▶ Extending Concepts

23. Gym Membership Monthly budgets should include expenses that occur quarterly, semiannually, or annually. When you divide these expenses to find a monthly average, you are *prorating* the expense. A gym membership is $150 each quarter. Prorate this expense for your monthly budget.

24. Prorated Expenses For some months, the actual amount spent on prorated expenses will be $0. As a result, the surplus in your monthly budget should increase by the budgeted amount for the expense. Why should you transfer this surplus to savings?

25. Mortgage You are planning to buy a new house, which will increase your shelter expenses by $400. What adjustments would you make to your budget to accommodate the increased expense?

26. Over Budget Many people make sincere attempts to follow a monthly budget. However, for some people, these attempts fail because they either spend more than they should on a certain category or they underestimate an expense in the budget. How can you handle an expense that seems to repeatedly go over budget?

Bank Fees **Many banks and credit unions charge their customers some type of monthly maintenance fee or various transaction fees such as an ATM withdrawal fee. In Exercises 27 and 28, use the portion of your bank statement shown.**

Banking Fees			Statement period		Account
			2012 - 6 - 7 to 2012 - 7 - 7		0081-156487
Date	**Description**	**Ref.**	**Withdrawals**	**Deposits**	**Balance**
6/16/12	ATM Withdrawal Fee		1.50		526.51
7/3/12	Balance Request Fee		0.50		60.59
7/3/12	ATM Withdrawal Fee		1.50		10.91
7/7/12	Monthly Maintenance Fee		8.00		2.91

27. Why should you account for the bank fees in your checkbook registry?

28. As an executive at a bank, you are in charge of setting up the fee structure, including monthly maintenance fees, bad check fees, and ATM transaction fees. Write a detailed policy explaining how and when these fees would be applied to a customer's account.