



# Ollie's Money Book Recipe

## Avoiding Overdrafts

**Question answered:** Does You Need A Cash Plan help me avoid overdrafts?

**Short answer:** Yes. You Need A Cash Plan helps you see future cash shortages before they happen so you can make adjustments before an overdraft occurs.

**Why this matters:** Overdrafts can result in:

- bank fees,
- rejected payments,
- late fees,
- damaged relationships with vendors, and
- unnecessary financial stress.

Most overdrafts occur because of timing problems rather than a lack of income.

### The part done by You Need A Cash Plan

Net cashflow	Automatically calculates your net cashflow twice each month for the next 12 months
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### The part done by you

Overdraft protection (optional)	At your bank or credit union, link your checking account to a line of credit
Overdraft buffer	Add a Saving to your cash plan

## References

Get Real With Your Money

Chapter 10

User Guide

[Adding a Savings](#)



An overdraft buffer saving in your cash plan is an emergency fund for a specific situation; running out of cash. Don't use the money for anything else.