manageable. Part 2 shows how *You Need A Cash Plan* makes that flow visible in a twelve-month cash plan. Part 3 introduces the cash plan itself and some of the other tools available in the program.

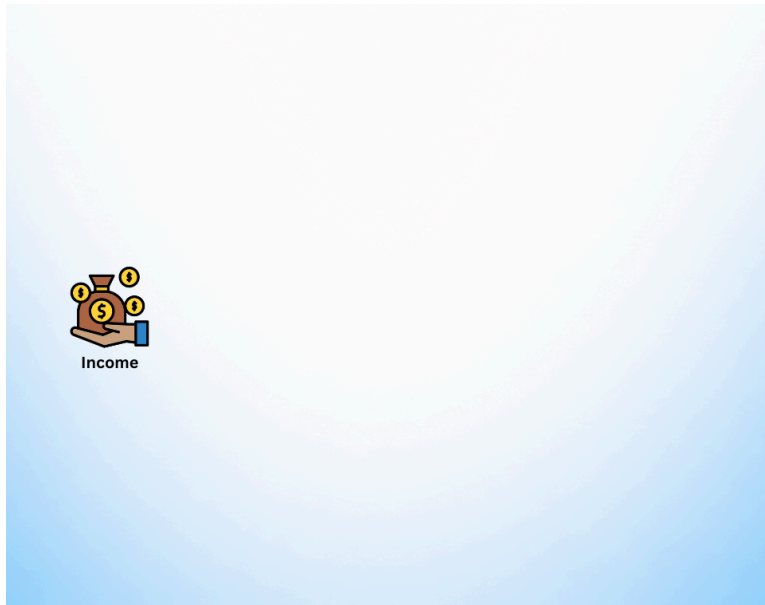
You don't need to learn a new way for money to work. You only need to see how the money you already use works.



Part 1: How Household Everyday Money Flows

Our everyday money moves through our household in ways that are easy to overlook. In Part 1, we'll follow that money from when income arrives through the different ways we use it. We'll also look at timing issues along with the adjustments we make to smooth and make the flow manageable.

Income



Most of us receive a paycheck. This is called **Active** income. But there are two other types:

- **Portfolio** income comes from investments that grow in value or produce earnings.
- **Passive** income continues to come in even when you're not actively working, such as rental income or some types of retirement income.

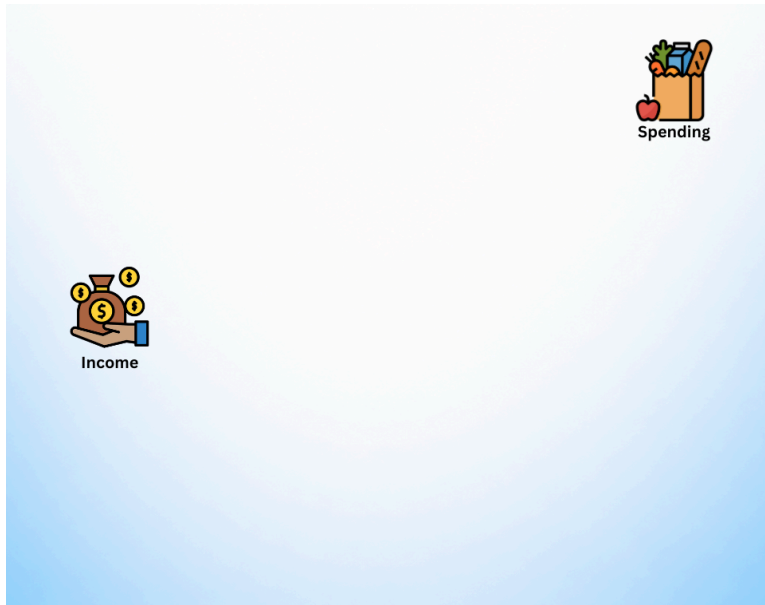
Throughout our lives the type of income we get will probably change. Also, at any time we could have more than one income in any mix of types.

Timing issues:

There is no standard schedule for paydays. Paychecks arrive on their own schedule without any regard for when the money might be needed.

When a payday is scheduled on a weekend or holiday, the pay date may be changed to the work day before or after.

Spending



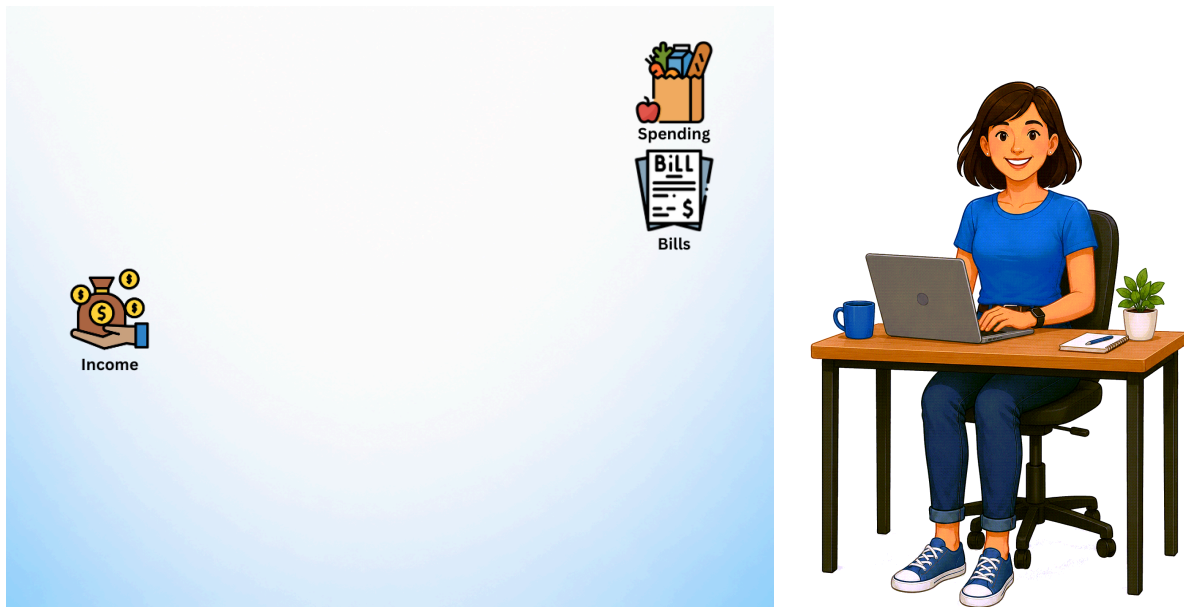
Spending is using cash to buy things today.

Timing issues:

Spending money is used continuously. Without controlling how quickly it is used, too much can be spent before the next income arrives.

Failure to control the use of spending money is the main reason that people end up living paycheck to paycheck.

Bills



Bills are obligations that we have agreed to pay.

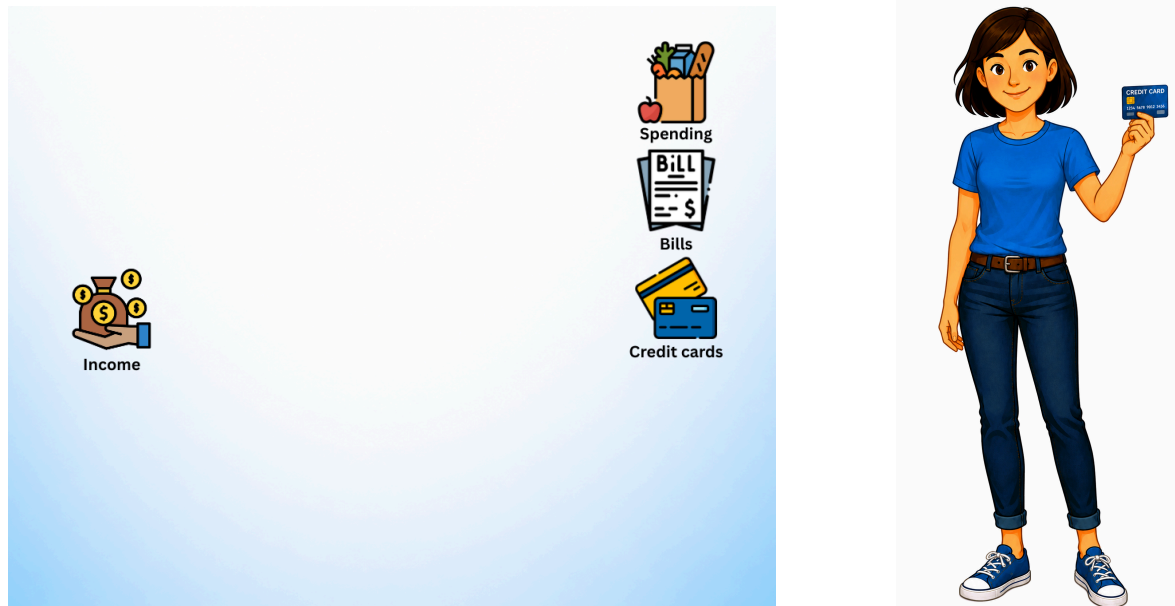
Timing issues:

Bill payments come due on schedules that are independent of when the needed money may be available.

How soon before a payment due date that a payment is submitted depends on the method of payment.

When a bill payment is due on a weekend or holiday, the payment may need to be made on a work day before or after the due date.

Credit cards



Credit cards let us buy things now with future income.

Timing issues:

When we use a credit card, we make the purchase now but don't use household cash to pay for it until later.

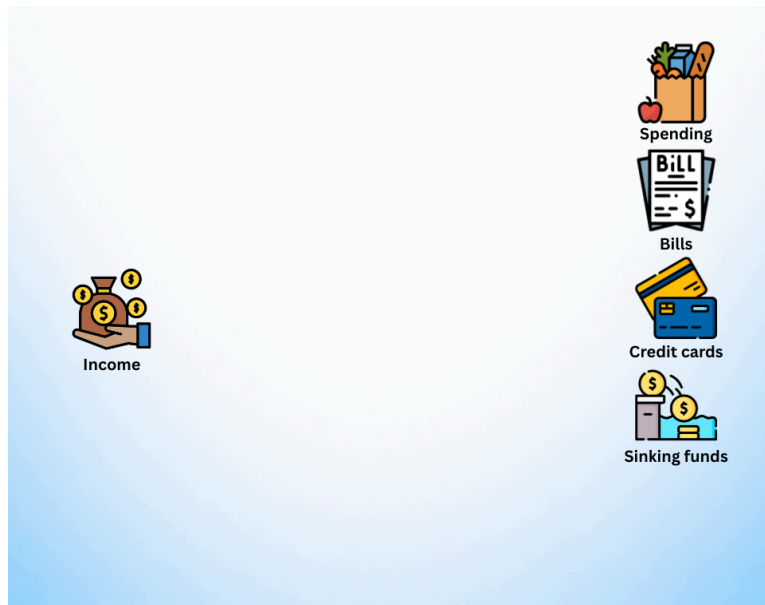
When a charge appears on a statement depends on when in the credit card's billing cycle the charge is made.

How the credit card company processes a refund affects which statement receives the credit.

- A refund could be handled the same as a charge and appear on the next statement.
- Refunds made between when a statement is created and before the payment due date is treated as a partial payment. Between the payment due date and before the creation of the next statement, a refund is handled the same as a charge and appears on the next statement. This is the way most credit card companies process refunds.

How soon before the due date a payment is submitted depends on the method of payment.

Sinking funds



Sinking funds are current income we set aside for a planned future purchase.

Timing issues:

When money is put aside in a sinking fund is up to us.

Savings



Savings are current income we set aside for future use.

Timing issues:

When money is put aside in savings is up to us.

Income and How We Use It

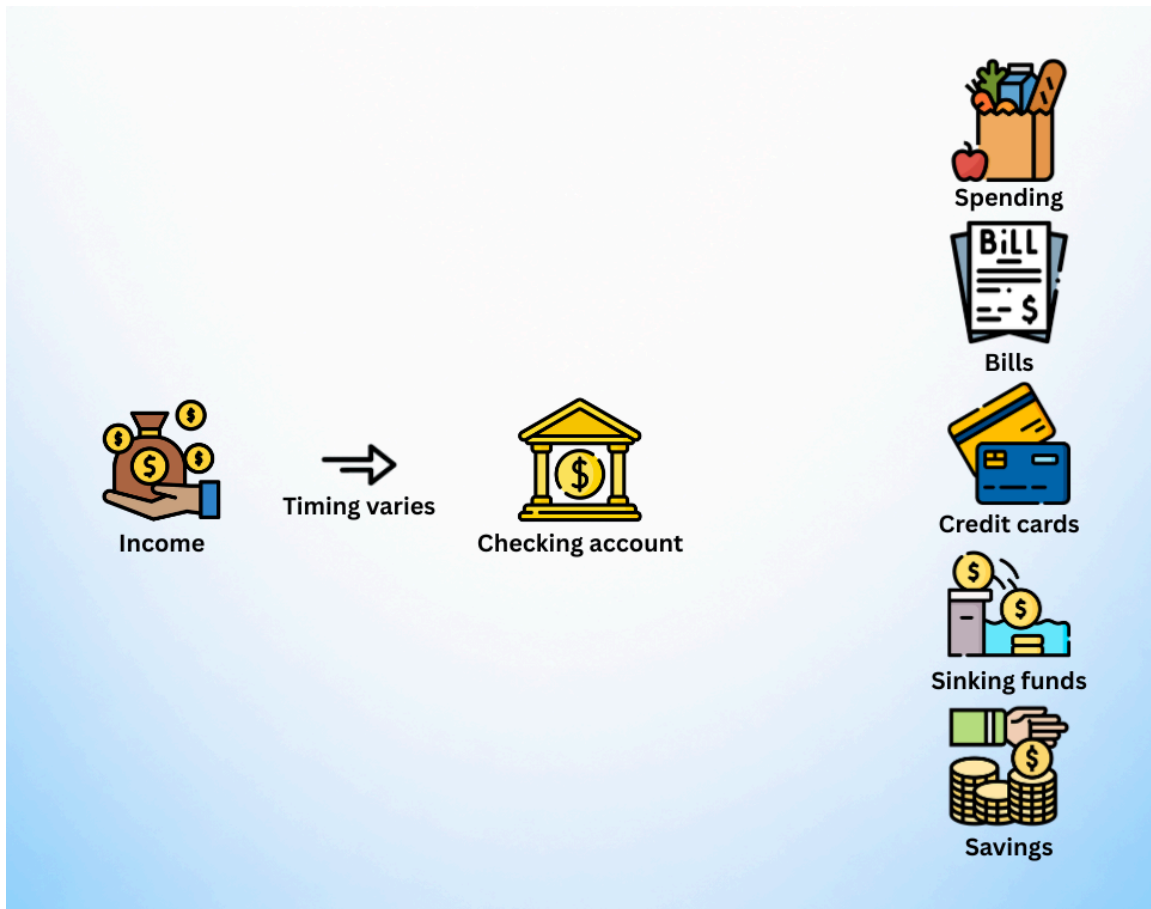


There's a lot going on with our household everyday money and everything happens at different times.

- Income arrives on one set of schedules.
- We use our income on another set of schedules.

How do we connect what's coming in with what's going out?

Checking Account



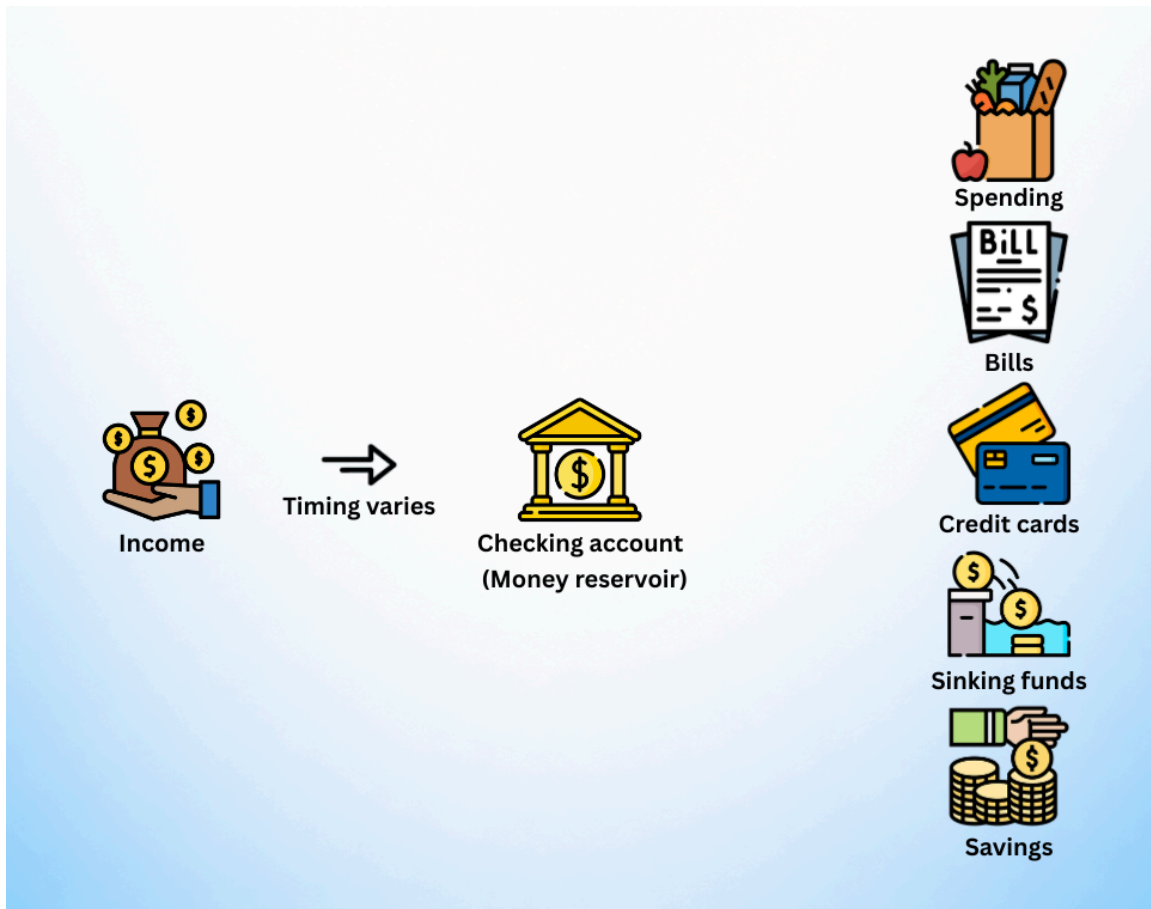
On the income side, we begin removing concerns about the unpredictable arrival of any number of incomes by adding a checking account.

All incomes that are being managed as a household's everyday money are deposited into the checking account **in full**.

The only additional action taken on each payday is **recording the deposit**.

What does this simple change accomplish?

Money Reservoir



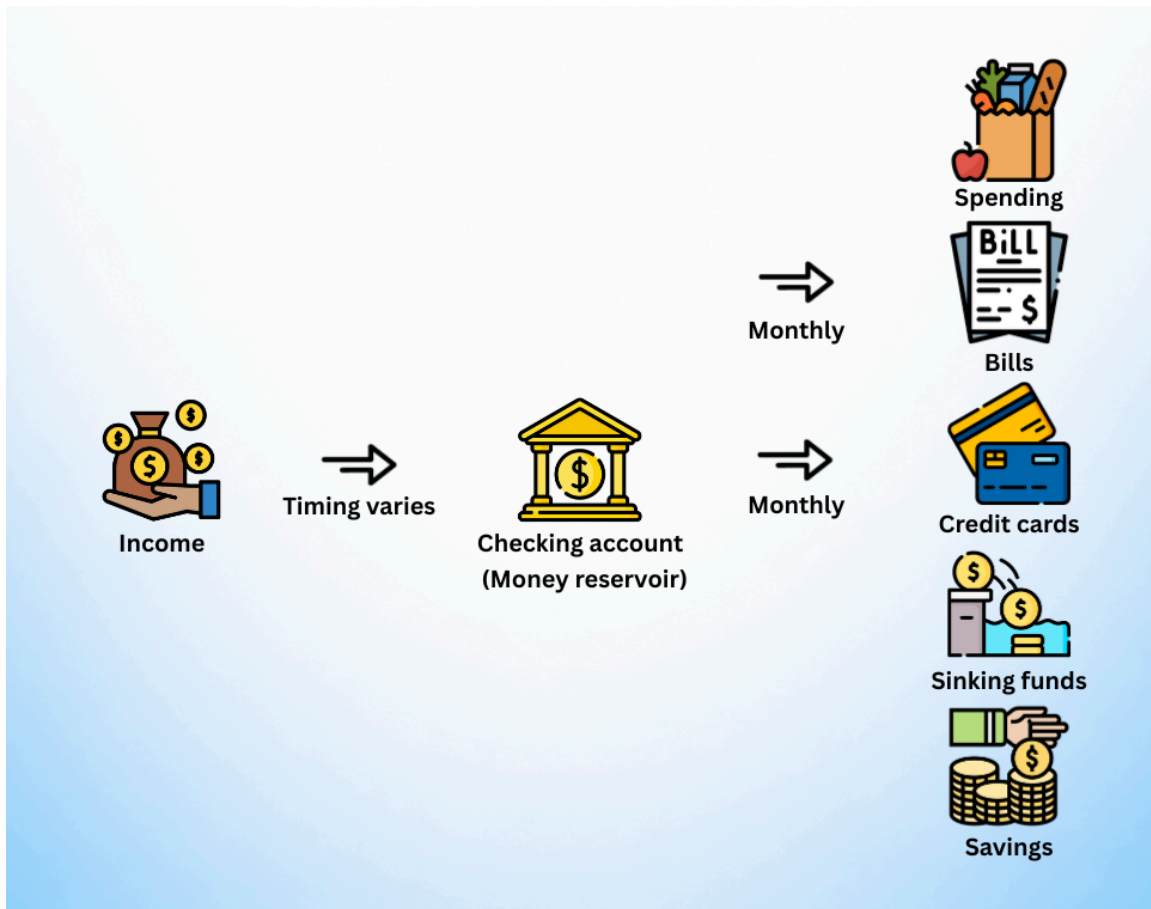
We have created a money reservoir where income collects similar to how the flow from one or more rivers fills the reservoir behind a dam.

A money reservoir isolates our income, regardless of when it arrives, from when we will be using the accumulated cash.

We are now free to use our income when it is needed which raises the question:

How will we control the release of money from the reservoir?

Twice Monthly Checkpoints



Bills and credit card payments happen on some type of monthly schedule. Making payments:

- On due dates is potentially confusing and a lot of unnecessary work
- The first of the month is not often enough especially for payments due near the end of the month
- Weekly is out of sync with monthly schedules

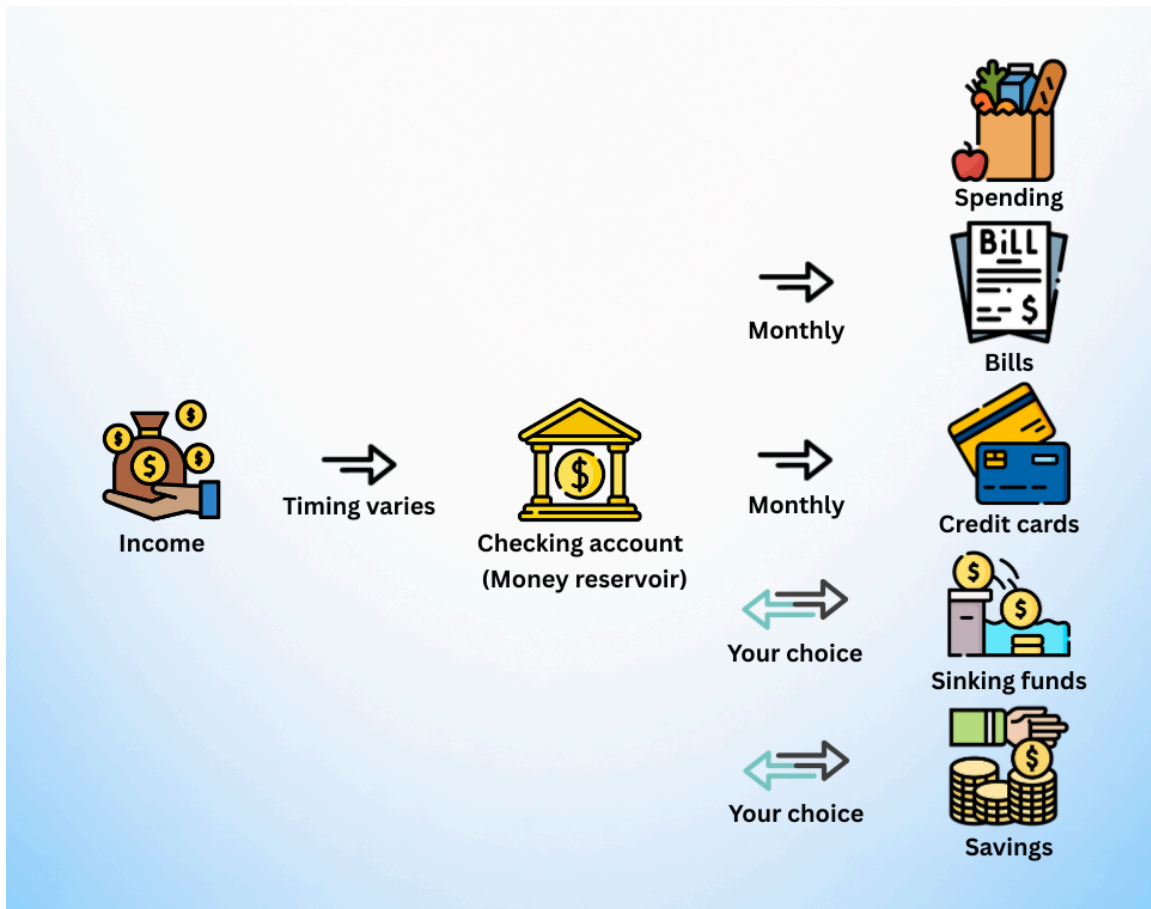
Twice monthly checkpoints at which bill and credit card payments are made is the best compromise.

The 1st and 15th of each month are the normal checkpoint, or bill paying days.

- On the 1st, bill and credit card payments due the 1st through the 14th are paid.
- On the 15th, payments due the 15th through the end of the month are paid.

The monthly checkpoint days are adjustable to allow better alignment with the flow of income.

Twice Monthly Saving



When we put aside money for sinking funds and savings is up to us. The simplest way to consistently add to our sinking funds and savings is to schedule putting aside the money at the same twice monthly checkpoints when we pay bills.

The money for short-term sinking funds and savings remains in the checking account money reservoir until needed.

Setting Aside And Using Allowance



To manage spending, we give ourselves a weekly allowance on a weekday and in an amount of our choice.

Using two checkpoints per month for bills, credit cards, sinking funds, and savings creates an additional timing issue for a weekly allowance.

- We will withdraw our allowance from the checking account reservoir on our weekly allowance day.
- Money for future weekly allowances will be set aside at the checkpoints when bills are paid. The money set aside for future weekly allowances is kept in the money reservoir until withdrawn.

Net Cashflow



At the twice monthly bill paying days on which money is spent or set aside for spending, bills, credit cards, sinking funds, and savings, the amount of cash available in our money reservoir at each checkpoint is known. Subtracting the total amount being used from the available cash amount gives us our net cashflow at each checkpoint.

When our net cashflow is positive, we are using less income than we expect to have available. A negative net cashflow at a checkpoint means we need to make an adjustment to our plan to correct the shortfall. The twelve-month cash plan in *You Need A Cash Plan* makes these negative checkpoints visible before they become today's problem.

The Flow of Household Everyday Money



This is how everyday money flows. The simple changes made to this flow—a reservoir, twice-monthly checkpoints, a weekly allowance, and net cashflow—create a structure that works regardless of the amount, source, or timing of our income and expenses.

The details differ from household to household. The flow within each household is the same.

In Part 2 we will look at making this flow visible and manageable.



Part 2: Making The Flow of Household Everyday Money Visible

In Part 1, we saw how everyday money flows through a household. In Part 2, we'll look at how you use You Need A Cash Plan to make each part of that flow visible and bring it all together in a twelve-month cash plan.

For each part of the flow, we'll look separately at what you do when getting started and what you do day-to-day. You'll see that much of the work is done when you first describe how your household money works. Day-to-day, you mainly keep that information current as things change.

If you would like to follow along with the actual program as you read, you can download You Need A Cash Plan and start your 60-day free trial at ynacp.com/start.

The user guide is available for checking out the details at ynacp.com/ug.



Checking account (Money reservoir)

Getting started:

You select or open a checking account that you will manage with You Need A Cash Plan. Do not choose a checking account with which you use a debit card.

You initialize the checking account's balance in You Need A Cash Plan by entering a deposit.

Day-to-day:

Transaction register

You Need A Cash Plan maintains the checking account Transaction Register for you. The transactions created by making bill and credit card payments are automatically recorded. You enter all other transactions that change the balance in your checking account.

Ledgers

You Need A Cash Plan maintains a set of ledgers that keep track of how the cash in the money reservoir will be used.

- Available Cash — Money that you have not allocated to a purpose. Deposits are added to this ledger.
- Allowance — Money for future weekly allowances. Money is added to this ledger when you pay bills on a checkpoint date. Your allowance amount is withdrawn from this ledger each week when you get your allowance.
- Bills and Credit Cards — These ledgers are automatically created when you add a bill or credit card. Cash moved to a bill or credit card ledger will be used automatically for making payments.
- Sinking Funds and Savings — These ledgers are automatically created when you add a sinking fund or saving. Money is added to these ledgers when you pay bills on a checkpoint date or when you move the money from another ledger. Cash in a sinking fund or saving ledger remains in the reservoir until used.

You can change how you plan to use cash in the money reservoir by moving cash from one ledger to another.

The real life balance in your checking account is equal to the total of all the ledgers in You Need A Cash Plan.

Linking ledgers

You can link a bill or credit card to a sinking fund or savings ledger to make the balance in the sinking fund or savings ledger available for use making payments.

Balancing Statements

You balance your bank or credit union statements each month either using a printed statement or automatically with a file of transactions downloaded from your bank or credit union's website. A downloaded transaction file from any website is made usable by You Need A Cash Plan with a transaction file map that you create.



Income

Getting started:

You enter each of the incomes that will be deposited into your You Need A Cash Plan checking account by providing:

- Description including how long the income is expected to last
- Net pay (salaried and hourly)
- Pay periods
- Paydays including the holidays that cause the date of payday to change

For each predictable income that you enter, You Need A Cash Plan calculates the payday dates and amounts for the next twelve months. Each calculated paycheck is placed in your cash plan as income on the checkpoint where it will become available.

Unpredictable incomes are added to your cash plan with no calculated paydays.

Day-to-day:

You only need to edit a predictable income when you know its amount or schedule will change. You edit unpredictable incomes to add or edit expected paydays as you learn of them.

At any time you can adjust the days of your twice monthly checkpoints to optimize their alignment with your income.



Spending (Allowance)

Getting started:

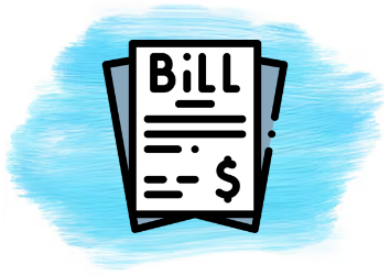
When getting started, deciding how much allowance to give yourself is probably going to be plain guesswork. Not to worry. You can change your allowance at any time.

Day-to-day:

The money for your weekly allowance is automatically set aside as part of paying bills.

On your chosen allowance day, you withdraw the money from your checking account and then record the withdrawal in You Need A Cash Plan. Where you put your allowance for the week is up to you.

You can change the name “Allowance” to anything at any time.



Bills

Getting started:

You enter each of the bills that will be paid from your You Need A Cash Plan checking account by providing:

- Description including how the bill is paid and the payment lead time
- When payments are due
- Payment amount
- Payment schedule including how long the payments will last and the holidays that cause the payment date to change

For each scheduled bill that you enter, You Need A Cash Plan calculates the due dates and payment amounts for the next twelve months. Each calculated payment is placed in your cash plan on the checkpoint where it will be paid.

Unscheduled bills are added to your cash plan with no calculated payments.

Day-to-day:

You only need to edit a scheduled bill when you know its payment amount or schedule will change. The most common edit is to update the payment amount if needed when you receive a payment reminder from a vendor.

You edit unscheduled bills to add or edit payments as you learn of them.

You can optionally enter contact information for bills.



Credit cards

Getting started:

You enter each of the credit cards that you will be using with You Need A Cash Plan by providing:

- When statements normally close
- When payments are due
- How payments are made
- How refunds are handled
- The payment lead time

You Need A Cash Plan makes each credit card you enter available for use with your cash plan.

There are options for adding credit cards that have a balance you are unable to pay in full when next due.

Day-to-day:

You only need to edit a credit card when something changes.

For each credit card, you can optionally enter information from the card that is needed when making a purchase as well as contact information.



Using credit cards

Getting started:

You initialize your usage of each credit card by entering current activity.

- Unpaid statements.
- Charges and refunds that have not yet appeared on a statement.

Day-to-day:

Four-step Method

You manage the usage of your credit cards with the four-step method in You Need A Cash Plan.

1. Remember what happened.
2. Update charging activity and schedule payments. You Need A Cash Plan adds scheduled payments to your cash plan at the checkpoint when the affected statement will be paid.
3. Validate charging activity.
4. Make payments in full and on time.

Adhering to the four-step method avoids paying interest and fees as well as keeping you informed on how your charging activity is affecting your future net cash flow.

Reconciling Statements

You reconcile your credit card statements each month either using a printed statement or automatically with a file of transactions downloaded from your credit card company's website. A downloaded transaction file from any website is made usable by You Need A Cash Plan with a transaction file map that you create.



Sinking funds

Getting started:

Adding a sinking fund is not normally a part of getting started with You Need A Cash Plan. It is to your advantage to wait to use sinking funds after you have begun using your cash plan and know your projected net cashflow.

When you are ready:

You add a sinking fund by providing:

- The goal amount
- When to start setting aside money
- On which checkpoints to do the set asides
- The date the goal amount is needed

You Need A Cash Plan calculates the set aside amount and adds the sinking fund to your cash plan.



Savings

Getting started:

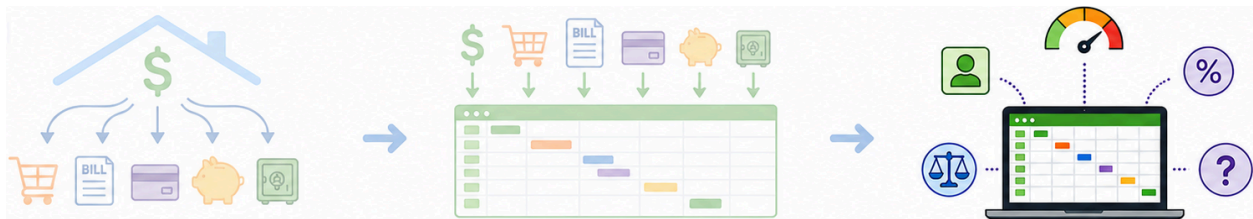
Adding savings is not normally a part of getting started with You Need A Cash Plan. It is to your advantage to wait to use savings after you have begun using your cash plan and know your projected net cashflow.

When you are ready:

You add a savings by providing:

- The type of saving — percent of an income, fixed amount, or unscheduled
- When to start setting aside money
- The lifespan of the savings
- A set aside limit, if needed, to put a cap on the savings ledger balance

You Need A Cash Plan adds the savings to your cash plan.



Part 3: You Need A Cash Plan

So far, we have looked at how your everyday money flows and how You Need A Cash Plan makes that flow visible. In Part 3, we'll look at the cash plan itself and some of the other tools available in You Need A Cash Plan.



Cash plans

Getting started:

You can think of a cash plan in You Need A Cash Plan as a file folder in which you have all of the tools you need to manage the income that is deposited into the cash plan's checking account.

When You Need A Cash Plan is first started, the Primary cash plan is created. You can rename the Primary plan, but you cannot delete it.

A new cash plan is inactive. It keeps pace with the calendar, but nothing happens while getting started. A cash plan becomes active—goes live—the first time you pay bills. The next page shows a sample active cash plan. Your numbers will be different.

The groups in the sample cash plan—incomes, allowance set asides, bill payments, credit card payments, and saving set asides—are all subtotaled to one row. Each group, as well as the entire cash plan, can be expanded to show the details underneath.

Dashboard
Help
☒ Show Cash Plan at startup

Cash Plan

How your household plan fits together

Plan settings
Household
Charts
Spreadsheet
Sliders
Accessories

	9/1/2026	9/15/2026	10/1/2026	10/15/2026	11/1/2026	11/15/2026	12/1/2026	12/15/2026	1/1/2027	1/15/2027
Available cash	2,074.79	758.84	293.32	1,222.55	1,088.95	2,881.75	3,392.23	4,920.03	5,430.51	7,178.31
Incomes	3,190.02	955.00	5,256.02	955.00	5,256.02	955.00	5,256.02	955.00	5,256.02	955.00
Total available	5,264.81	1,713.84	5,549.34	2,177.55	6,344.97	3,836.75	8,648.25	5,875.03	10,686.53	8,133.31
Allowance Set Asides	1,250.00		1,000.00		1,000.00		1,250.00		1,000.00	
Bill payments	2,433.87	434.53	2,415.47	434.52	2,415.47	434.52	2,430.47	434.52	2,460.47	434.52
Credit card payments	774.35	975.99	863.57	644.08						
Saving set asides	47.75	10.00	47.75	10.00	47.75	10.00	47.75	10.00	47.75	10.00
Total cash outgo	4,505.97	1,420.52	4,326.79	1,088.60	3,463.22	444.52	3,728.22	444.52	3,508.22	444.52
Net cashflow	758.84	293.32	1,222.55	1,088.95	2,881.75	3,392.23	4,920.03	5,430.51	7,178.31	7,688.79
Change in available cash	-1,315.95	-465.52	929.23	-133.60	1,792.80	510.48	1,527.80	510.48	1,747.80	510.48
Payments with credit card	144.55	156.88	194.50	223.88	144.55	180.09	144.55	114.17	460.51	62.01

Day-to-day:

You use You Need A Cash Plan to keep your cash plan up to date with the day-to-day changes that happen with your everyday money as well as do periodic, routine tasks.

Adding cash plans

The reasons for adding a cash plan could include:

- managing different incomes
- cloning a cash plan so you can safely play "What If?" with any part of your cashflow
- teaching a child how to manage household finances

There is no limit to the number of cash plans that you can add. Each cash plan that you maintain in You Need A Cash Plan is kept separate from all other cash plans. You can switch between cash plans at any time.

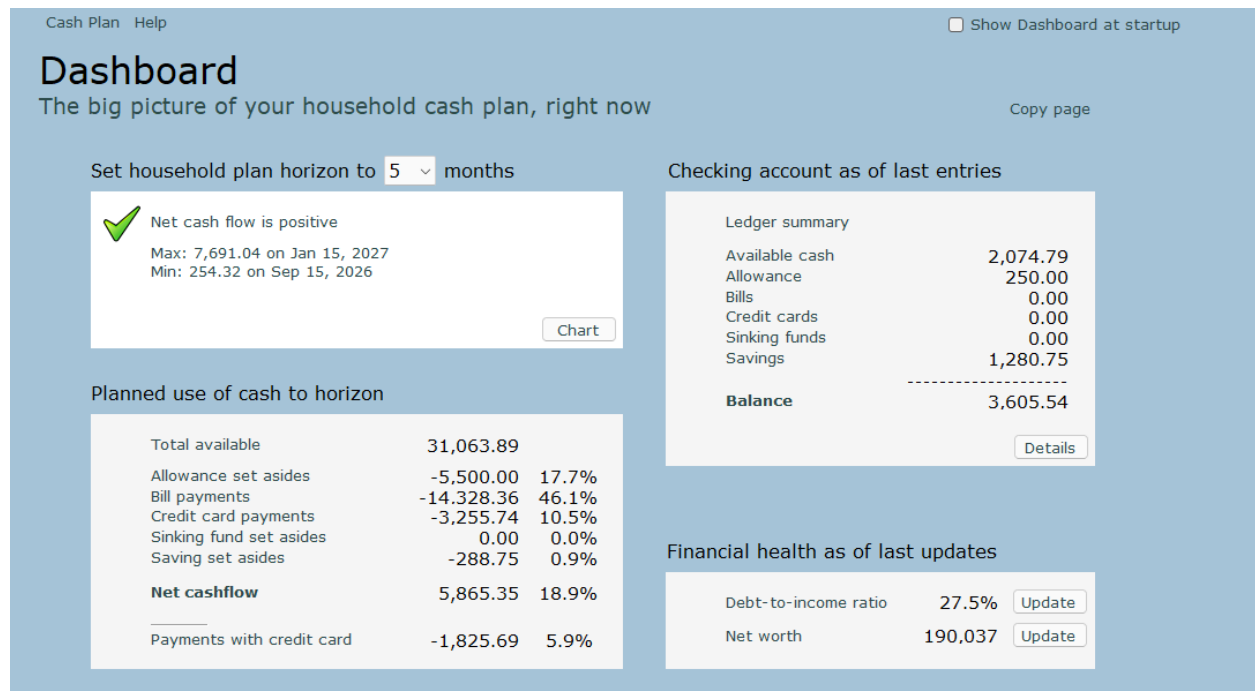
Paying bills

Starting with when your cash plan goes live, you pay bills on the date of the first column in your cash plan spreadsheet.



Dashboard

The Dashboard page in You Need A Cash Plan gives you a quick snapshot of your household everyday money.



This is a sample dashboard. Your numbers will be different.



Contacts

The Contacts feature in You Need A Cash Plan provides you with a convenient place to keep information you may need for people with whom you communicate, as well as information for companies and websites you visit.

Dashboard Cash Plan Help Debt-to-income ratio Net worth

Contacts

Contacts
Edit
List All

	Favorite
Absolute Write	
Adopt a Pet	
Advanced Installer	
Aetna	
AFCPE	
Alignable	
Allied Plumbing & Pumps	
Amazon	
Amazon Kindle	
Avery	Yes
BENEFEDS	
Bogleheads	

Favorite contacts

Avery
Columbia Bank
Express Scripts - Lois
Jotform
Latah Credit Union
Microsoft
P1FCU
USAA

Bills
Outgo category All
List All

	Included	Type
AARP	Yes	Regular
Adobe		Regular
Airbridge Broadband	Yes	Regular
alice.money		Regular
Amazon Prime	Yes	Regular
AVG Driver Updater	Yes	Regular
AVG Tune Up - 10 devices	Yes	Regular
AVG Tune Up - not used		Regular
Avista	Yes	Regular
Birds and Blooms	Yes	Regular
Buffer (Savings acct)	Yes	Regular
Camtasia Assets	Yes	Regular
Camtasia subscription	Yes	Regular
Canva Pro	Yes	Regular
ChatGPT	Yes	Regular
chewy.com		Regular
City of Genesee	Yes	Regular
Comodo Code Signing		Regular
Consumer Reports	Yes	Regular
Costco Annual Renewal	Yes	Regular
Daily Word	Yes	Regular
Daily Word Gift Sub		Regular
diib		Regular
Dish	Yes	Regular
DMV		Regular

Credit cards
List All

The Contacts feature complements the Contact Info that can be entered for each bill and credit card. The bill and credit card Contact Info windows are automatically created when you add a new bill and credit card. It is not necessary, therefore, to add a separate Contact for any bill or credit card.

There is no requirement to enter this information. The program does not use any contact information, including account numbers and passwords, for any purpose.



Debt-to-income ratio

Your debt-to-income ratio (DTI) is all of your monthly debt payments divided by your gross monthly income expressed as a percent. It indicates your ability to handle the monthly payments for the money you may be considering borrowing.

Maintaining your DTI ratio is optional.

[Dashboard](#) [Cash Plan](#) [Help](#) [Net Worth](#)

Debt-To-Income Ratio

[Add bill](#) [Add income](#) [Copy page](#) [Print](#)

Included monthly bills		Gross monthly income	
Description	Amount	Description	Amount
HomeLoanServ PITI	2,143.00	George's social security	2,268.90
		Lois' social security	1,157.90
		Navy retirement	3,678.00
		Person On Call	500.00
Total	2,143.00	Total	7,604.80

Annual included bills25,716.00

Annual gross income91,257.60

Debt-to-income ratio28.2%

Avery

Show Contact

Contacts

This is a sample debt-to-income ratio. Your numbers will be different.



Net worth

Your net worth is the value of the assets you own minus the liabilities you owe. Your net worth is how you measure your financial health.

Maintaining your net worth is optional.

Dashboard Cash Plan Help Debt-to-income ratio

Net Worth

Add row Chart history [Copy page](#) Print

Assets		Liabilities	
Description	Amount	Description	Amount
>>> Cash And Cash Equivalents		>>> Short Term Credit	
Business checking	48	Scheduled credit card p...	3,256
Cash plan checking acc...	3,606	Total	3,256
Columbia Bank savings	15	>>> Loans And Mortgages	
Latah Credit Union	7,677	HomeLoanSvc PITI	290,661
P1FCU	15,309	Total	290,661
Total	26,654		
>>> Brokerage Accounts			
Person On Call LLC (JT...	0		
Total	0		
>>> Properties			
340 E Walnut St, Genes...	346,500		
Chevrolet 2025 Silverado	45,000		
Total	391,500		
>>> Other Assets			
Diamond earrings	950		
Diamond wedding ring	1,900		
Diamond wedding ring	12,950		
Household goods	50,000		
Total	65,800		

Total assets483,954

Total liabilities293,917

Net worth190,037

History

As Of	Assets	Liabilities	Net Worth
12/20/2025	463,830	298,015	165,815
1/16/2026	462,296	298,573	163,723
2/2/2026	464,014	298,898	165,116
3/25/2026	464,352	297,956	166,396
5/7/2026	462,889	295,734	167,155
6/1/2026	462,581	295,728	166,853
6/26/2026	463,245	296,097	167,148
7/1/2026	463,186	295,760	167,426
7/5/2026	483,686	295,800	187,886
8/5/2026	482,922	293,664	189,258

Avery Show Contact Contacts

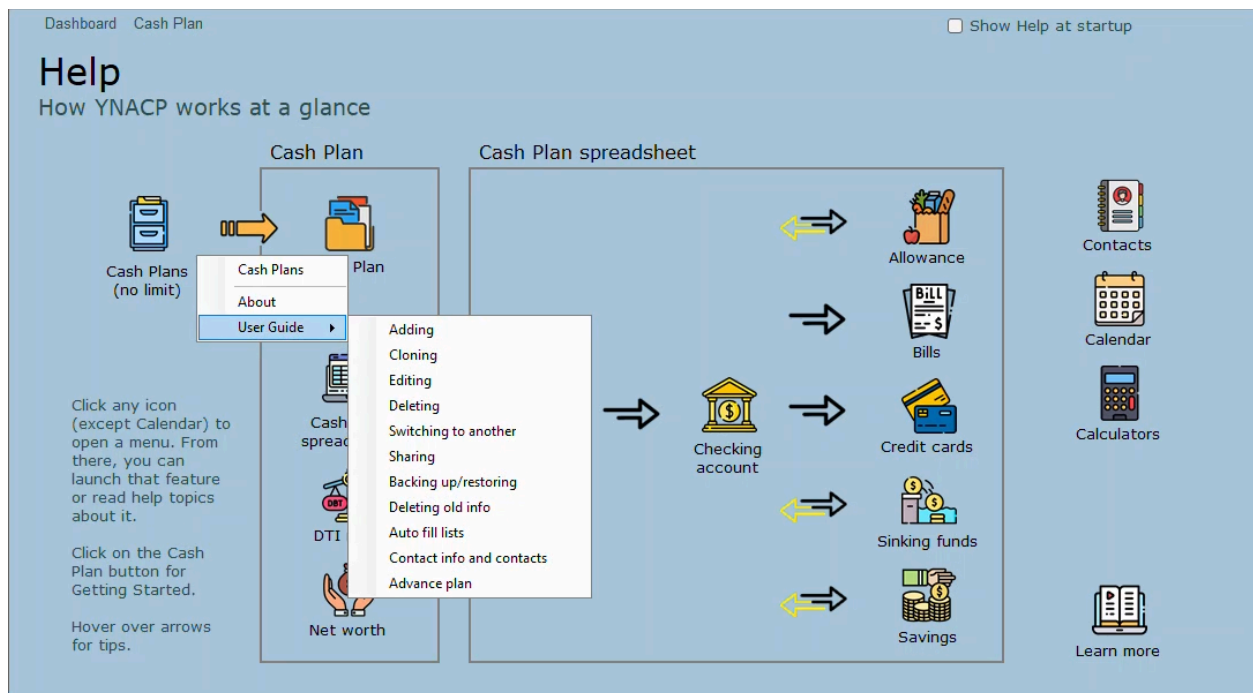
This is a sample net worth. Your numbers will be different.



Help

Clicking on an icon on the Help page in You Need A Cash Plan displays a pop-up menu for:

- Navigating to the icon's page or window
- Learning about the topic represented by the icon
- Accessing topics in the user guide



The Help page.

Continue with the flow

Household everyday money can seem complicated because so many things happen at different times. Income arrives on its own schedules. Spending happens continuously. Bills and credit card payments come due at different times. We decide when to set money aside for sinking funds and savings.

But connecting all of that activity is the simple flow that we explored. Income arrives, collects in a checking account money reservoir, and is released over time for the different ways we use it. A weekly allowance helps control spending, twice-monthly checkpoints coordinate the other uses of income, and net cashflow tells us whether the money we expect to have will be enough for what we plan to do.

You Need A Cash Plan doesn't create that flow. It makes the flow visible. By describing your income and how you use it, you can see and manage those activities together through time and keep the picture current as everyday life changes.

If you haven't already done so, download You Need A Cash Plan at ynacp.com/start and get started on seeing how your everyday money is flowing.

And for a more in-depth discussion of the ideas introduced in this short book, read *Get Real With Your Money*. Go to ynacp.com/book for availability.

