

Make the Money Last

Create a Holding Account

*This topic is one of several
in Access Group's
Personal Finance and
Debt Management Series.*

It's hard to make money last. This is especially true if you receive funds only once every three, four, or five months. And that's exactly what happens with your financial aid funds. These funds generally are disbursed to you once each term at or near the beginning of the term. *It's your responsibility to make sure that you budget your funds so that they last until your next disbursement.* This can be very difficult. It's like getting paid once a quarter by your employer. Although your financial aid funds should never be confused with earnings, they still may be the main source of money you use to pay your expenses. And if you run out, the Financial Aid Office may not be able to let you borrow additional funds. So how can you make your funds last?

Set Up a Holding Account

One way to make your funds last is to open a savings account just for your financial aid funds. In this **Holding Account**, you can save your funds until they are to be used, based on your monthly budget. Follow these three steps:

Step 1. Open a savings account for your financial aid funds.

Step 2. Calculate your monthly spending plan (i.e., budget) to know how much you can afford to spend each month.

*You can use the “**Interactive Calculators**” in the “*Students & Families*” section of the Access Group Web site at accessgroup.org to develop your in-school budget plan.*

Step 3. Ask your savings institution to automatically transfer at the beginning of each month the funds you have budgeted for that month. This electronic transfer should be from your **Holding Account** to your checking account.

You also may want to avoid getting an ATM card or checks for this savings account, so that you are not tempted to draw funds from the **Holding Account** ahead of your monthly budget schedule. Drawing from your savings before the automatic transfer occurs indicates that you're probably exceeding your spending plan, and you might run out of funds before the end of the term.

