

CASH FLOW

A BIBLICAL PERSPECTIVE

The world generally defines "success" in terms of income and lifestyle, but in God's eyes, these things are unimportant. How we spend our money speaks volumes about our priorities and our belief systems. If we believe that God truly owns it all, every spending decision is, in reality, a spiritual decision. There is nothing more or less spiritual about giving a tithe than spending money on vacation. If in fact, it is all God's to begin with, then whenever we make a spending decision we are saying that this is what God would have done with His resources. This frees us to use God's resources for the accomplishment of the goals and desires that God places in our hearts with no feelings of guilt. While the Bible offers no clear-cut direction regarding spending levels or lifestyle choices, our spending habits can enhance (or limit) our ability to avoid debt, give generously, and follow God's leading in countless other areas of our financial lives.

"Too many people spend money they haven't earned to buy things they don't need to impress people they don't like."

Will Rogers

"But godliness actually is a means of great gain, when accompanied by contentment. For we have brought nothing into the world, so we cannot take anything out of it either."

I TIMOTHY 6:6-7

CASH FLOW RESPONSIBILITY

According to Scripture, it is our responsibility to allocate resources to the following areas:

Giving	I CORINTHIANS 16:2
Taxes	LUKE 20:25B
Debt Repayment	PSALM 37:21
Living Expenses	I TIMOTHY 5:8
Savings	PROVERBS 6:6-8; PROVERBS 21:20

QUESTIONS TO CONSIDER

READ: DEUTERONOMY 8:18

Do you truly believe God is providing your income or wealth?

READ: PROVERBS 16:3

Have you identified your God-given goals?

READ: PROVERBS 16:9

Are your goals based on faith or on your own ability to accomplish them?

READ: I TIMOTHY 6:17-18

Why do you believe God has given you the cash flow margin you have?

READ: LUKE 3:11

Would you consider establishing a lifestyle or investment "finish line" and giving away the money you earn above and beyond that amount?

Picture yourself before God giving an account of your use of the funds He has entrusted to you. Would He say, "Well done good and faithful servant!"

ACHIEVING LONG-TERM GOALS BY CONTROLLING CASH -FLOW

Traditionally, the best way to accomplish long-term goals is to generate a positive cash flow margin. Margin only comes when you spend less than you earn-which means controlling your cash flow. The basic objectives of establishing and maintaining a cash flow control system are to:

- Assess your current spending habits and patterns
- Ensure that your actual spending aligns with your predetermined priorities.
- Build liquidity so you will be prepared for emergencies
- Take advantage of financial opportunities

CASH FLOW CONTROL SYSTEMS

The key to effectively controlling cash flow is to select a system that works for you and stick with it! Before you implement a cash flow control system, identify your specific spending categories, establish monthly spending limits within each category, and commit to exercising discipline in the review process.

Envelope System

Set up an envelope for each category of your spending, such as groceries, entertainment, and other areas. Decide how much you want to spend in each category for a specific time period and allocate that cash amount to each envelope. When the cash is gone from a particular envelope, your spending in that category stops.

Record Keeping System

Rather than keeping the actual cash in an envelope, record the predetermined (budgeted) amount in a ledger or on your computer, and then subtract the actual expenses whether paid by cash, check, debit card, credit card, or electronic funds transfer. To help track your spending, use one of the following:

- Ledger sheets for manual record keeping
- A bank or brokerage account that allows you to code checks according to your own chart of accounts, and then summarizes the totals for you each month
- A computer software program, such as Quicken, to expedite your monthly review

Another key element to maintaining a cash flow control system is tracking expenditures at an appropriate and realistic level of detail. For some people, broad categories are sufficient (giving, living expenses, debt repayment, taxes, major expenses, and savings). For others, subdividing these categories allows them to better monitor and control discretionary expenses. Only you know how much detail you need.

Remember, cash flow monitoring is the only way to ensure that your spending habits match your spending priorities.

SCRIPTURAL INSIGHTS ON CASH FLOW

"On the first day of every week, each one of you should set aside a sum of money in keeping with his income, saving it up, so that when I come no collections will have to be made."

I CORINTHIANS 16:2

"Then give to Caesar what is Caesar's, and to God what is God's."

LUKE 20:25B

"The wicked borrow and do not repay, but the righteous give generously."

PSALM 37:21

"But if anyone does not provide for his own, and especially for those of his household, he has denied the faith, and is worse than an unbeliever."

I TIMOTHY 5:8

"Go to the ant, you sluggard: consider its ways and be wise! It has no commander, no overseer or ruler, yet it stores its provisions in summer and gathers its food at harvest."

PROVERBS 6:6-8

"In the house of the wise are stores of choice food and oil, but a foolish man devours all he has."

PROVERBS 21:20

"But you shall remember the Lord your God for it is He who is giving you power to make wealth."

DEUTERONOMY 8:18

"Commit to the Lord whatever you do, and your plans will succeed."

PROVERBS 16:3

"In his heart a man plans his course, but the Lord determines his steps."

PROVERBS 16:9

"Instruct those who are rich in the present world not to be conceited or to fix their hope on the uncertainty of riches, but on God, who richly supplies us with all things to enjoy. Instruct them to do good, to be rich in good works, to be generous and ready to share."

I TIMOTHY 6:17-18

"John answered, 'The man with two tunics should share with him who has none, and the one who has food should do the same.'"

LUKE 3:11