

Getting Organized - LIVING A BETTER LIFE

by Michelle Jones

In addition to the organizing steps I've listed in this article, be sure to keep a list of those credit card purchases for Christmas, if you used them. Trying not to think about how much you spent will not help your finances in January. Know what that total is and make a plan to get it paid off, quickly.

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Being organized is important to successful budgeting, and keeping your bills paid on time. You don't need expensive budgeting software or planning kits for this, but they can be helpful. Remember that paying your bills on time will keep your credit in good standing, and knowing what your expenses are will help you get out of debt, and/or stay out of debt. Here are some basic tips for keeping your bills organized...

- ✓ Keep a master list of all your bills and expenses on a green, legal-sized, column ledger; the more detailed you make your list, the more organized you will be. You'll want to write down such things as:
 - Name of each bill and amount of your usual monthly payment.
 - Dates of when each bill is due (and past due, if necessary).
 - If your budget is tight, decide which paycheck will pay each bill and then list them accordingly.
 - Keep an updated *current balance owed* for any debts, including your car payment(s).
 - List extra expected monthly expenses (that aren't actually bills - such as groceries, lunch money, gasoline, etc... and possible unexpected items such as car repairs and medical expenses.)
 - Check off each item when you mail the payment and write down the amount you sent.
 - Keep just a few months worth of expenses per ledger sheet (I do mine by the quarter), because you may have expenses that will change during the year and you don't want your organized list to become a mess with updates.

- ✓ Keeping an organized list like this will help you have an idea of how much money you really have; it's not just what's left over after the bills have been mailed.

- ✓ Have a specific place for your bills. I have a rectangle shaped basket that I keep on the corner of my desk that works great (even better, it was a yard sale bargain for 25 cents). A notebook, folder (depending on how many bills you have), desk drawer or even a shoebox will do – whatever works for you.

- ✓ Go through your mail every day! Throw out the junk (tearing credit applications in half), tuck personal letters into your address book or in a place where you will remember to send a reply,

place magazines in a convenient place where you'll have time to read them, and most importantly, put your bills all in one place!

- ✓ Open your bills the day you receive them, not later when they're due. There are several reasons for doing this. If an accounting mistake has been made, you may have time to get it fixed before the bill becomes due or past due. However, I have one I'm still working on after 120 days, so it's not always a guarantee.
- ✓ Another reason is that sometimes billing dates change without notice, actually, as far as I know, it is always without notice. When your budget is in good shape you'll be able to pay your bills ahead of time and this won't matter, but when times are tough, a few extra days early may catch you off guard and cause your payment to be late. (If you know you're going to be late be sure to communicate this with your creditor as I talked about in Dealing with Debt, and if the new due date is difficult for you it can probably be adjusted with one phone call.)
- ✓ If you are in the process of paying off debts or medical bills, keep a running list of every account on a separate page and have a plan to get them paid off as soon as possible. If you can manage to pay just \$10 a month extra each month it will make a big difference. You can use the debt payment calculator from our Budgeting Tools on our main page to assist you with your plan.
- ✓ How often should you pay your bills? This will depend on several factors. How often you get paid, how flexible your budget is, and how many bills you have.

Don't let your bills control you. Instead, keep your sanity and get organized!

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