

PlanMode App

FAQs and How To -Dos

The following are some of the most frequently asked questions.

How can I enter income items with varying growth rates?


Use the Expression input method to enter values of such items. With this method you can project each item as needed. For example-


Current salary of 75000 projected to increase by 10% next year and 6% thereafter can be entered as:


75000,%10,%6

A current year expense of 6000 to decrease by 2000 each of next 3 years can be input as:

6000,-2000,-2000,-2000,0

 *The Expression input method is available for select groups of input items. These items are shown in the data input grid in **shades of light green colors**.*

 *Expression input method can be selected by using a long click on the input box (tap at the middle of the white input box for about 2 seconds until the Projection expression box appears)*

 *PlanMode uses the Growth Projection factors for each input category item entered using the Advanced tab as the default annual growth factor. Values entered using the Expression method bypass the default projection.*

How can get computational backup for values shown in result window?

Each results shown on the Result Display Window is fully supported for its computations. To display these details just tap **at the amount (or its caption)**.

The liquid capital bar is green at the beginning and red towards the end. How do I find out what year the liquid capital exhausts and turns negative?

Tap of the bar and the turning year will be described in a message below.

How can I compare two scenarios?

Build the initial scenario with applicable data.

Select Options followed by Compare. Choose the comparison option. Each input made after this is analyzed and its cumulative impact is shown at the bottom of result display window in red or green color reflecting overall negative or positive impact.

If the alternate scenario is a modification of current scenario

Make data additions or modifications as needed. PlanMode will compute and compare the results with the previous scenario.

If the alternate scenario is going to be built from scratch


Options then Plan then New Case

Build the new scenario. PlanMode will compute and compare the results with the previous scenario.

If the alternate scenario is already saved in a file

Tap Options then File then Open Existing Case

Select the file of the case you want to compare. Upon loading PlanMode will show the details and the bottom-line difference. *Premium feature.*

 *This is a premium item available when premium features are active in your app*

Numeric limitations of this app-

Numeric entries made in this app are limited to 999 million in value. Sum totals in any data category must not exceed 2 billion to insure mathematical accuracy.

PlanMode can process amounts up to 2,000,000,000 (2 billion) in its computations. Amounts exceeding this limit will produce erroneous results. This app should not be used for plans where total amount of assets, liabilities, income or expenses may exceed 2 billion in any year of the plan.

Is the data shared with an external server for computations & report generation?

No. PlanMode is fully self-contained app. All computations and scenario generation takes place within your device. No data is transmitted or shared.

I am using a 7" tablet on which the app displays 3 columns of cash flow statement at a times. Can I increase the number of columns shown?

An option on the customization panel lets you toggle between 3 or 5 years displayed on the screen. In either case you can scroll back and forth from year to year with navigation keys at the bottom..

There is only one default input available for specifying the growth of income in future years. How can I vary the growth from one year to the next?

You can make such input in the Expanded Input section where you can control the amount enter for each year, or, for more flexibility, use an Expression Input to make this entry.

Expression Inputs can be made in the main input section by a long-click on the input box. The format of input to enter a 75,000 income growing by 8% in the second year, 7% in the third and later years will be-

=75000,%8,%7

Note that Expression Input is a premium item available when premium features are active in your app.

Can I personalize item titles for my reports?

You can customize any line item that is entered in the detail input grid. To change its default title tap on the title and hold for about 3 seconds. Reports can display a maximum of 16 characters. *Premium feature.*

Can you give an example of how to use PlanMode for a quick singular use for comparing

Let's assume the following options are available-

Lease it for \$500 per month for 84 months with \$1,000 upfront payment or purchase it for \$40,000 in total. If purchased we assume that the asset will depreciate about 18% per year.

For the sake of this example we assume you are Single and have \$100,000 annual income in total and get 4% return on your savings where you have \$75,000 currently available. The purchase will be made from these savings.

Enter the profile data first. Then enter the first choice and activate Compare (static) feature. Now zero out the first choice and enter the second choice. At this point a **red** or **green** display line will represent the cumulative difference of the second choice versus the first over the life of the lease-

Here are the entries from scratch if your profile data does not exist-

Options, Settings, Planning Span, ENTER 7 <=indicates 7 year planning span

Advanced, Customize Results, Result Display, 2nd column, ENTER 7 <=to show 7th year in the result window (optional)

Advanced, Growth Projections, Projection Defaults, Bank Interest Rate, ENTER 4 <=indicates 4% interest on savings

More, Purchased Assets, ENTER -18 <=indicates 18% annual depreciation

Data, Cash Accounts tab, Savings Account box, ENTER 75000 <=Savings account balance

Data, Income tab, Wage, Salary box, ENTER 100000 <=annual income

Advanced, Expanded Data Input, Data, Expense, Major Purchase, 1st Purchase Year, ENTER 2014 <=purchase year – option 1

Purchase Amount 1, ENTER 40000 <=purchase amount if purchased – option 1

Advanced, Customize Results, Plan Title, ENTER Purchase Option <=optional title for this computation

The profile resulting from above entries represents the purchase option

To Compare it with the lease option follow the following steps-

Data, Options, Compare, Static Compare Mode <=activates the compare mode & shows 2 columns of values in the 7th year

Advanced, Expanded Data Input, Expenses, Major Purchase, Purchase Amount 1, Replace amount with 0 <=Removes the purchase - the 1st option

If the lease payments are ordinary expense, enter as follows

Data, Expenses, Transportation (or Other Household), ENTER 6000 <=Annual lease payments (500x12) as expense

Otherwise, enter

Data, Expenses, Business Exp, ENTER 6000 <=Annual lease payments (500x12) as deductible expense

The result window should display cumulative financial comparison at the end of the 7th year under each choice. At the bottom of this screen a red or green value is displayed to highlight the difference.

	AFTER CHANGE 2020	INITIAL VALUE 2020
Gross income	110,604	112,206
Income taxes	27,433	29,561
Net income	83,171	82,645
Cash inflow	100,000	100,000
Cash outflow	33,433	0
Net cashflow	66,567	70,439
Liquid Assets	649,073	631,483
Total Assets	649,073	643,643
Net Worth	649,073	643,643

Net Worth increased by 5,430 over 7 Years

Cash accounts	Stocks & Bonds	Income
75000		100000
Retirement acts	Bus Inv RealEst	Expenses
		6000
Insurance	Other assets	Liabilities
Options	Advanced Single	Reports

Note - The results you get will largely depend on the details and accuracy in depicting your default financial profile. The closer your profile is to reality the better the quality of the results are.

How does Cash Management compute values displayed on reports?

Cash management invest surplus cash in taxable or tax-free investment as per data entered for Cash Management (*Advanced, Growth Projections, Cash Management*).

In the years cash is invested because of surplus cash condition the values displayed in reports are computed as follows-

Income Statement – Cash is considered invested throughout the first year of investment. Therefore the interest or dividend income displayed for the year of investment is for half year at the rate entered for cash management income. Income is computed for full years in the following years.

Balance Sheet – This amount is computed as the starting amount (prior year-end value) appreciated by the income it generated PLUS new investments made to this account this year PLUS interest income the new investment generated for half year.

Cashflow Statement - Amount invested in a cash-surplus year, or amount liquidated in a cash-deficit year.

In the years cash outflow exceeds cash inflow Cash Management liquidates assets to satisfy cash shortage. It liquidates amounts previously invested via Cash Management to the extent of cash shortage in a given year. If the cash shortage cannot be satisfied with prior investment it liquidates other liquid assets to meet cash shortage to the extent possible.

Asset liquidation is carried out in the following sequence-

- Cash accounts
- Stocks and Bonds
- Retirement accounts
- Near-liquid assets/investments

For the years investment assets are liquidated to satisfy cash needs the results displayed in reports are computed as follows-

Income Statement – Each taxable income item generated or modified by cash management is shown separately. Each taxable income is computed on the asset value at the beginning of a year (same as the value at the end of the previous year) less the liquidated amount included in the Cashflow statement. The invested amount in a year generates income for half year in its first year.

Balance Sheet – The value of each asset at the end of year is shown individually. This value is computed as: Value at the beginning of the year (previous year-end value) LESS amount liquidated by cash management PLUS income generated by the remainder which is considered reinvested in the asset.

Cashflow Statement – The sum of all assets liquidated except for retirement plans is shown as Cash Withdrawn. Each liquidation by cash management in a cash-short year is show as a separate line item with corresponding captions.

How does Cash Management handle a negative cash flow year?

When a plan runs out of the excess cash in a year that Cash Management had invested in earlier years it looks to liquidate liquid assets to an extent needed to satisfy the cash deficit. The algorithm used to simulate this situation is as follows-

A = Year end value of the liquid asset without regards to Cash Management liquidation

I = Interest or growth rate of this asset excess cash was invested in

D = Dividend rate of this asset if it is dividend producing

S = Cash Shortfall

C = Idle cash limit (entered with Cash Management entries, 1000 is default)

Cash Withdrawn:

If S is less than A+C then Cash Management liquidates the asset (A) by an amount so that after the reduction of interest (I) or dividends (D) and any taxes thereon the cash balance ends to be close to the idle cash limit C. Otherwise, when cash deficit is more than the year-end value of this asset Cash Management will fully liquidate this asset and move on to the next available asset to satisfy the need for remaining cash.

Display of reports:

Cashflow statement shows the amount of liquidation.

Balance Sheet shows an amount computed by taking the year-end value of A and subtracting the liquidated amount along with the income the liquidated amount would have generated. This is repeated each year if the cash deficit condition continues and the asset has value that can be partly or fully liquidated.

Retirement plan:

IRA - Cash management will liquidate IRA accounts if cash is needed in a year regardless of whether the IRA has retired by that year. Contributions to the IRA will stop after the year withdrawals start.

Active 401k plans and other Qualified plans – Cash management will not liquidate these plan if they are active until the retirement of the owner of each respective plan. This liquidation can be forced earlier by moving up the retirement year. A plan is considered active if contributions are being made into it.

This simulation expends a significant amount of processor resources for cash management in order to end up close to the idle cash limit each year. But it may not be enough in some cases. In certain scenarios depending on data and the dynamic nature of compounded computations it may not attain desired results within the resources allocated.

How do I export or import a PlanMode case?

To export a PlanMode case file you need to email it to the recipient. The following tabs are used to export-

Options, Export, PlanMode File Format

This will take you to the default email program on the device where you can enter recipient's email address to send out a copy of the file.

To open an imported file on your device you need to perform two steps-

1. Go to the default email program and save the attachment exported to your email address at the default location.
2. Use the following tabs to open this file-

Options, Plan File, Open Imported File

This will take you to a list of PlanMode files available on your device for importing. Select the needed file and touch Load.