

Interoffice memorandum

Finance



interoffice memorandum Joseph A. Newman, pH. D. JIAYANG li Project 07/08

cc: Personal Financial Planning class

In order to meet SMART criteria for my financial ends, I have set up certain goals for myself. They are Short-term, Intermediate and Long-term goals. Presently, I am a senior student but I am not doing any part-time or and full-time job at the moment. I am an international student, and my focus is to complete my studies and graduation. Thus, one of my short-term goals is to reduce my tuition fee while I am studying. My plans include overseeing the processes of purchasing agency. This job seems appealing to me as it is offering me about \$1000/per month, and it shall help offset my accommodation, as well as my meals. In this regard, I just need to pay about \$24000 tuition fee for my next two semesters till July 2015. After I graduate, the first five years I am setting three goals for myself. First, I plan to buy a car, second get married and third to get insurance. Meanwhile, if I find a full-time job, it shall me achieve these three goals by utilizing half of my salary for this purpose. I plan to save \$300 per month for marriage, \$200 for health and retirement insurances and the rest I plan to buy a car. If my salary comes about \$4000/per month, I shall save \$18000 for marriage (2012 average \$28000 in USA), and I will be able to buy a car of (\$90000) worth. Coming to my long term goals, I wish to focus for the real estate and find investment opportunities. In my opinion, my job shall help me save an amount which would be enough to pay down payment for my house. Moreover, I plan to invest for finance production. The two projects shall cost me 60% of my salary. In crux, I shall need to save above \$2000 each month to achieve these goals.

I also need to fill my expense planning charts. This shall entitle me to

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generate an understanding of my goals in detail. The first chart shall help me calculate the total amount to set aside each month for my fixed expenses. It is important to note that I have plans to invest \$1500 into savings bank when I set in the target to save \$2000 every month. In the second chart, it shall show the total monthly expenses that are flexible. The final budget will constitute the total amount of fixed and flexible expenses. As per my goal, if my first salary as \$4000, so I expect to save at least \$705 per month.

In order to save my receipts and I shall provide all the details of my flexible daily expenses in the chart for June. My expenses shall include food, housing, transportation and others. As per my calculation, my food expense is \$56. 52 than my budget. However, I have been travelling for several days; thus, the transportation expense is over my budget of \$82. 22. Housing expense is similar because I am renting an apartment. As far as other expenses are concerned, they are not having a huge difference on my savings. These include cell phone fee, electricity and water fee etc.

In my opinion, this money management calendar helps me learn how to use SMART criteria to achieve my goals. However, it is important to state that though planning beforehand is essential, but there is a possibility of a sudden change in objectives, so it is necessary to find the problem in time and make appropriate adjustments to generate productive results.