

You Need A Budget.



YNAB 4 USER GUIDE



Contents

- About..... 3
- Features 4
- Method 5
 - Rule One: Give Every Dollar a Job..... 5
 - Rule Two: Save for a Rainy Day 5
 - Rule Three: Roll With the Punches 6
 - Rule Four: Live on Last Month’s Income 6
- Creating a Budget..... 7
 - Creating a New Budget..... 7
 - Adding Accounts..... 8
 - Adding and Modifying Categories 9
 - Adding Master Categories 10
 - Adding Subcategories 10
 - Modifying Master Categories..... 11
 - Modifying Subcategories 11
 - Adding Notes..... 12
 - Adding Budget Amounts 13

About

YNAB 4 is a personal budget software designed with Four Simple Rules to help you gain control of your money, be free of debt, and reach your financial goals.

As a newlywed student in 2003, Jesse felt the need to develop a system to track his expenses. What began as a simple expense recorder for Jesse would, with the help of a small and passionate team, become the life- changing finance management tool that YNAB is today. Thanks to the unique Four Real approach founded by Jesse, tens of thousands of YNAB users all over the world have paid down their debt, saved more money, and broken the paycheck to paycheck cycle.

“Get out of debt.

Save for a rainy day.

Live on less than you earn.”

-Jesse Mecham

Features

- ❖ YNAB runs on Windows or Mac and you can sync in-between. PC at work and Mac at home? One license is all you need.
- ❖ YNAB supports virtually all global currency, including Dollars, Euros, Pounds, Rupees, Reals,
- ❖ We have an awesome upgrade policy: One license is good for all your computers. All minor updates are free. We'll never remove features to get you to upgrade.
- ❖ We want you to help you succeed. Free live classes, screencasts, a dedicated forum and more are there to help you on www.youneedabudget.com
- ❖ If you make mistake with your budget, never fear. You can now revert to a past version in a single click.
- ❖ With all your accounts unified in one view it's easier to see all your transactions or find the specific one you're looking for.
- ❖ We've got easy split transactions. When it comes to ease of entry, our inline split-transaction entry is second to none.
- ❖ Autosave! YNAB saves your budget automatically at regular intervals and also when you quit. No need to worry about losing your work.
- ❖ Have bills or paychecks on regular intervals? Create a scheduled transaction and new transactions will be made automatically.
- ❖ Our new reconciliation wizard lets you reconcile all of your accounts with ease to make sure that YNAB and your account balances match.
- ❖ Search for dates, amounts, payees, categories and more. You can combine searches to get just the results you want.
- ❖ Notes everywhere. Save notes for months, categories or budget amounts in a category.
- ❖ You can click on any 'outflow' amount in your budget and get a list of all the transactions that made up that number and edit them if you need to.

Method

The YNAB methodology is simple. Follow our four rules and you'll be saying goodbye to debt and sitting on a pile of savings in no time.

Rule One: Give Every Dollar a Job

By assigning every dollar a job, instead of deciding to buy something based on the amount of money in your checking account balance, you'll decide based on a category balance.

Example:

You see \$2000 in your checking account balance, and you're under the illusion that you have loads of cash so splurge on those \$200 designer jeans and the \$300 leather jacket you've been eyeing. A few days later, some bills are due and it's time to go grocery shopping. There isn't enough money in your account. You start panicking.

There's no need to panic if you follow Rule One!

Let's rewind to see what happens if you give every dollar a job instead of absentmindedly spending.

You see \$2000 in your checking account balance. You give each of those dollars a job by dividing the \$2000 into various categories.

Food	Phone Bill	Car Payments	Utilities	Rent	Clothes
\$250	\$70	\$200	\$300	\$1100	\$80

TOTAL BUDGETED: \$2000

You realize that you can't afford the designer jeans and the leather jacket so you buy the \$50 jeans that are on sale. You have \$30 left over in the Clothes category so you decide to start saving up for the leather jacket. A few days later some bills come, and you pay them with ease. No more panic.

Rule Two: Save for a Rainy Day

There's no such thing as normal months. Your expenses don't occur evenly throughout the year. Rule Two forces you to take those large, less-frequent expenses that usually put you in a financial crisis and break them into monthly, manageable chunks. Result? Financial peace.

Example:

Your car insurance premium is due every six months. It's \$600. You have nothing to worry about because you've been following Rule Two and setting aside \$100 in the Car Insurance category for the past six months. Your bill comes and you pay it. No panic. No crisis.

Rule Two is also about anticipating the unexpected, plan ahead for future expenses like vacations, medical bills, unexpected travel, and car repairs. Assign categories for unexpected expenses and you won't have anything financial to worry about when you suddenly need to get an emergency root canal. It might hurt to eat for a while, but it certainly won't hurt your wallet.

Rule Three: Roll With the Punches

When you overspend in a budget category for the month, roll with it! You make and change plans all the time. If you plan a weekend camping trip with your friends, but you suddenly come down with a very bad ear infection. Do you still go on the trip? No, you stay home and rest. When circumstances change, you change your plan. Your budget is no different. If you overspend in a category, look through your budget and move some money around. Be flexible!

Example:

You budget your standard \$100 in 'Eating Out' for December, but end up spending \$140. Why? Maybe you were super hungry and ordered extra sushi. Maybe you were sick and had to order take out because you were too tired to cook. Maybe you tipped that really nice waitress a little too much.

You feel like a failure and start ranting about how budgets don't work and are a complete waste of time.

Rule Three then comes in and soothingly says, "That's fine, you went over in Eating out, it's ok if you move some surplus money from "Clothes" into Eating out. If you don't make any adjustments, YNAB automatically deducts overspending from next month's money. You don't feel like a failure. Budgets do work.

Rule Four: Live on Last Month's Income

Spend this month, what you earned last month. How? Save enough money to go an entire month without touching your regular income. Then the next month, spend last month's income while earning this month's income. You'll spend this month's income next month.

Example:

Let's say you make \$4,000 every month. Before finding YNAB, you spent \$4,000 per month and lived paycheck to paycheck. You had stack of bills you timed to go out as soon as the paycheck was in your account. You were super stressed from juggling due dates, cash flow, and other unexpected expenses.

Rule Four came in to save you.

Now, because you're budgeting and really working hard to live on last month's income, (YNABers call this their "Buffer"), you're only spending \$3,000. That means you're saving \$1,000 per month toward the Buffer.

If you save \$1,000 per month for four months, you'll have saved a total of \$4,000. So at the beginning of the fifth month (remember, you used the first four months to save that \$4,000), you're essentially sitting on a month's worth of pay. You'll use that money for the fifth month, earn \$4,000 during the fifth month, then use that \$4,000 for the fifth month.

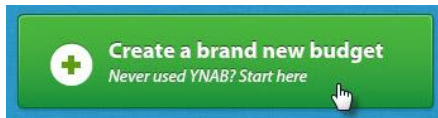
You now have a month's worth of paychecks saved before the month starts. When bills arrive, you pay them right away. You don't worry about when the next paycheck arrives because the money is already there. You're not stressed any more.

Creating a Budget

It's time to gain control of your money! Open up your YNAB 4 and get that budget rolling.

Creating a New Budget

1. Open up YNAB 4. Wait for the program to load.
2. Click on the **Create a brand new budget** button.



3. Complete the Budget Setup. When you are done filling out the required fields, click **Create Budget**.

A blue dialog box titled "Budget Setup" on the left side. The main content area has the following sections:

- Budget Name:** A text input field containing "My Budget".
- Cloud Sync this budget?** A section with a cloud sync icon and the text "Cloud Sync keeps your budget automatically up to date on all your devices running YNAB. Learn more." Below this are two radio buttons: "Yes, Cloud Sync this budget" (selected) and "No, leave it local".
- Starting Categories:** A section with the text "You can customize these after your budget is created." Below this are two radio buttons: "Personal/Family" and "Small Business" (selected).
- Currency & Date Formats:** A section with three dropdown menus:
 - Currency: Canadian Dollar - CAD
 - Which Format?: \$9,876,543.21 - English (Canada)
 - Date Format: 25/07/2015 - English (Canada)

At the bottom of the dialog box are two buttons: a grey "Cancel" button and a green "Create Budget" button.

4. Wait for the budget page to load.

	DEC 2015	JAN 2016	FEB 2016
Budgeted	\$0.00	\$0.00	\$0.00
Outflows	\$0.00	\$0.00	\$0.00
Balance	\$0.00	\$0.00	\$0.00

Categories	Budgeted	Outflows	Balance	Budgeted	Outflows	Balance	Budgeted	Outflows	Balance
▼ Giving	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Tithing									
Charitable									
▼ Monthly Bills	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Rent/Mortgage									
Phone									
Internet									
Cable TV									
Electricity									
Water									
Natural Gas/Propane/Oil									
▼ Everyday Expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Groceries									
Fuel									
Spending Money									
Restaurants									
Medical									
Clothing									
Household Goods									

That's it. Congratulations on creating your new budget! Now, you can begin putting those dollars to work.

Adding Accounts

Before you start on the budget itself, you will need to add your account(s). When you add an account, the money in that account will go to the budget.

1. Select the **Add Account** button from the left hand panel of the budget page.



2. Enter your account information into the Create a New Account dialogue box. Remember to select “Budget Account” to have the account you chose go towards your budget. When you are done, select **Create Account**.

Create a New Account

Name:

Current Balance: _____ **Date of Current Balance:** 20/12/2015

You can always change this later

Type:

Select an Account Type... ▼

Budget Account - This account should affect my budget

Off-Budget - This account should not affect my budget

Cancel Create Account

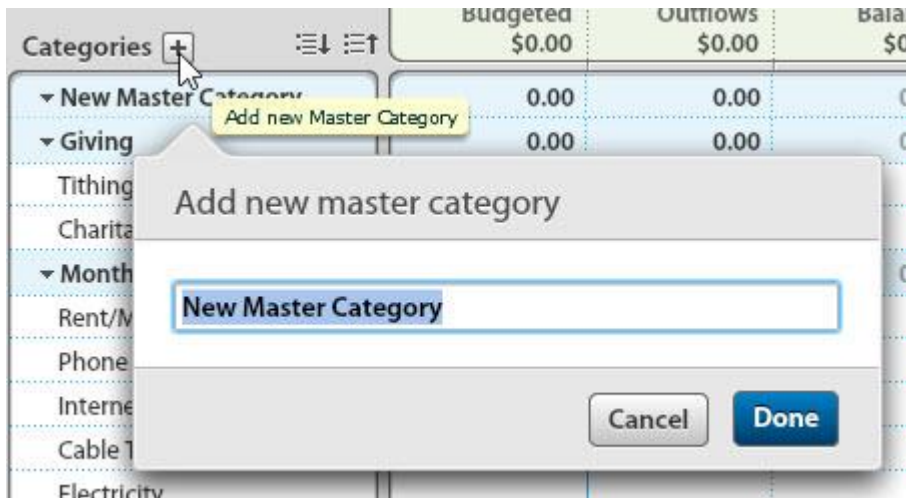
Let's say you had \$2500 in your checking account. That money is now the starting balance of your budget and will be categorized as “income” for the current month. Once you've added your account(s), you'll know what money is available and you can begin assigning categories to your dollars.

Adding and Modifying Categories

YNAB 4 already has some default master categories (such as “Monthly Bills” and “Everyday Expenses”) and subcategories (such as “Phone” and “Internet”) listed for you, but you can modify these categories and/or add your own.

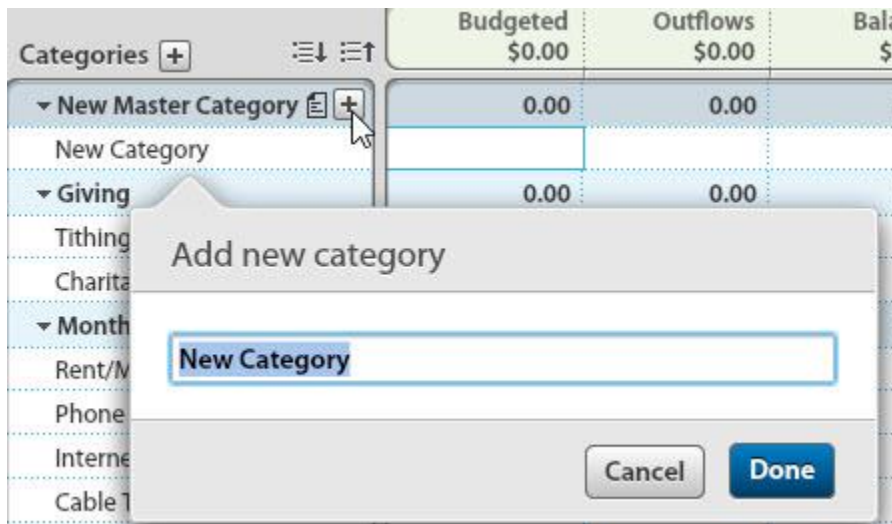
Adding Master Categories

1. Click on the + button next to the Categories heading. An “Add a new master category” box will pop up.
2. Enter in the name of your new master category.
3. Select **Done**.



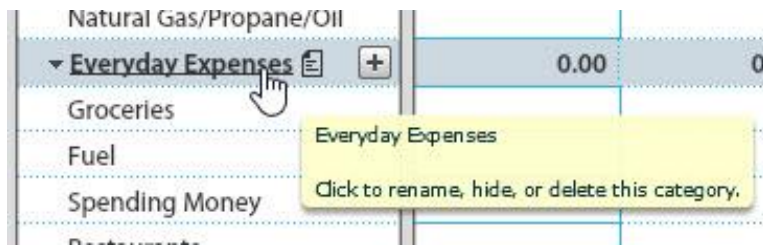
Adding Subcategories

1. Click on the + button next to the heading of the master category you want to add a subcategory to. An “Add a new category box will pop up.
2. Enter in the name of your new subcategory.
3. Select **Done**.

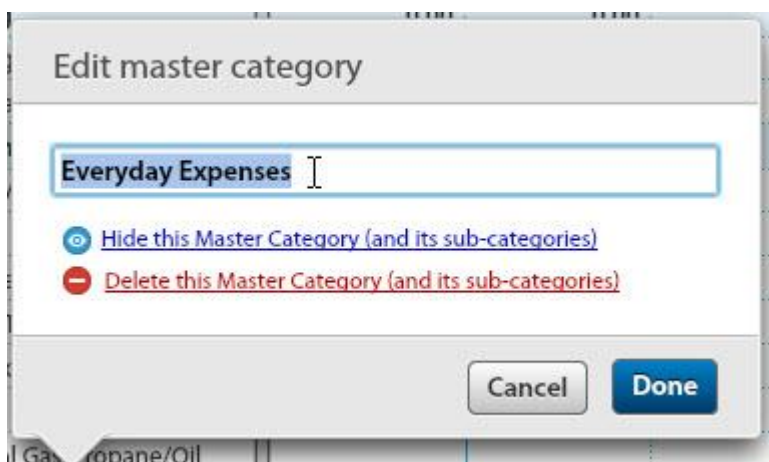


Modifying Master Categories

1. Click on the master category heading you wish to modify.



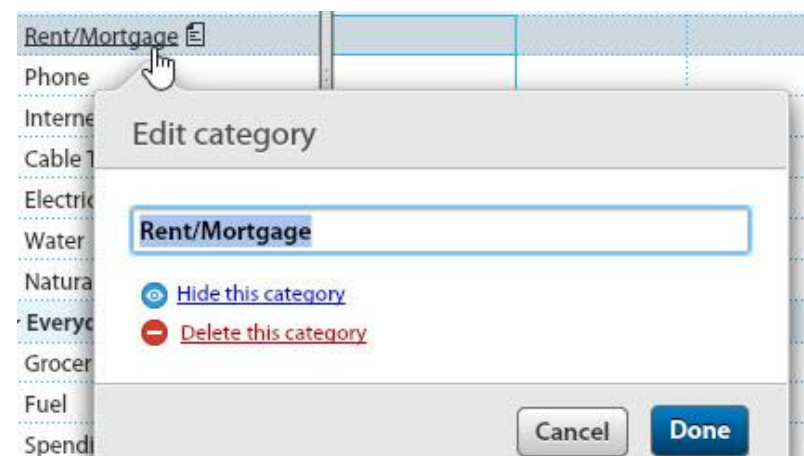
2. Enter in the new heading you want to use in the “Edit master category” box that pops up.



3. Select **Done**.

Modifying Subcategories


1. Click on the subcategory heading you wish to modify.
2. Enter in the new heading you want to use in the “Edit category” box that pops up.

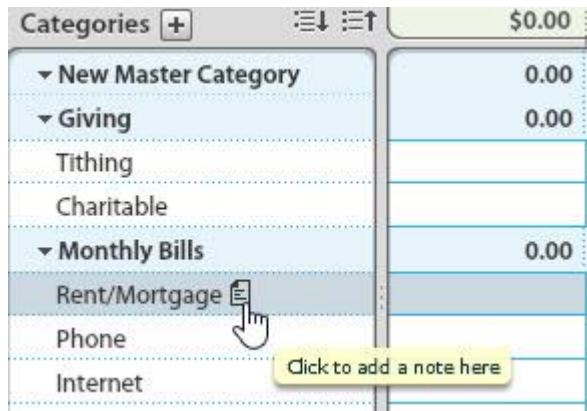


3. Select **Done**.

Adding Notes

If there's something you need to remember for any of your master categories, subcategories, or budget amounts, you can add a note.

1. Hover over the category you wish to add a note to. A small page icon  will appear next to the category heading or budget amount.



2. Enter your note into the text box that pops up.




3. Select **Done**.

Adding Budget Amounts

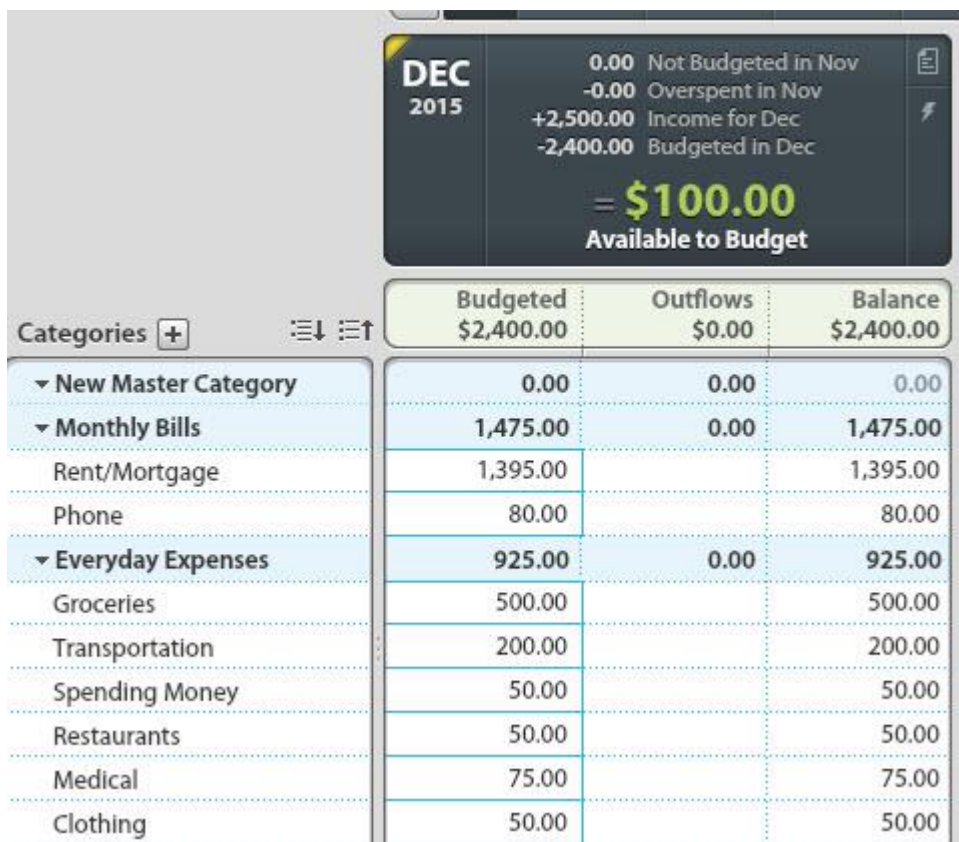
Inputting your budget amounts is very simple. The best part? YNAB does all the math for you so go ahead, and relax. Your money is in good hands.

Enter the amount you want to assign to a particular category in the “Budgeted” column of the spreadsheet. Note: This is the only column on the Budget where you enter information.



A close-up screenshot of a budget entry field. The category is 'Monthly Bills' and the amount entered is '0.00'. Below it, the sub-category 'Rent/Mortgage' is visible with an input field and a dropdown arrow.

Once you have filled in amounts for all of the categories, YNAB will provide you with the amount that you have left “Available to Budget” in the header at the top of the spreadsheet.



A screenshot of the YNAB budget overview for December 2015. The summary shows a total budget of \$2,400.00, with \$0.00 in outflows, leaving \$100.00 available to budget. The budget is broken down by category, including Monthly Bills and Everyday Expenses.

Category	Budgeted	Outflows	Balance
DEC 2015	\$2,400.00	\$0.00	\$2,400.00
0.00 Not Budgeted in Nov			
-0.00 Overspent in Nov			
+2,500.00 Income for Dec			
-2,400.00 Budgeted in Dec			
= \$100.00 Available to Budget			
▼ New Master Category	0.00	0.00	0.00
▼ Monthly Bills	1,475.00	0.00	1,475.00
Rent/Mortgage	1,395.00		1,395.00
Phone	80.00		80.00
▼ Everyday Expenses	925.00	0.00	925.00
Groceries	500.00		500.00
Transportation	200.00		200.00
Spending Money	50.00		50.00
Restaurants	50.00		50.00
Medical	75.00		75.00
Clothing	50.00		50.00