

BUDGETING AND CASH FLOW

Paycheck-to-Paycheck Budget Planner

Detailed practice, calculation, revision, and assessment

GRADES 9-12	TIME 2 x 42 min	GROUPING I / pairs / whole	PRODUCT Two-paycheck cash-flow plan
YOUR CHALLENGE Prove why a monthly surplus can still produce a due-date shortage. Map income and bills by date, reserve next month's rent before the 1st, allocate two paychecks without double-counting, and revise the plan after a timing disruption.			

Core Ideas

Term	Meaning
Cash flow	Timing of money entering and leaving an account.
Due date	Date payment is expected under the agreement.
Reserve	Money protected now for a future obligation.
Carryover	Money preserved from one pay cycle or month for the next.
Buffer	Extra available cash that reduces timing risk.
Monthly margin	Total monthly income minus total monthly uses; it does not show when money is available.

Part 1 - Monthly Math vs. Timing

Luis receives \$620 on the 7th and \$620 on the 22nd. Bills: rent contribution \$420 due 1st; transit \$110 due 8th; phone \$65 due 10th; credit-card minimum \$45 due 18th; internet contribution \$55 due 25th. Food target \$240 and savings target \$120.

Measure	Calculation	Answer
Monthly income		
Bills excluding food/savings		
Food + savings		
Total monthly uses		
Monthly margin		

Why can the \$420 rent due on the 1st not be paid from the paycheck arriving on the 7th without another arrangement or reserve?

Part 2 - Due-Date Cash-Flow Map

Date	Cash in / obligation	Amount	Available before	Available after	Protected reserve / action
1st	Rent	-\$420			
7th	Paycheck	+\$620			
8th	Transit	-\$110			
10th	Phone	-\$65			
18th	Card minimum	-\$45			
22nd	Paycheck	+\$620			
25th	Internet	-\$55			
Throughout	Food	-\$240 total			
By month end	Savings	-\$120			

Choose and state a starting balance on the 1st that represents money reserved from the prior month. It must be at least enough for the planned rent payment. Then complete the cash-flow math consistently.

Part 3 - Allocate Both Paychecks

Build a plan that protects the full \$420 for next month’s rent before the next 1st. You may reserve \$210 from each paycheck or use another structure. Each paycheck column must total exactly \$620.

Purpose	From 7th paycheck	From 22nd paycheck	Monthly total	Protection rule
Bills before next payday				
Food			\$240	
Savings			\$120	
Next-month rent reserve			\$420	
Internet			\$55	
Buffer/other				
TOTAL	\$620	\$620	\$1,240	

Verify that no bill appears twice and that the total monthly uses equal \$1,055, leaving a \$185 margin/buffer.

Part 4 - Timing Disruptions

Disruption	Affected dates	Lowest projected balance	Immediate action	Longer-term change
The 22nd paycheck posts one day late.				
The phone provider agrees to move the due date from the 10th to the 24th.				
Food spending reaches \$150 before the 22nd.				
A \$70 automatic payment was forgotten.				

No-Early-Spending Rule

Write a rule that prevents Luis from spending the \$185 monthly margin before confirming that required payments, savings, and next month’s rent reserve are protected by date.

Part 5 - Cash-Flow Controls and Final Memo

Control	Specific setting/rule	Review date	Evidence	Response trigger
Payday review				
Due-date calendar				
Rent reserve				
Food checkpoint				
Low-balance alert				
Automatic-payment audit				
Month-end carryover				

Write a factual provider request to change a due date. Ask whether the change affects fees, interest, minimum payment, current cycle, automatic payment, or reporting. Request written confirmation.

Final memo: explain monthly income/uses/margin, the rent timing problem, your two-paycheck allocation, the lowest-balance risk, and one disruption response.