

KANSAS FARM MANAGEMENT ASSOCIATION

Farmers Guide to QuickBooks

Using QuickBooks Desktop 2017 Pro for Farm & Ranch Accounting

Basic Edition

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1 INTRODUCTION

1.1 ABOUT THIS MANUAL

This manual is designed to be an introduction to using QuickBooks Pro for farm & ranch accounting. It is written to provide you with basic information that you need to know to get started with bookkeeping in QuickBooks, using a step-by-step approach. Because farm & ranch accounting is slightly different than accounting for other small businesses, this manual contains examples and suggestions of how to handle certain types of transactions.

The manual is written with the assumption that you have QuickBooks Pro installed and are able to start the program. If you need help with installation and starting the program, look at one of the many good general QuickBooks manuals available.

Throughout this manual, a reference to QuickBooks is actually a reference to QuickBooks Desktop Pro. The 2017 version was used in preparing this manual so the manual text and any included screenshots are from that version. But, don't worry if you don't have this version. For most everything contained in this manual, the same information applies to any desktop version of QuickBooks from the last 4-5 years.

Although there may be some crossover, proceed with caution if using any version of QuickBooks Online. Most of the same tools and features are available in the Online version but the user interface is dramatically different. In addition, the cost of using Online is higher than Desktop. A one-time purchase of Desktop will work for 4-5 years while using QuickBooks Online requires a monthly or annual subscription.

A warning: QuickBooks is not for everyone. You should be:

- Confident in your ability to use a computer
- Willing to commit time to bookkeeping
- Detail oriented

1.2 ABOUT QUICKBOOKS

WHY QUICKBOOKS DESKTOP PRO?

QuickBooks is a powerful and flexible double-entry accounting program that is marketed towards small businesses. In all honesty, it is probably not the best software on the market but it is the most widely used. In fact, QuickBooks dominates the small business accounting market.

Some of the advantages of using QuickBooks:

- It is flexible, allowing you to accomplish nearly everything you want to
- Once you have passed the learning curve, it is relatively easy to use
- Your accountant/tax preparer probably already knows and uses QuickBooks
- The Desktop version can be purchased for about \$200
 - Unless you want to upgrade every year, a version should be adequate for 3-5 years
- Keyboard shortcuts are available for nearly every task
- QuickBooks does a great job of:
 - Tracking invoices and accounts receivable
 - Tracking bills and accounts payable
 - Calculating non-farm cost of goods sold (COGS)

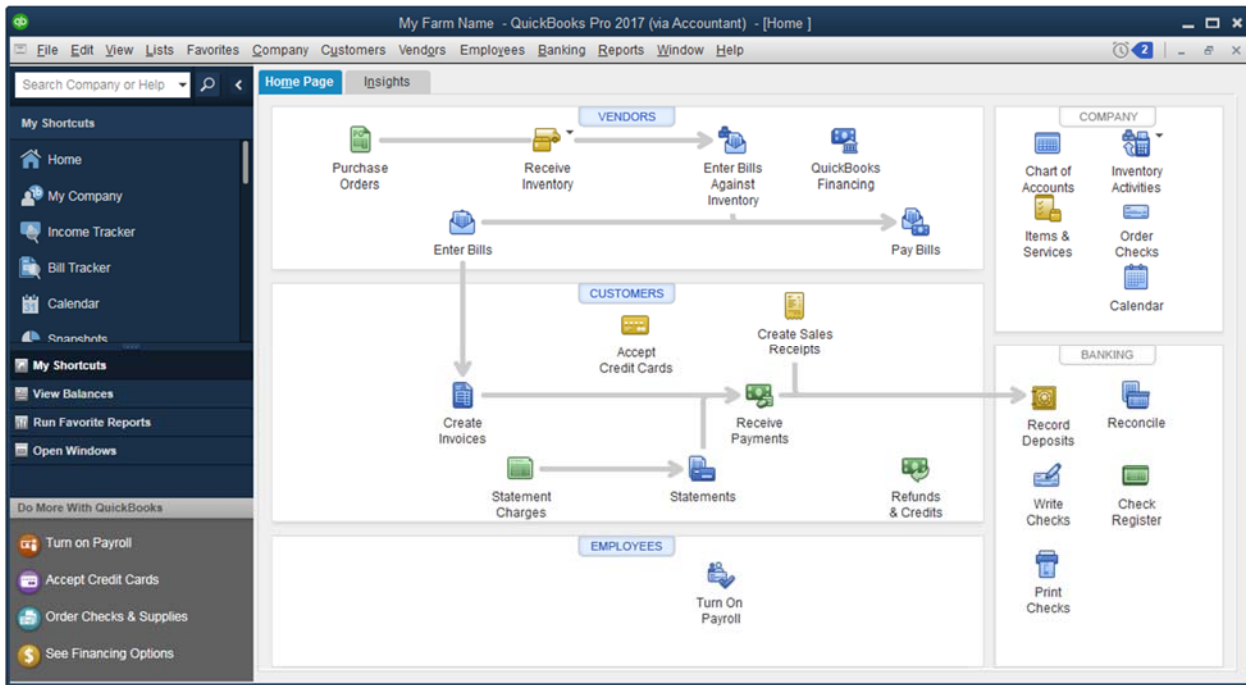
- Payroll – If you pay annually (≈\$300)
- Tracking inventory

Some of the disadvantages of using QuickBooks:

- There is a learning curve
- QuickBooks is not designed for farm accounting
 - It uses the average cost method rather than the First-In, First-Out (FIFO) method to calculate COGS. FIFO is more commonly used in a farming operation with resale livestock. Several methods can be used to force the FIFO method to be used
 - It does not handle both quantity and weight
- If you only use QuickBooks as a check register where you record income and expense after-the-fact and don't use features like invoices, billing, class tracking, or inventory, QuickBooks is much more than you need and is relatively expensive
- The built-in flexibility of QuickBooks can lead to unintended consequences if you are not careful about what you do
- Intuit (the maker of QuickBooks) has difficulty listening to their customers. They tend to decide what customers want and force them to change/update rather than listen to their customers.
- QuickBooks CANNOT create a market value balance sheet!! Attempting to force it to do so can have potentially serious tax consequences!

THE HOME SCREEN

The QuickBooks Home screen is a roadmap for nearly all activities. It is important to follow the flow chart on the Home page as much as possible. Skipping steps can have unintended tax consequences or could cause problems with accounts payable (A/P) or accounts receivable (A/R). To get to the Home screen, select *Company>Home Page*.



THE CHART OF ACCOUNTS

The chart of accounts is the foundation of any accounting system and is especially important in QuickBooks. It is a list of asset, liability, and equity accounts (and their balances) as well as a list of income and expense accounts.

To open the chart of accounts, click on the Chart of Accounts icon on the Home screen or use the CTRL+A shortcut key.

If you download a backup KFMA company file or import the KFMA chart of accounts, the basic structure of your chart of accounts is already set. You will need to add bank accounts (checking, savings, CDs) and liability accounts (credit cards, operating, equipment, breeding livestock, or real estate loans).

The KFMA chart of accounts contains nearly every potential income or expense account a farm might need. However many of these income or expense accounts are inactive by default. Some may be inactive because they are not needed by an “average” farm. Accounts like milk sales, feeder pig sales, or breeding ewe purchases are not used frequently, so they are inactive.

Other accounts are inactive because they add a layer of detail that may not be needed for someone who is new to computer bookkeeping. For example, the KFMA chart of accounts includes an expense account for *Repairs, Tools, and Supplies*. This expense account also includes sub-accounts for *Crop Machinery Repairs*, *Livestock Machinery Repairs*, and *Repairs on Permanent Improvements*. For most, the *Repairs, Tools, and Supplies* account is adequate. Start with less detail, then if you desire more detail in the future, you can make sub-accounts active.

You can see a list of all income and expense accounts on page 92.

To display inactive accounts, check the box in front of *Include Inactive* at the bottom of the chart of accounts window. You should now have a new column on the left side of the account list. An X in the column indicates the account is marked as inactive. Click in that column to toggle the X on and off.

ITEMS

Items are used to detail purchase orders, sales receipts, or invoices and link the detail to inventory, income, and expense accounts.

SERVICE ITEMS

As the name implies, service items are used to detail invoices or sales receipts with services performed. A service item is linked to only one account, usually an income account. Examples of service items would include custom planting, chemical application, or hauling grain for someone else.

INVENTORY ITEMS

If you couldn't guess from the name, an inventory item is used to track inventory, usually a good that is purchased to resell. QuickBooks links an inventory item to an asset or inventory account, an income account, and a cost of goods sold (COGS) account.

When goods are purchased, the asset or inventory account is used to “hold” the cost of the asset because the cost cannot be deducted as an expense until the good is sold. When the good is sold, two things happen at the same time. First, the sale is recorded in the income account. Second, the

cost of the good is transferred from the asset or inventory account to the COGS account where it is deducted as an expense.

Because QuickBooks uses the average cost method to calculate COGS and farmers typically use the first-in-first-out method, we have to manually move cost from an asset or inventory account to the COGS account or we have to manually adjust the resale cost that QuickBooks calculates.

Along with items purchased for resale, inventory items can be used to track inventory of raised grain and market livestock.

NON-INVENTORY PART

A non-inventory part is typically used from something that is purchased and passed on to a customer and is usually linked to an expense account. For our purposes, non-inventory part items are the same as a service item. A non-inventory part usually links an item to an expense account.

CLASSES

Classes allow you to categorize or classify income and expenses to an enterprise or to a cost center. Using classes gives you an added layer of categorization, independent of the income or expense account. As an example, with classes you are able to allocate seed expense to either corn or soybeans or a repair bill to a particular piece of equipment.

Using classes is optional and is only needed if you are interested in more information that you can get from the your tax return.

CUSTOMERS

Customers are those individuals or companies that buy your products.

VENDORS

Vendors are those individuals or companies that sell you goods or services.

KEYBOARD SHORTCUTS

Some people find that the mouse gets in the way of getting work done. If you started using computers with DOS (or maybe earlier), you may feel this way. Thankfully, Intuit has built in a multitude of keyboard shortcuts into QuickBooks. Below are a few shortcuts although many more are available.

Alt+PgUp/PgDn	Cycle through open windows
Esc	Close active window
Ctrl + Del	Delete the selected line in a transaction
Ctrl + Ins	Insert a blank detail line in a transaction
Ctrl + N	Create a new transaction or list item
Ctrl + D	Delete the current transaction or list item
Ctrl + E	Edit an item in an item list or in a register
Ctrl + W	Write Checks
Ctrl + Q	Quick Report
Ctrl + J	Customer Center
Ctrl + A	Chart of Accounts
Ctrl + I	Create Invoices
Ctrl + R	Use Register
Ctrl + F	Find

+	Increase a number in a form, such as a check number or invoice number
-	Decrease a number in a form, such as a check number or invoice number
Alt + A	Save transaction
Alt + S	Save transaction & open a new transaction
Alt +N	Go to next transaction
Alt +P	Go to the previous transaction
Tab	Go to the next field
Shift + Tab	Go to the prior field
Up arrow (↑)	Go to the previous line in a form
Down arrow (↓)	Go to the next line in a form
Page Up	Move to the previous page in a form area or report
Page Down	Move to the next page in a form area or report

2 WORKING WITH COMPANY FILES

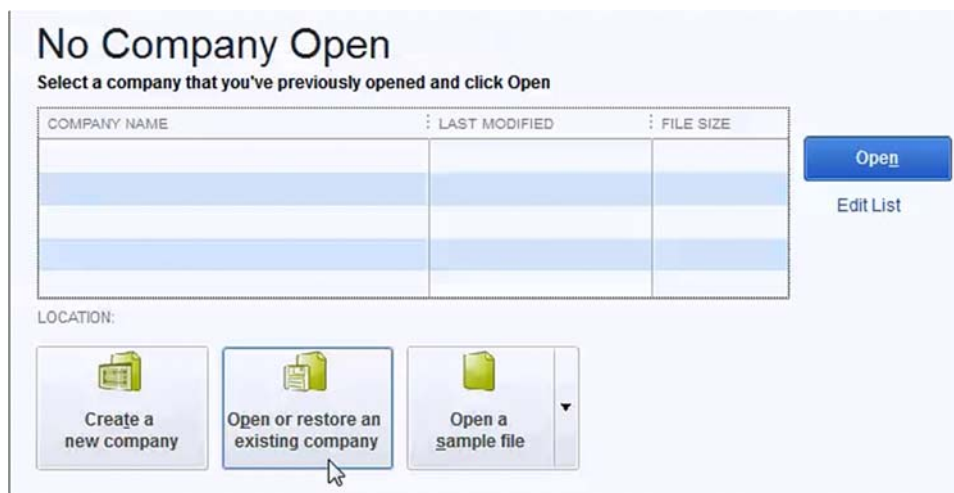
2.1 ABOUT COMPANY FILES

A company file is where your company records are stored within QuickBooks. Each company file can contain multiple bank accounts, asset accounts, or loan accounts so you do not need a separate company file for each bank account. It is not a problem to track a business checking account as well as a personal checking account in the same QuickBooks company file, assuming that you operate as a sole proprietor.

You should NOT track a bank account for an entity (such as a corporation or partnership) in the same company file that you use to track your personal bank accounts. A general rule of thumb is that you will need one company file for each tax return filed (1040, 1065, 1120S, 1120, or 1041).

2.2 RESTORE A BACKUP COMPANY FILE

1. In the *No Company Open* window, click *Open or restore an existing company* or select *File>Open or Restore Company*.



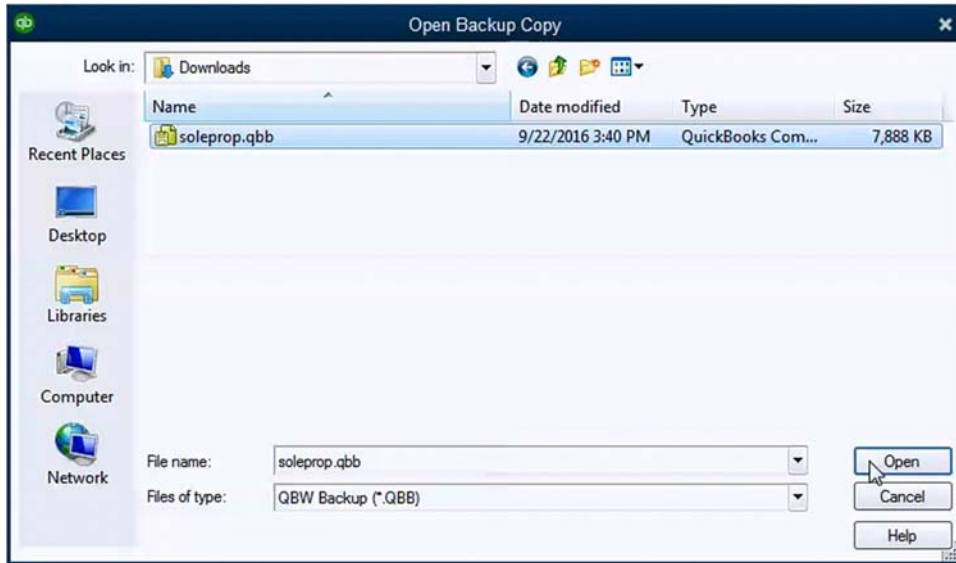
2. Select *Restore a backup copy* and click *Next*.



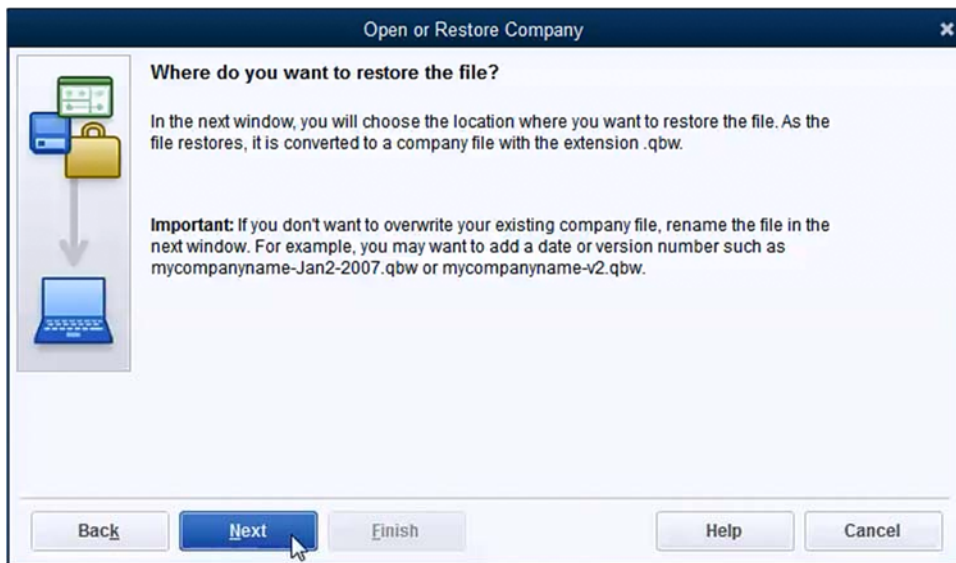
3. Select *Local backup* and click *Next*.



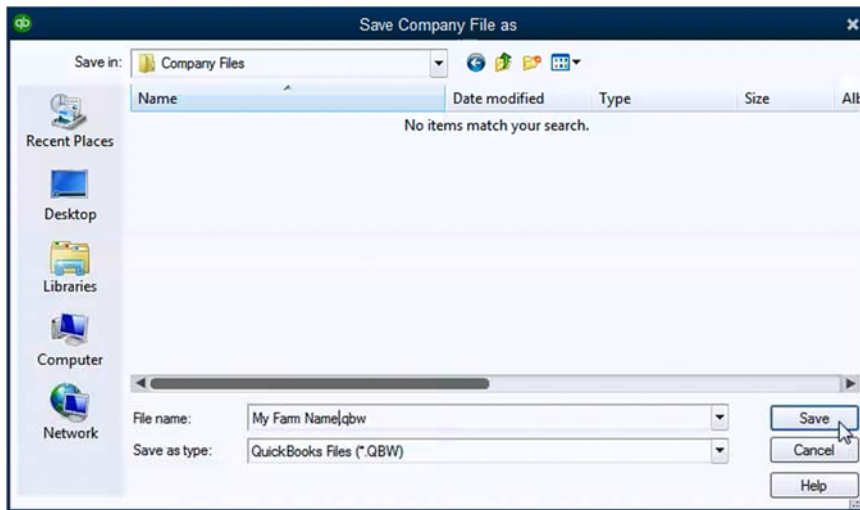
4. Navigate to the backup file, select it and click *Open*.



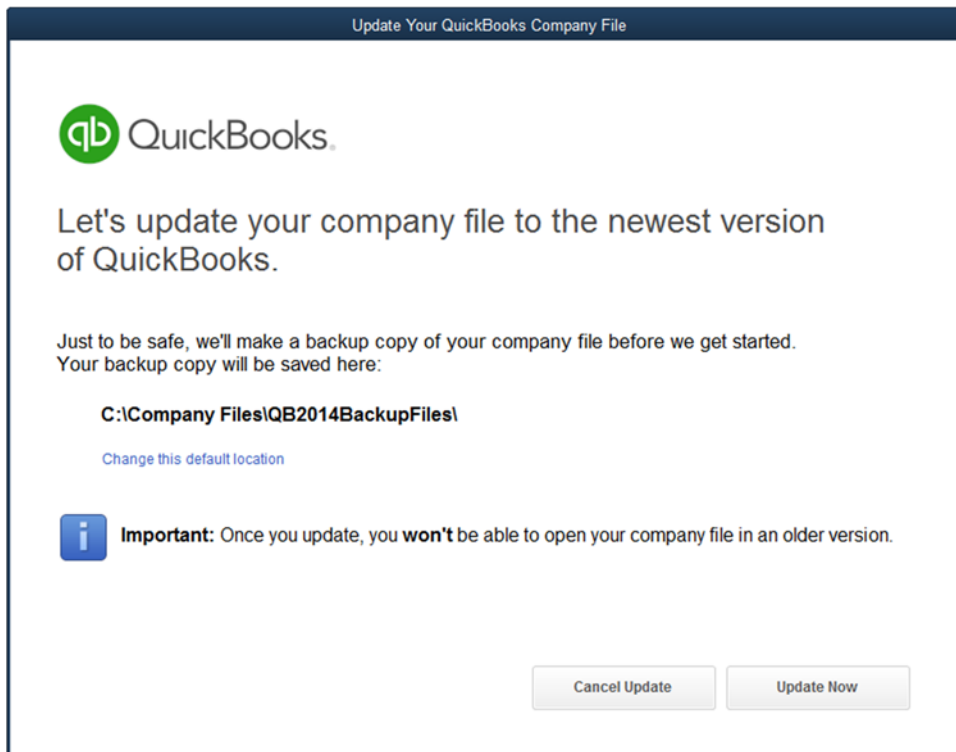
5. Click *Next*.



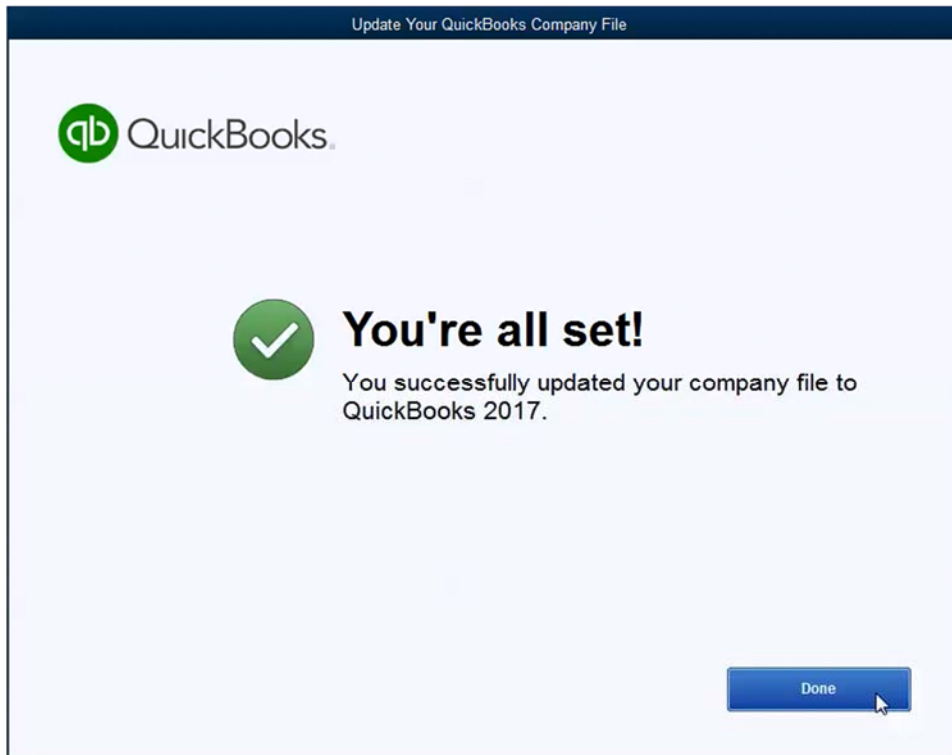
6. Navigate to a location to save the company file. Make sure to personalize the name of the QBW file. The location that QuickBooks defaults to is difficult to find later if you need to. The default is C:\users\public\public documents\intuit\quickbooks\company files\



7. Depending on your version of QuickBooks, you may be asked to update the company file. Click *Update Now*.



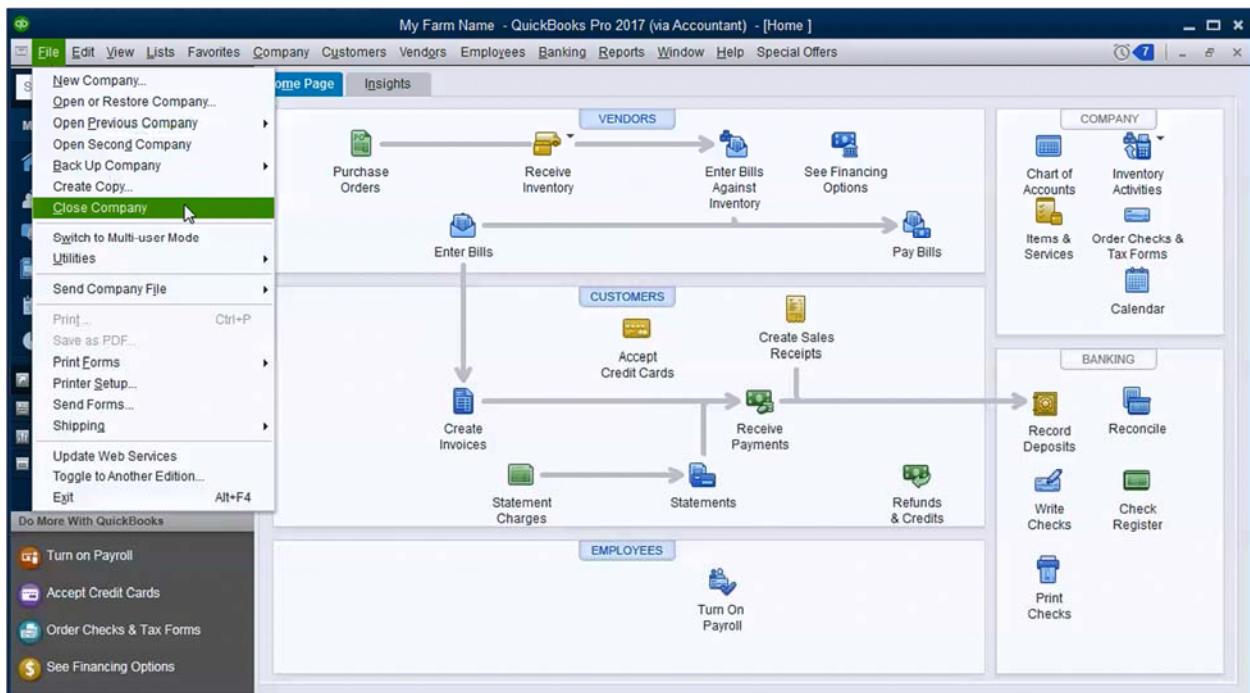
- Once the update is finished click *Done*.



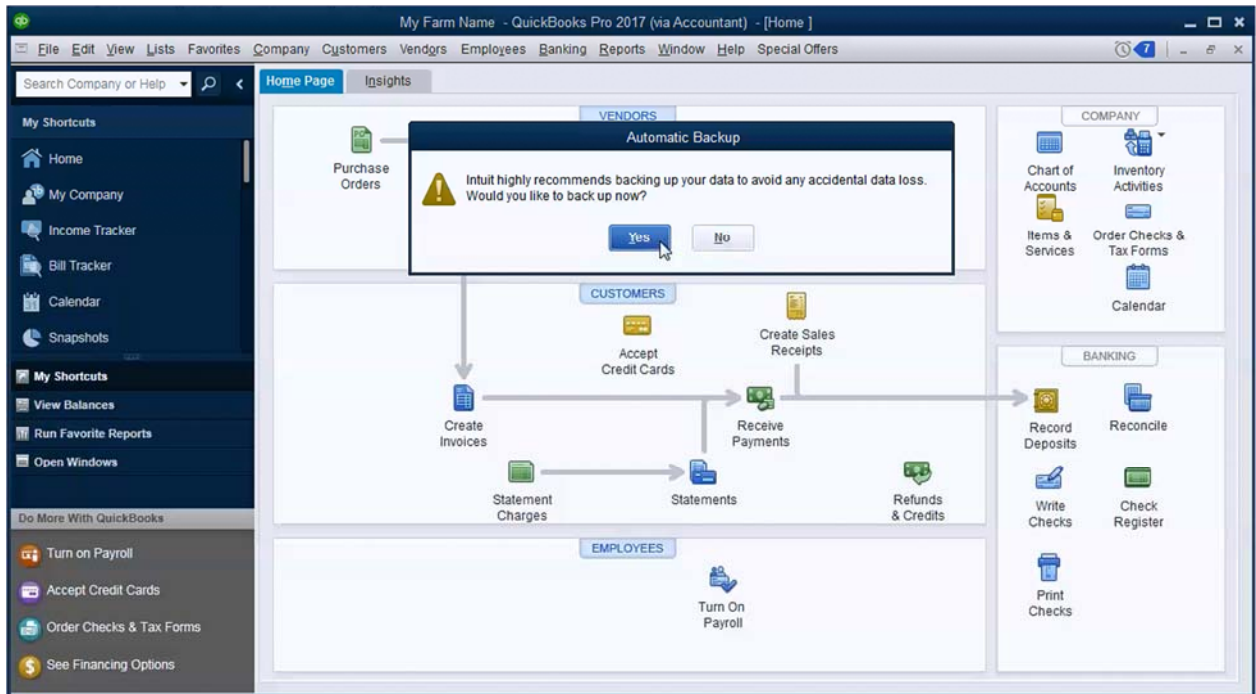
2.3 CLOSE A COMPANY FILE

Whenever possible, close the company file before you exit QuickBooks.

- Open the *File* menu and select *Close Company*.

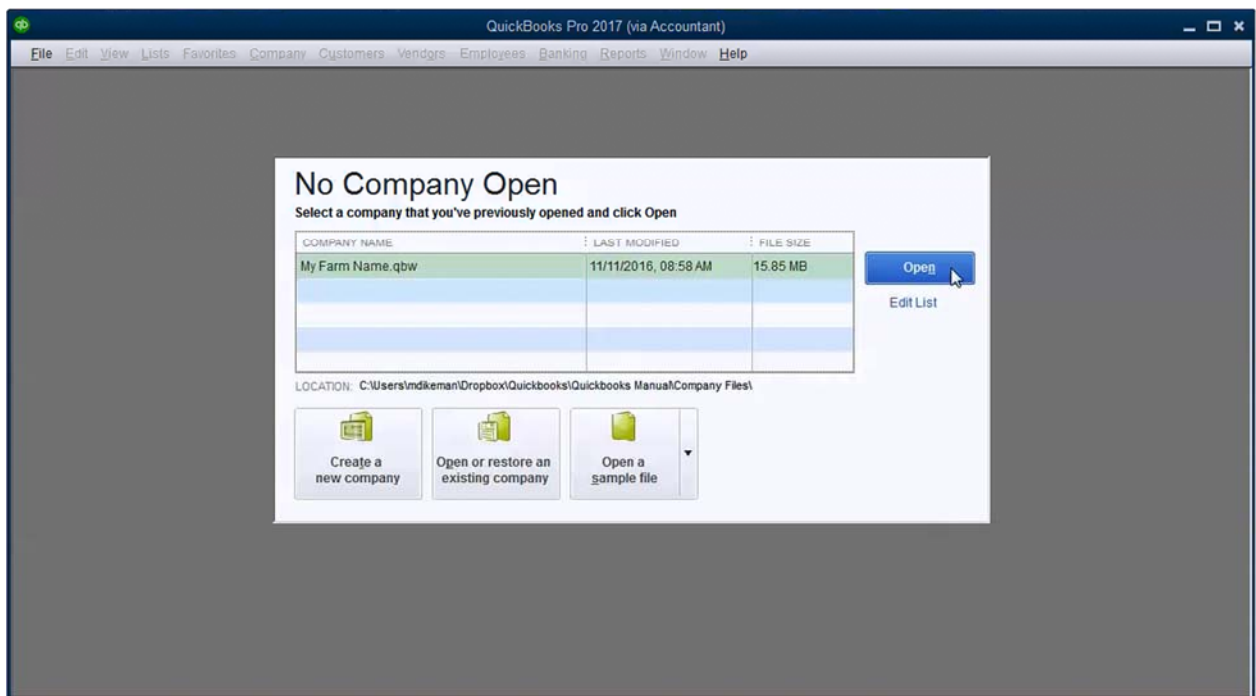


- Occasionally, when closing, QuickBooks will ask if you want to save a backup. Click Yes to save a backup. See *Backup a Company File* on page 13.

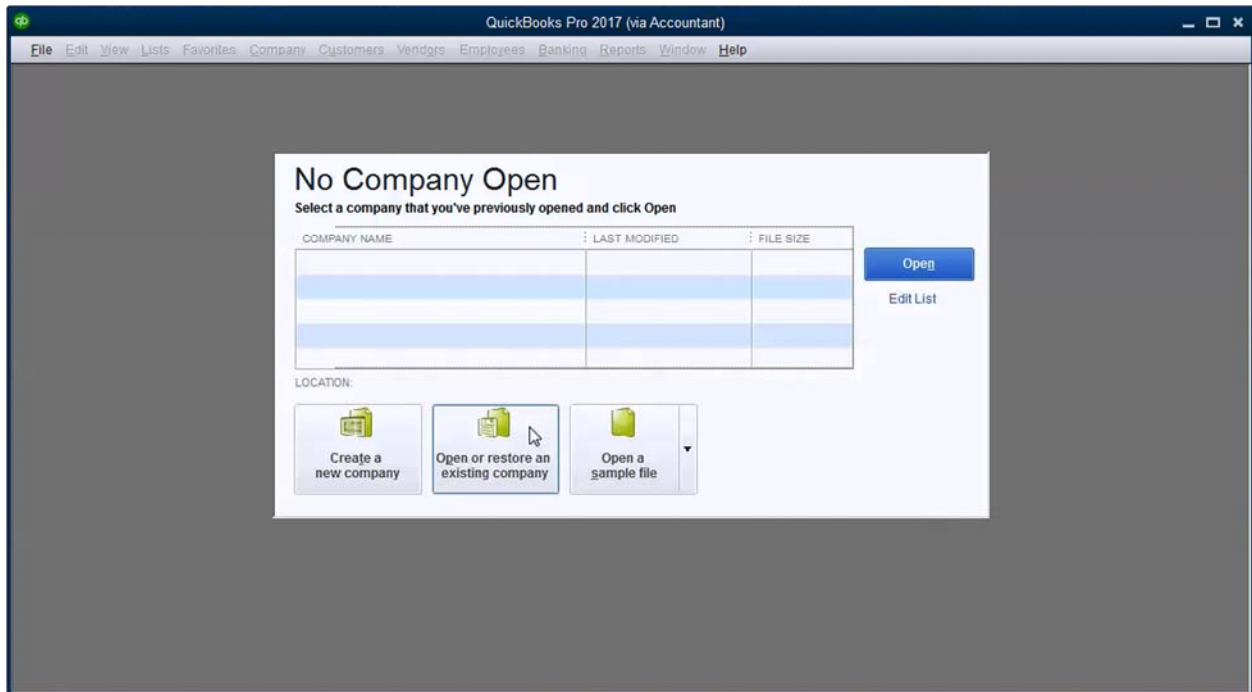


2.4 OPEN A COMPANY FILE

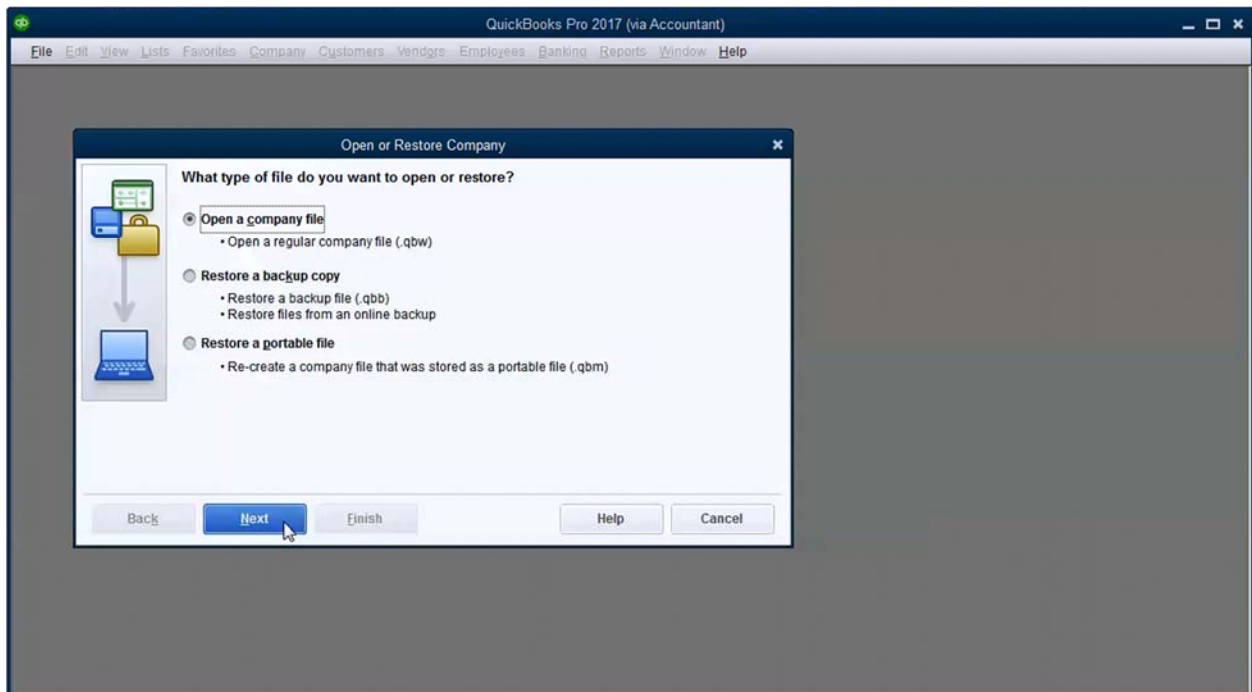
- If the company file you want to open is in the previously opened list, select that file and click *Open*.



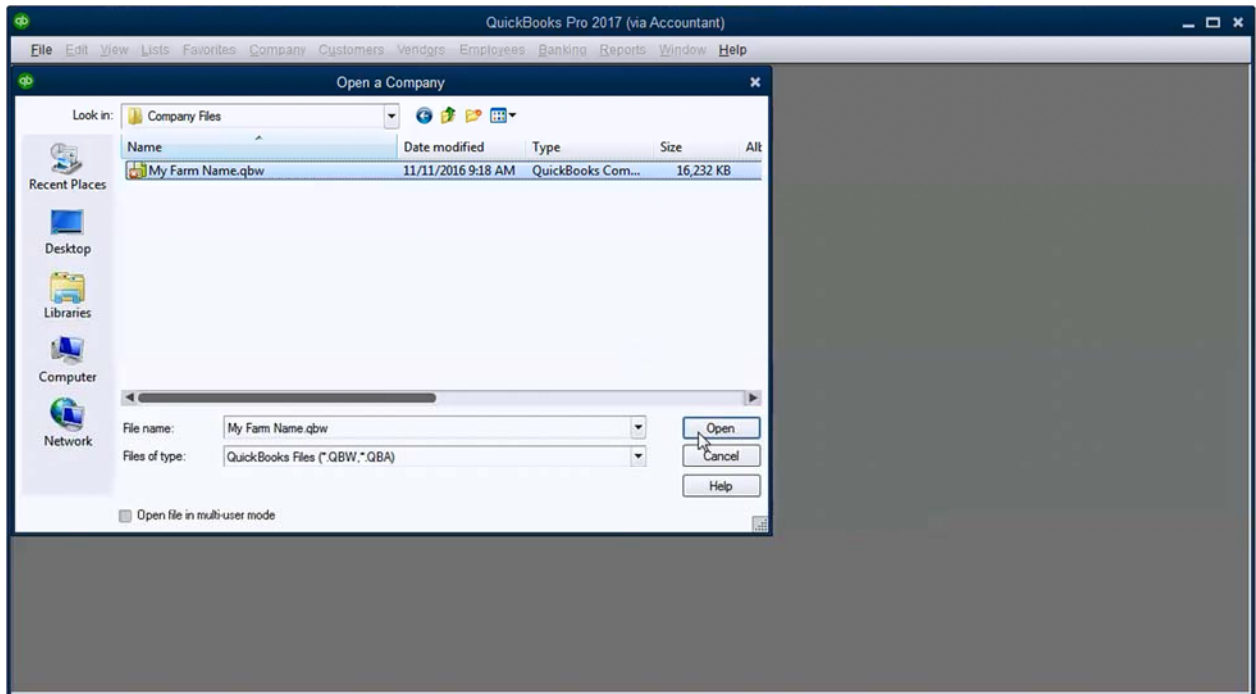
2. If the company file is not in the previously opened list, click *Open or restore an existing company*.



3. Select *Open a company file* and click *Next*.



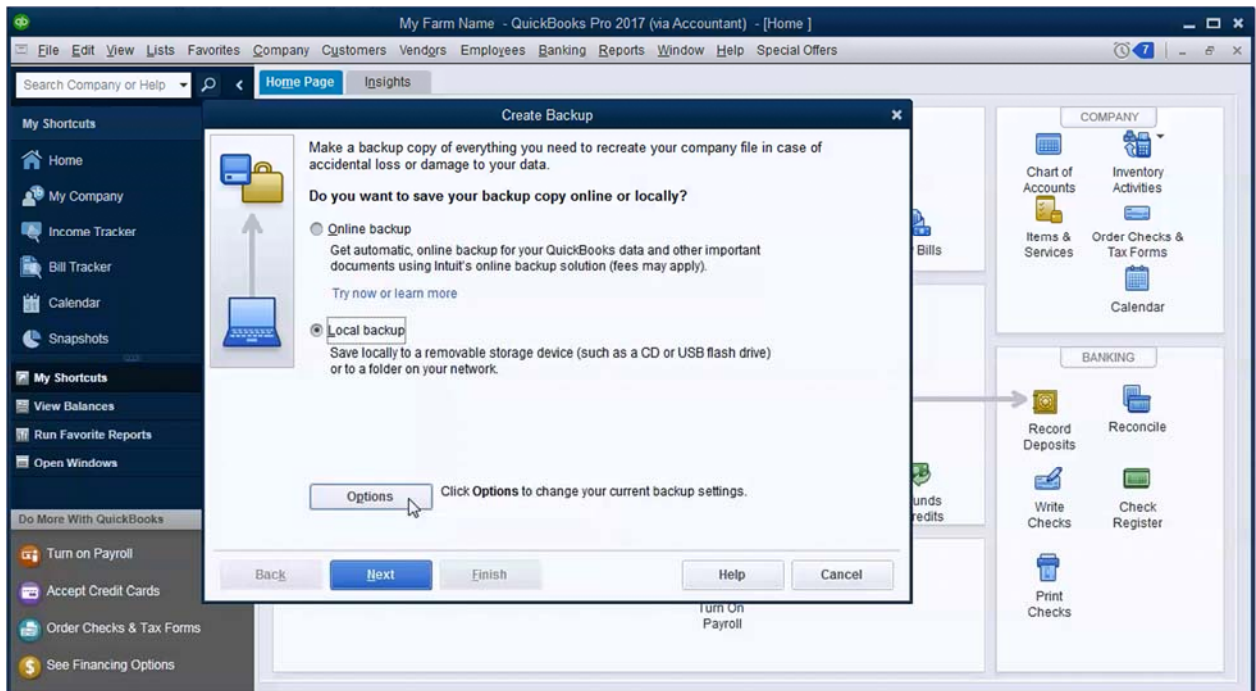
4. Browse to the company file. Select it and click *Open*. Company files have a file extension of QBW. Backup company files have a file extension of QBB.



2.5 BACKUP A COMPANY FILE

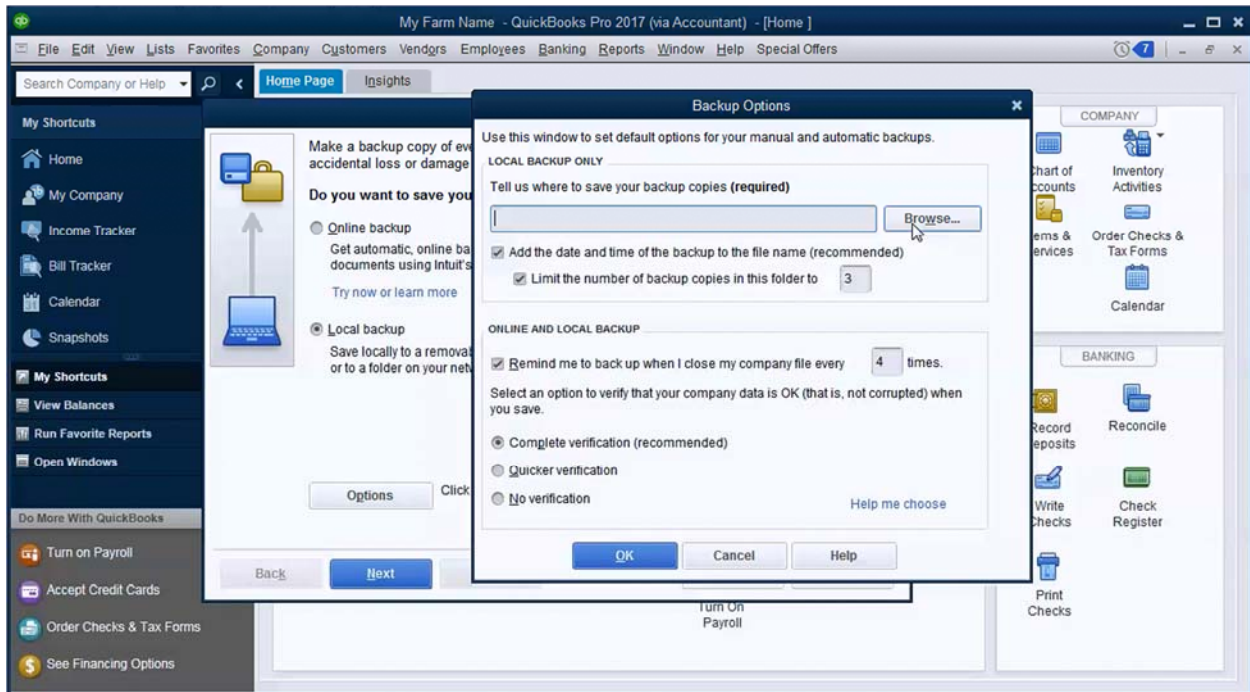
Note: Two USB drives, rotated weekly, are an inexpensive way to always keep a **recent** backup copy **off-site**.

1. When the *Create Backup* window opens, select *Local backup* and click the *Options* button.

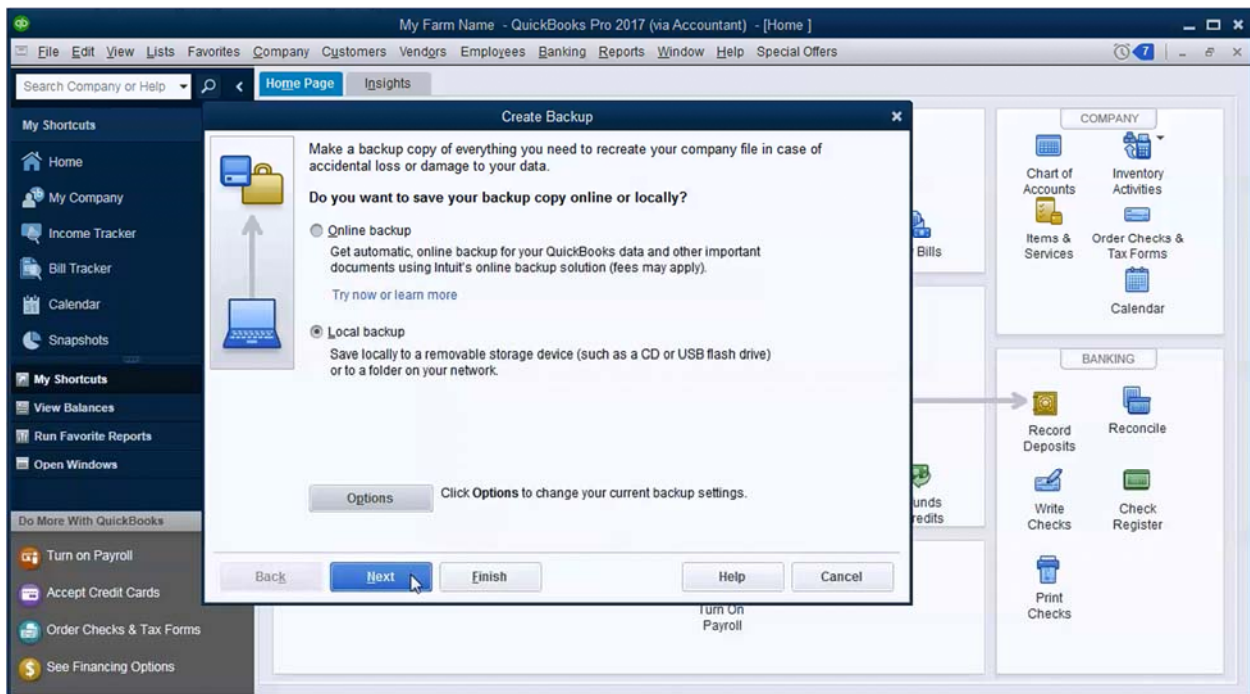


2. Here you can set Backup Options. It is a good idea to check mark both “*Add the date and time....*” and “*Remind me to back up....*” Set reminder to less than 5 times. Navigate to your

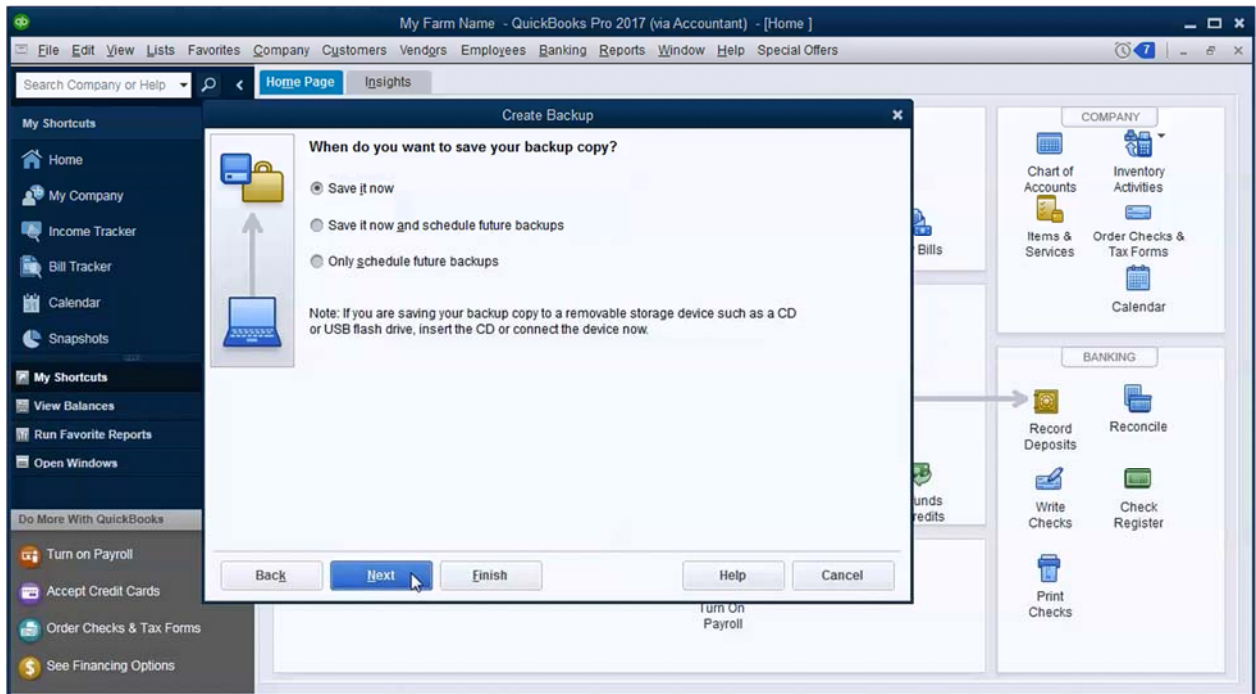
preferred backup location. Click *OK* to close *Browse for Folder*. Click *OK* to close the *Backup Options* window.



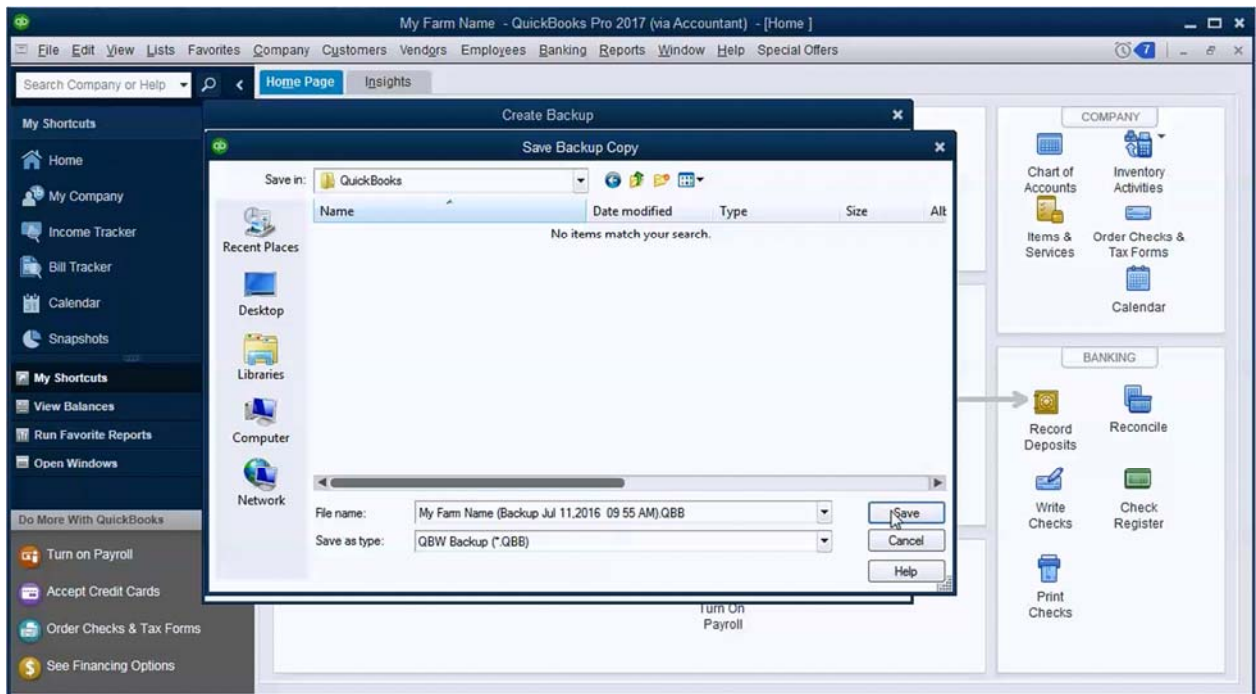
3. Click *Next*.



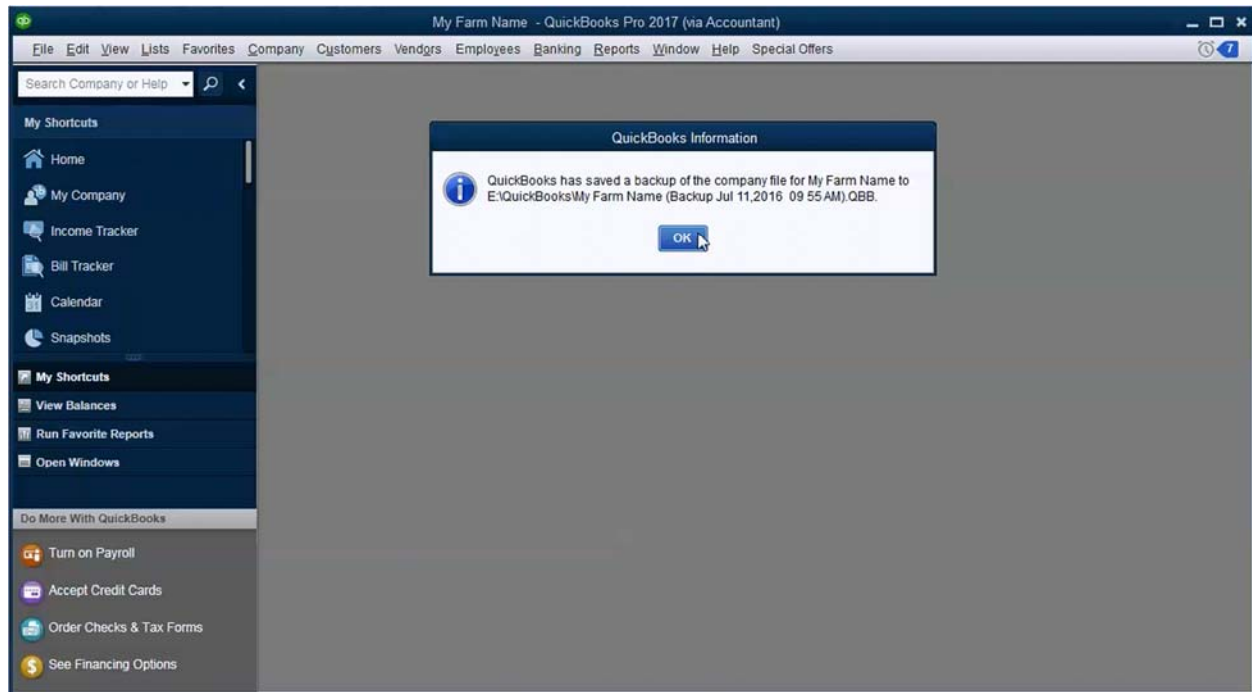
4. Click *Next*.



5. Edit the file name if desired and click *Save*.



6. Click *OK*.



3 QUICKBOOKS SETUP

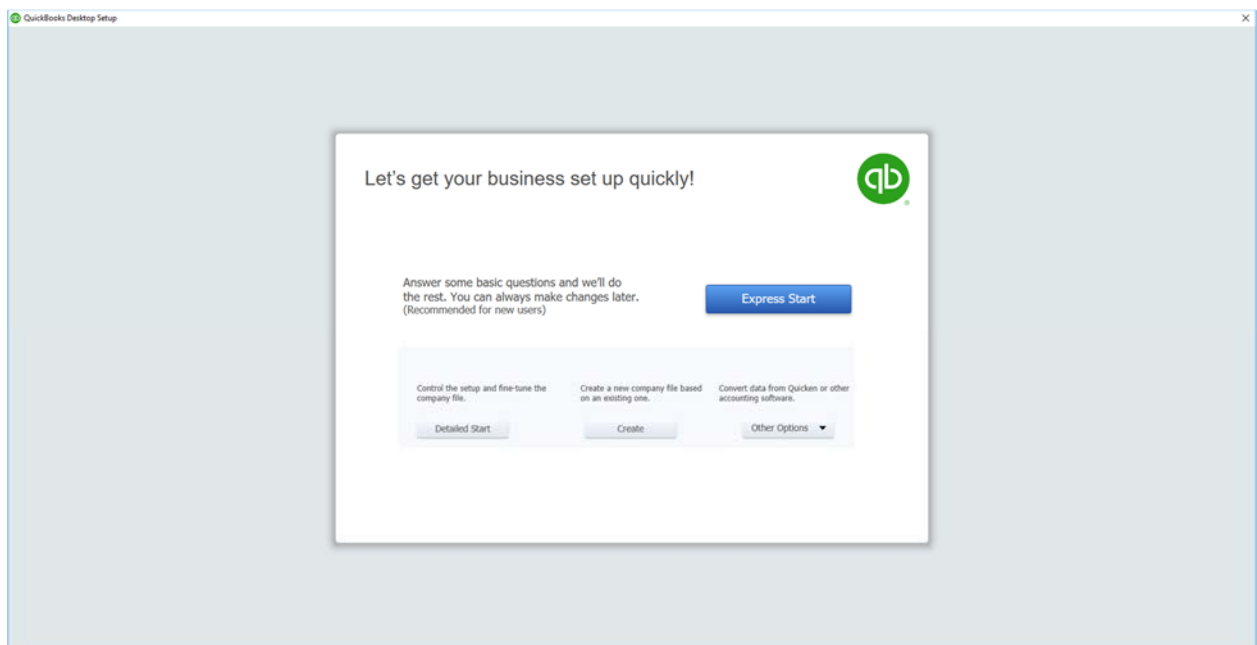
3.1 DOWNLOAD AND MODIFY A COMPANY FILE

If you are new to QuickBooks, use this section to get started. If you have been using QuickBooks, skip to *Update an Existing Company File* on page 23.

Setting up a QuickBooks company file can be time consuming. To streamline the process, backups of pre-configured company files are available to download at www.farmersguidetoqb.com. You should be able to download one of these files, personalize it and add financial information (bank account, loan, and patronage balances) to begin working quickly. The company files contain the KFMA chart of accounts and preferences are set for a typical farm or ranch. The files were created with QuickBooks 2014 and can be restored to any version from 2014 to 2018.

Five files are available depending on how your farm business is structured. If you are unsure which to select, check with your tax preparer.

1. When you first open a fresh installation of QuickBooks, you may see a QuickBooks Desktop Setup window. Close the window. We will use a different method to get started.



2. Using one of the links below, download and save the appropriate QuickBooks backup file for your farm.

www.farmersguidetoqb.com/qbsetup/soleprop.qbb

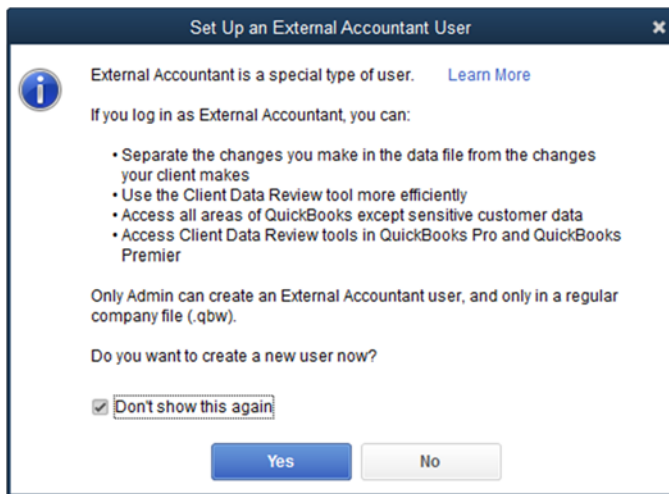
www.farmersguidetoqb.com/qbsetup/partnership.qbb

www.farmersguidetoqb.com/qbsetup/llc.qbb

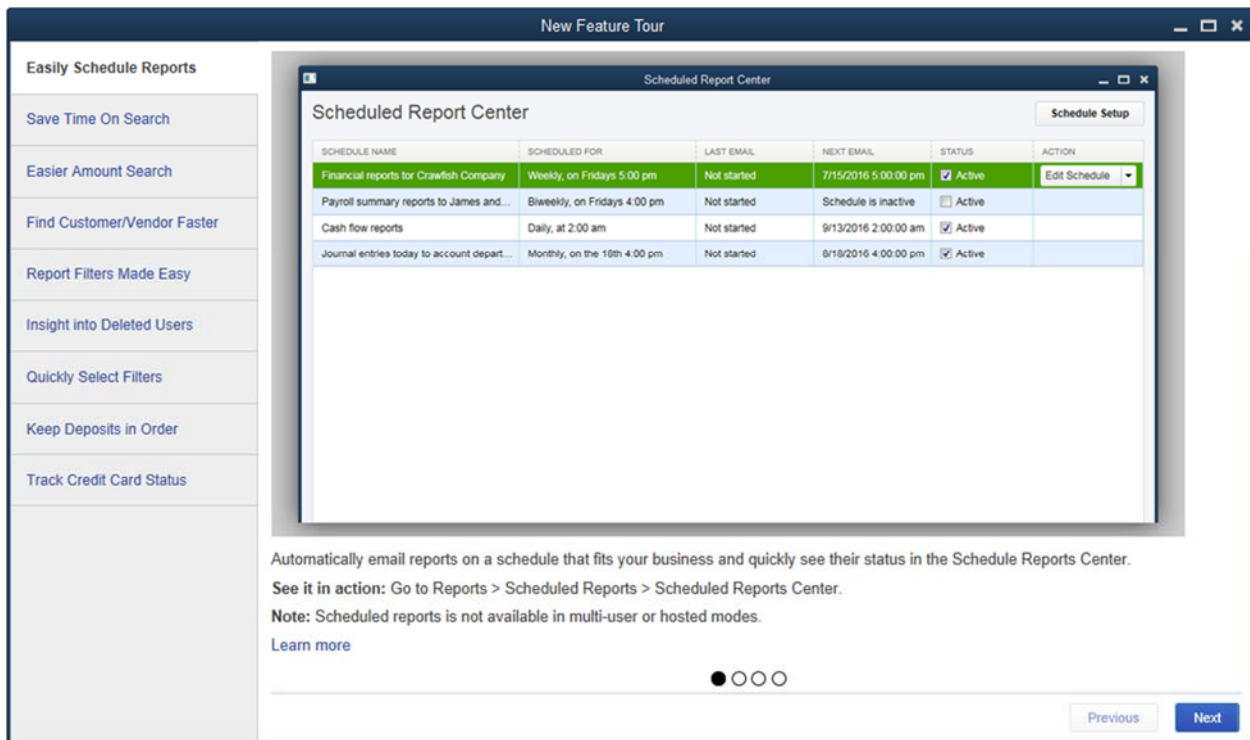
www.farmersguidetoqb.com/qbsetup/scorp.qbb

www.farmersguidetoqb.com/qbsetup/ccorp.qbb

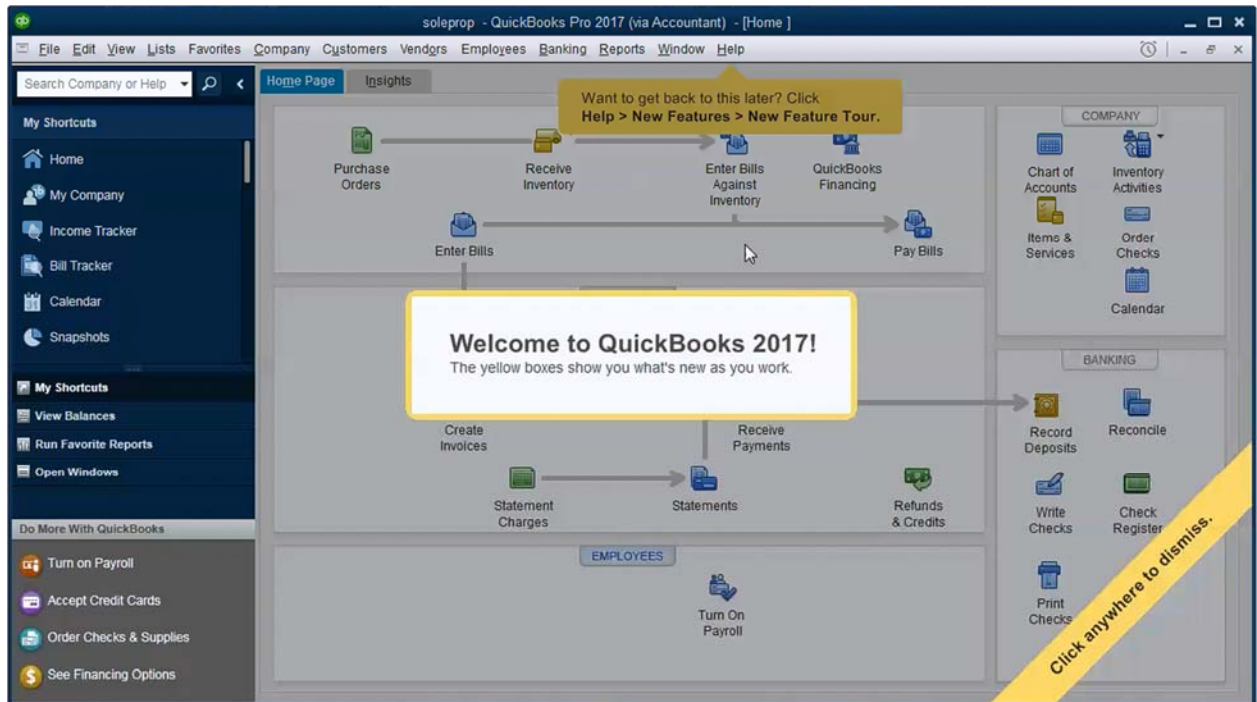
- Restore the backup file. See section 2.2 (*Restore a Backup Company File*) on page 6. When you have finished restoring return here and continue with step 4.
- If you see a *Set Up an External Accountant User* window, checkmark *Don't show this again* and click *No*.



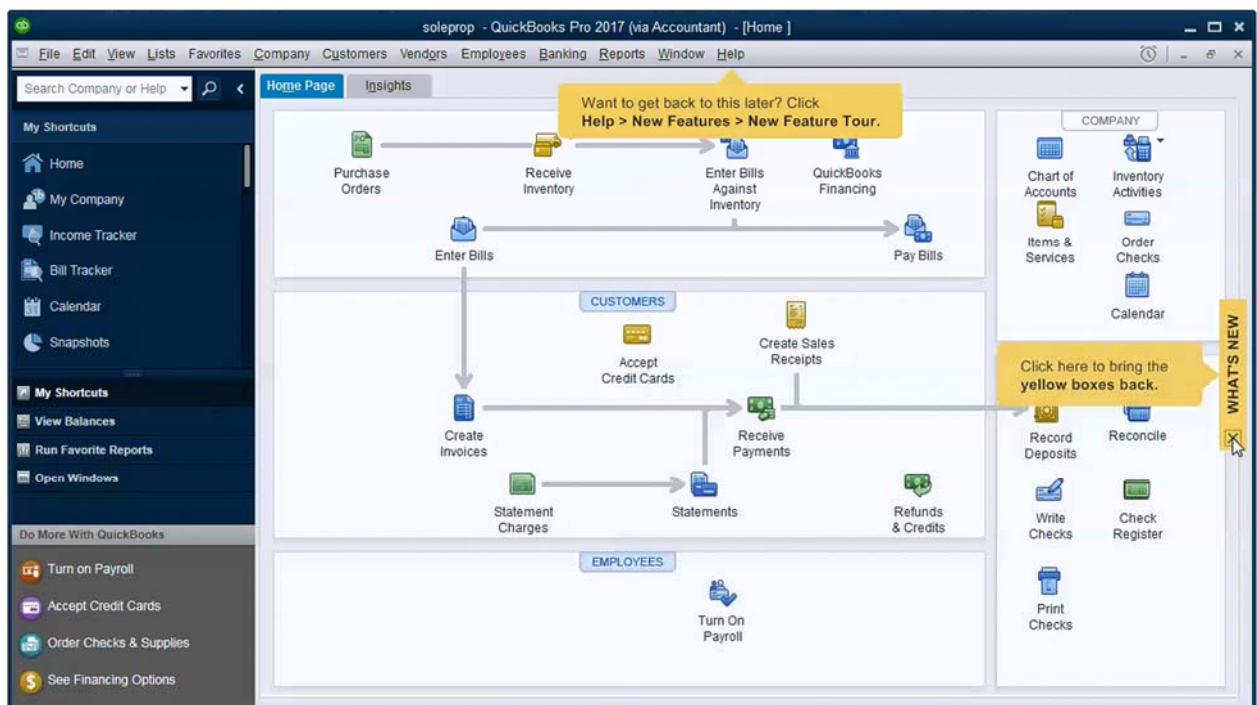
- If you see a New Features window, close it



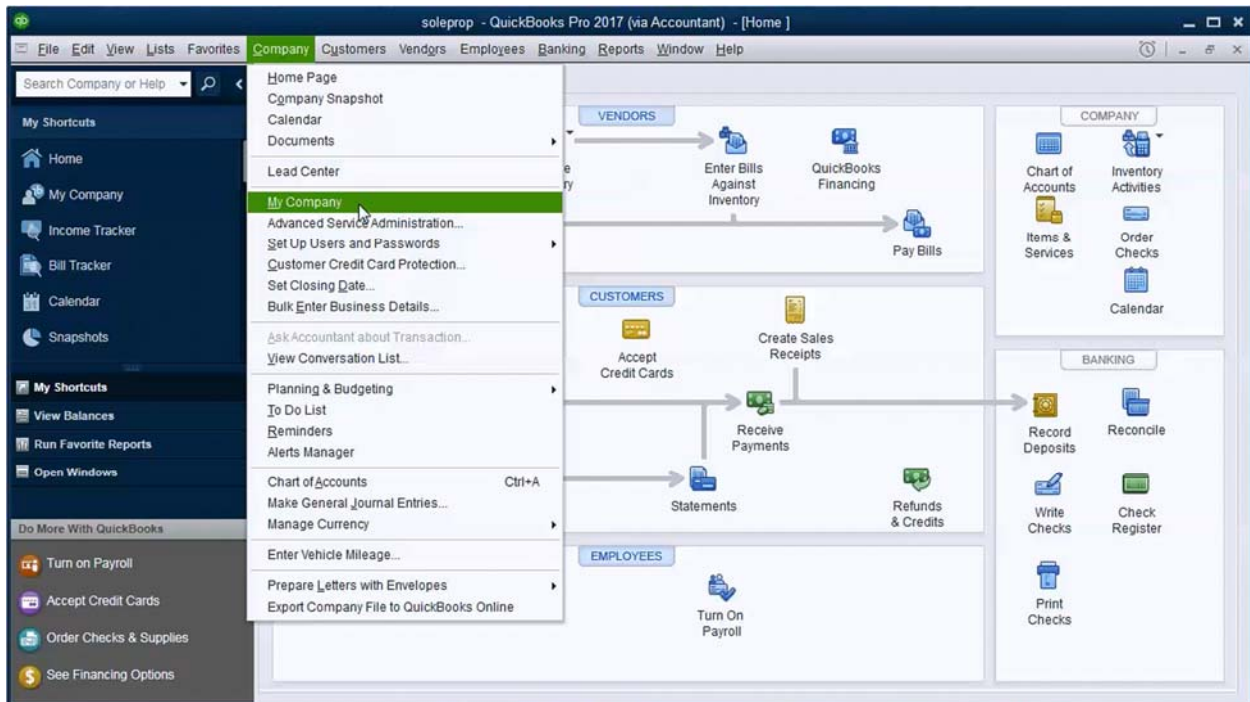
6. You may see yellow new feature boxes, which are meant to be helpful hints to get you started with QuickBooks. Click anywhere on the Home screen to dismiss the Welcome box.



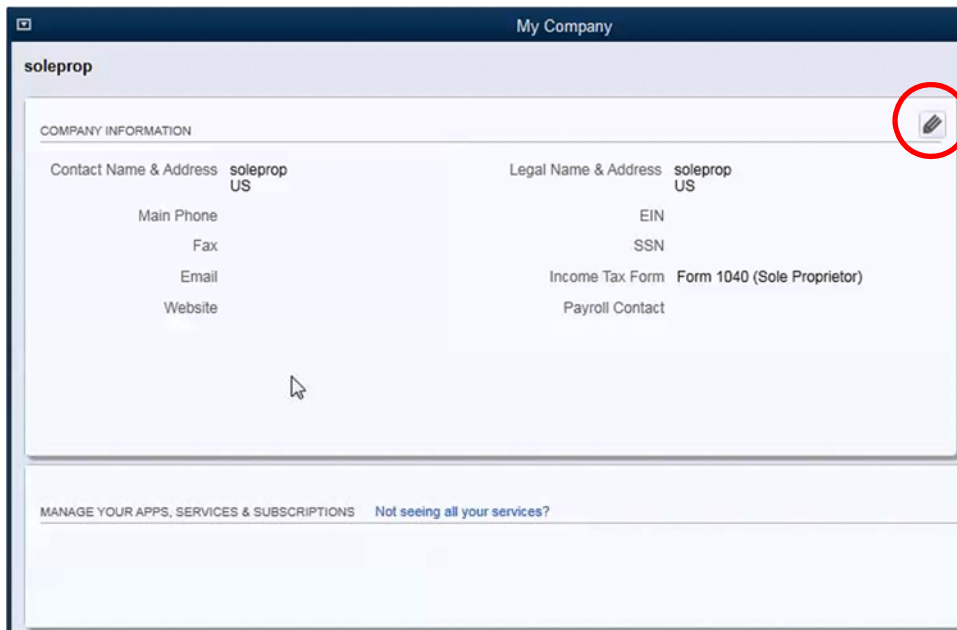
7. Click the X under *What's New* to dismiss the yellow boxes.



8. Select the *Company* menu and click on *My Company*.



9. In the *My Company* window, click on the pencil icon to edit the company information.



10. Change the *Company Name* to your name or your farm name. Enter your address and phone number in order to display them on invoices and sales receipts.

Company Information

Contact Information

Legal Information
Company Identification
Report Information
Payroll Tax Form Information

CONTACT INFORMATION

Company Name My Farm Name

Address 1234 Fake Street
Manhattan, KS 66502

Country US

Phone No. 785-555-5555

Fax No.

E-mail

Web Site

OK
Cancel
Help
Ship To Address...
Attach...

11. Click on *Legal Information* in the menu on the left. Change the Legal Name to your name or your farm name. Enter your address.

Company Information

Legal Information

Contact Information
Company Identification
Report Information
Payroll Tax Form Information

LEGAL INFORMATION (APPEARS ON PAYROLL TAX FORMS)

Legal Name My Farm Name

Legal Address 1234 Fake Street

City/State/ZIP Manhattan KS 66502

Legal Country US

OK
Cancel
Help
Ship To Address...
Attach...

12. Click on *Company Identification* in the menu on the left. Enter your EIN or SSN if desired. This is not required. Entering an EIN or SSN will trigger QuickBooks Sensitive Data Protection (see page 23).

The screenshot shows the 'Company Information' dialog box with the 'Company Identification' tab selected. The left sidebar lists 'Contact Information', 'Legal Information', 'Company Identification' (highlighted), 'Report Information', and 'Payroll Tax Form Information'. The main area is titled 'COMPANY IDENTIFICATION' and contains two input fields: 'Federal Employer Identification No. (EIN is required for Payroll)' with the value '48-9876543' and 'Social Security Number (SSN is used on 1099's if no EIN is entered)'. The right sidebar contains buttons for 'OK', 'Cancel', 'Help', 'Ship To Address...', and 'Attach...'.

13. Click on *Report Information* in the menu on the left. If your *Tax Year* begins with any month other than January, make that change here. You should not need to adjust *Income Tax Form Used*.

The screenshot shows the 'Company Information' dialog box with the 'Report Information' tab selected. The left sidebar lists 'Contact Information', 'Legal Information', 'Company Identification', 'Report Information' (highlighted), and 'Payroll Tax Form Information'. The main area is titled 'REPORT INFORMATION' and contains three dropdown menus: 'First month in your:' (set to January), 'Fiscal Year' (set to January), and 'Tax Year' (set to January). Below these is a dropdown for 'Income Tax Form Used' set to 'Form 1040 (Sole Proprietor)'. The right sidebar contains buttons for 'OK', 'Cancel', 'Help', 'Ship To Address...', and 'Attach...'.

14. *Payroll Tax Form Information* only needs to be completed if you are subscribing to the QuickBooks payroll service.
15. Click *OK* to close the Company Information window. Close the My Company window.

You are now ready to begin entering details on assets and liabilities.

3.2 UPDATE AN EXISTING COMPANY FILE

If you have been using QuickBooks and already have a company file, you can update your company file to include the KFMA chart of accounts, item list, and class list by importing IIF files found at www.farmersguidetoqb.com. This method will require some extra effort on your part. Be advised that duplicate accounts may be possible, depending on your current chart of accounts. Consult with your KFMA economist or tax preparer.

IMPORT IIF FILES

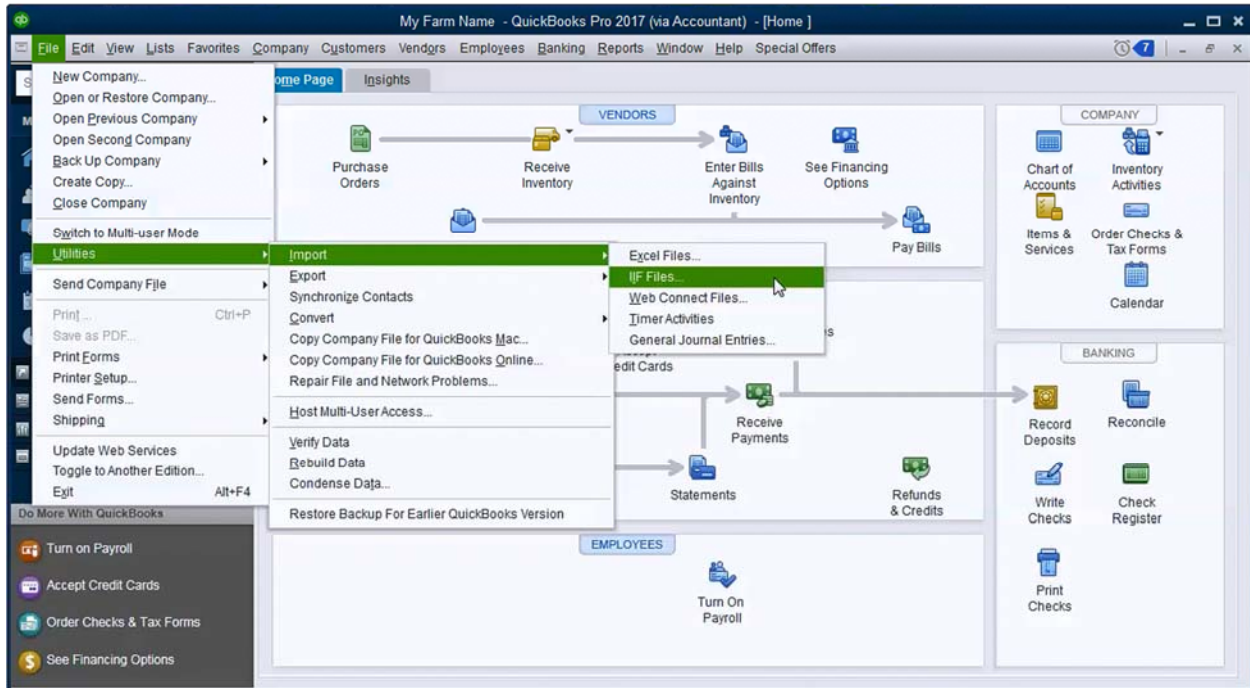
1. Using one of the links below, download and save the IIF files to your computer.

www.farmersguidetoqb.com/qbsetup/kfmachartofaccounts.iif

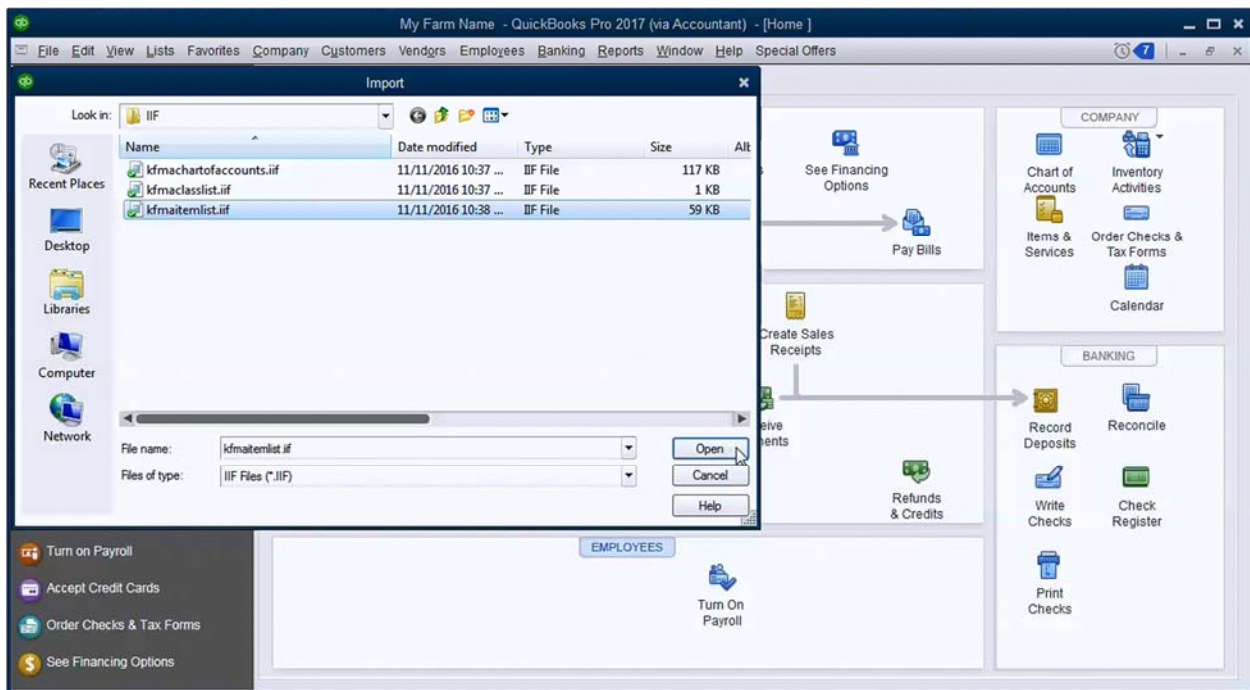
www.farmersguidetoqb.com/qbsetup/kfmaclist.iif

www.farmersguidetoqb.com/qbsetup/kfmaitemlist.iif

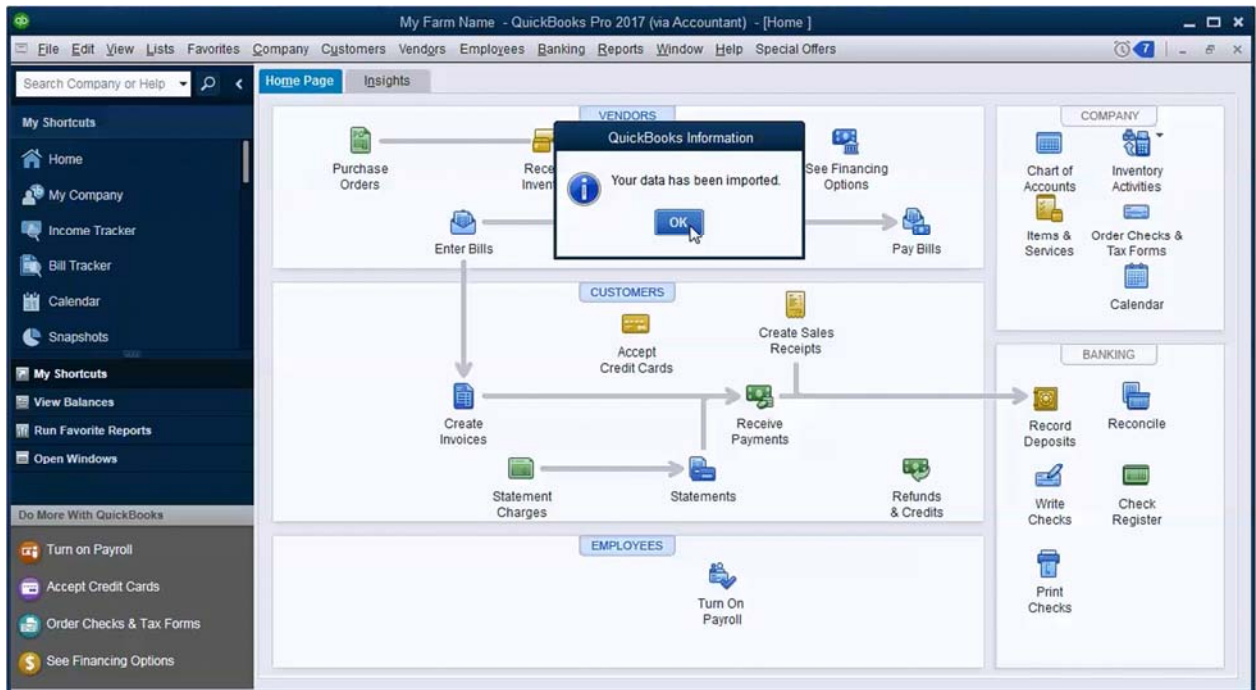
2. In the *File* menu, select *Utilities>Import>IIF Files...*



3. Navigate to the downloaded IIF file. Select it and click *Open*.



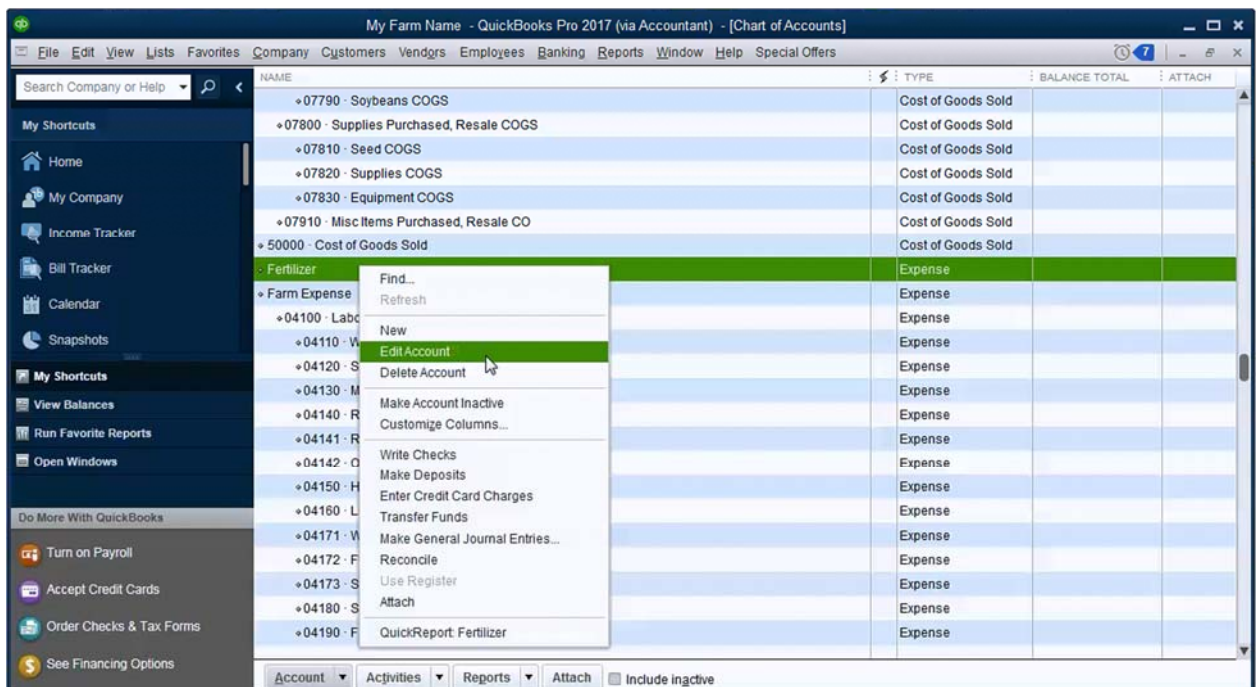
4. Click *OK*.



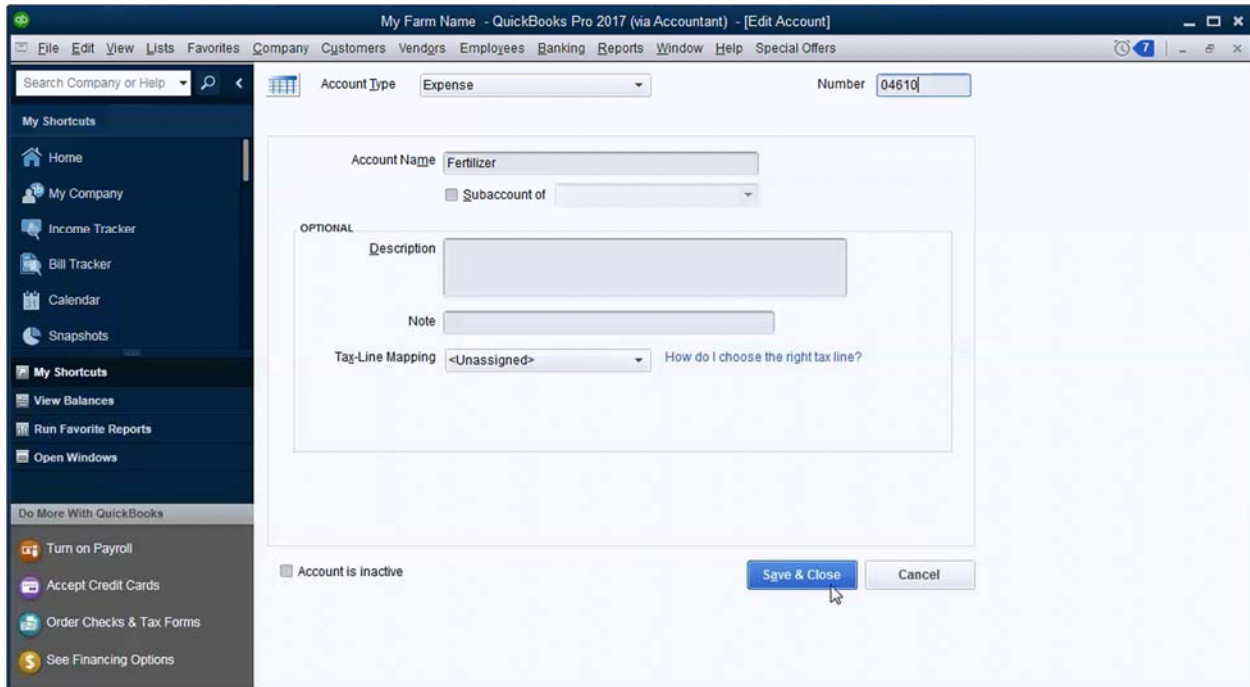
MERGE EXISTING ACCOUNTS WITH NEW

After importing the KFMA chart of accounts, you may see duplicate accounts. To move transactions in an existing income or expense account into a KFMA income or expense account, you will need to merge the accounts.

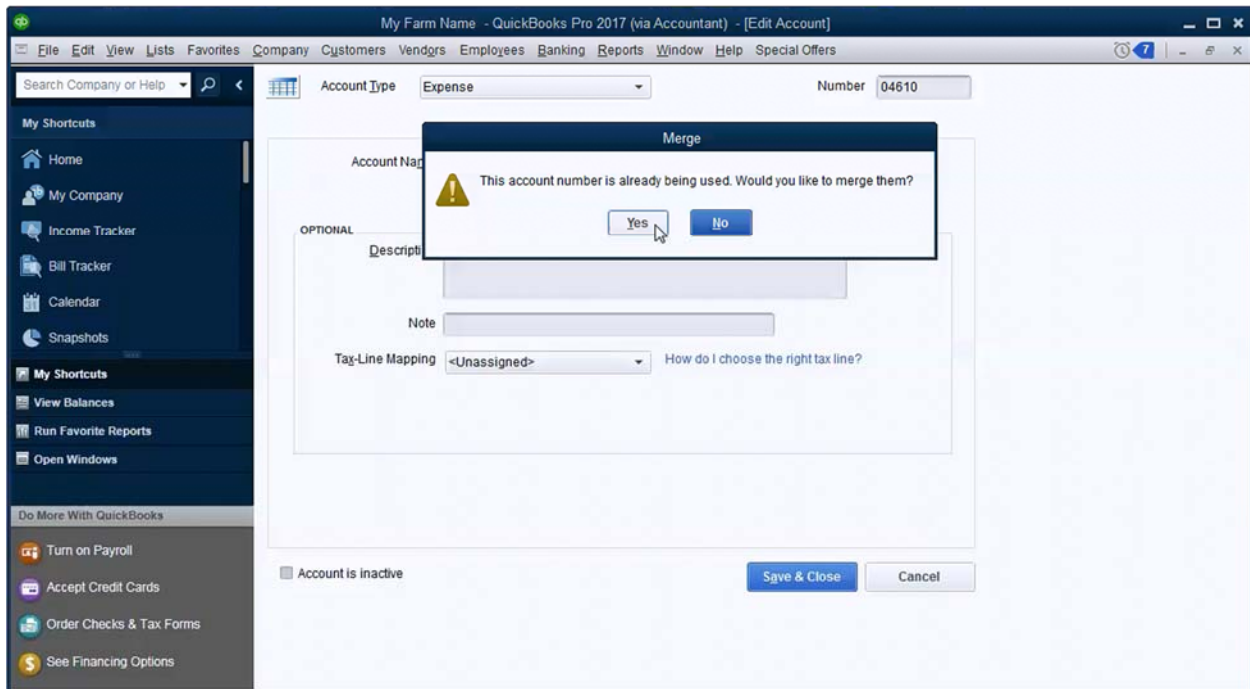
1. In the lists menu, select Chart of Accounts (or use CTRL + A).
2. Right-click on the income or expense account that contains the transactions you wish to move. Click *Edit Account*.



3. Change the account *Number* to match the account that you would like to move the transactions to. Most account numbers in the KFMA chart of accounts contain 5 digits so you may have to add a zero to the end to find an existing account.



4. If you see the *Merge* message box, select *Yes* to merge the accounts. If you do not see this message box, the accounts have not been merged.



3.3 QUICKBOOKS SENSITIVE DATA PROTECTION

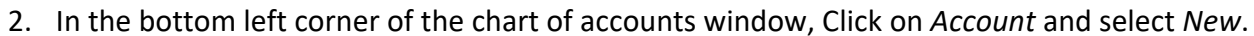
QuickBooks has begun requiring a complex password for company files where you store a company EIN or tax ID number, vendor ID numbers, employee SSNs, bank account numbers, or credit card numbers. QuickBooks requires that the password be changed every 90 days.

A complex password is one that has both upper and lower case letters, special characters (!@#), and numbers, something like “ComP!3x”. The QuickBooks password must be 7 characters long and must include at least one upper case letter and one number.

If you have entered an ID number or bank account in QuickBooks, the next time you open the company file, you will see a Sensitive Data Protection Setup window. Enter a *Password* and select a *Challenge Question* and answer. Click *OK*.

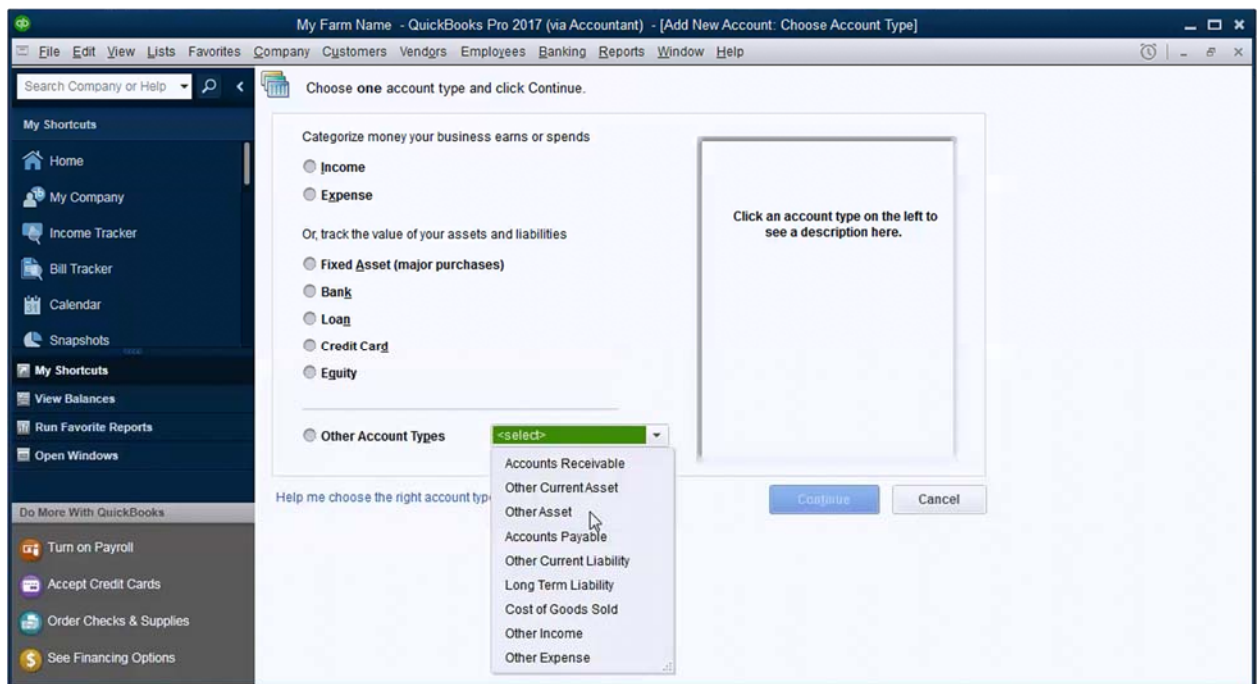
Every time you open the company file, you will be asked to enter your password.

1. From the Home screen, click the *Chart of Accounts* icon to open the chart of accounts.



3. Use the table below to determine the appropriate *Account Type* to select. Click *Continue*.

Account	QuickBooks Account Type	Account Number
Farm Checking Account	Bank	5011
Savings/Money Market/CD	Bank	5018
Farm Credit Installment Fund	Bank	5012
Hedge Account	Bank	5017
Coop Stock	Other Asset	1068
Coop Deferred Patronage	Other Asset	1068
Non-Farm Checking Account	Bank	5019
Loan to Others (Due in ≤12 months)	Other Asset	1061
Loans to Shareholders	Other Asset	1066
Loan to Others (Due >12 months)	Other Asset	1067



4. Enter a *Number* (optional) and an *Account Name*.

It is helpful to enter both the bank name and a short description of the account as the account name. For example, "Very Big Bank – Farm Checking".

QuickBooks will not let you use an account number twice, so to distinguish between similar types of accounts, an external code is often used, which is usually two digits long. In QuickBooks, the code for a checking account is separated from the external code by a space. For example, if you have 2 checking accounts, they might be numbered 5011 01 and 5011 02.

Note: If you enter *Bank Acct. No.* or *Routing Number*, QuickBooks Sensitive Data Protections will be activated and you will be required to password protect the data file. For more information, see page 23.

If this account did not exist at the beginning of the year, skip step 5 and **do not** enter an opening balance. If the account had a balance at the beginning of the year, click *Enter Opening Balance*.

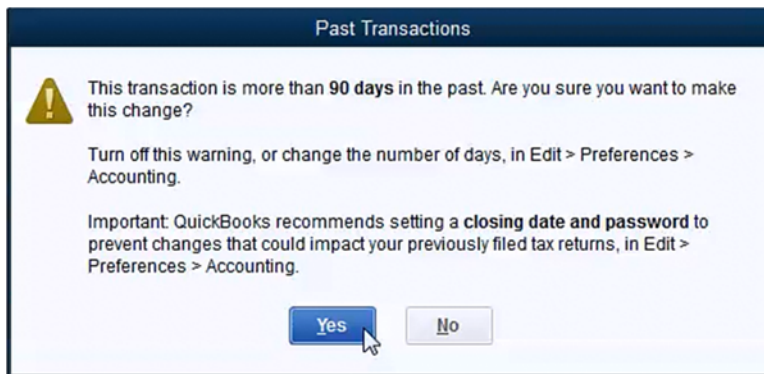
5. QuickBooks asks for a statement ending balance and statement ending date.

When adding a checking account (either farm or non-farm), a savings or money market account, or a CD, use the bank statement that **ends** in the first month of the tax year. Enter the beginning balance of this statement as the *Statement Ending Balance*. Subtract one day from the beginning date of this statement and enter as *Statement Ending Date*.

For all other asset accounts, enter the balance as of the last day of the last tax year.

Click *OK*.

6. Click *Save & Close* save and to go back to the chart of accounts or *Save & New* to save and add another account.
7. If you entered an opening balance, you may see a window stating that the transaction is 90 days in the past. Click *Yes* to continue.



8. QuickBooks may ask if you would like to setup online services. Online banking services are not covered in this manual. Select *No* to continue without online banking services.



9. If you selected *Save & New* in step 6, repeat steps 3-8 for each checking, savings, money market, or CD.
10. Below is an example of account numbering when there are two different savings accounts.

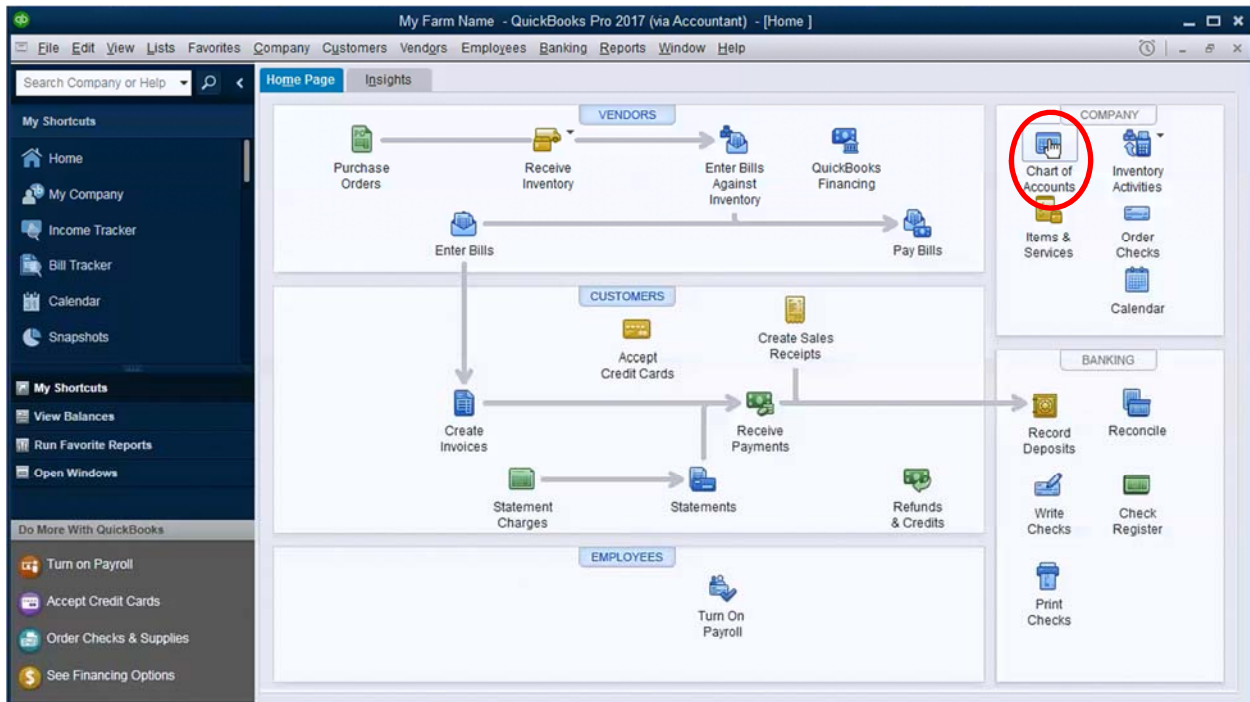
3.5 ADD LIABILITY ACCOUNTS

Liability accounts include an operating loan or line of credit, loans from shareholders, intermediate loans (equipment or breeding livestock), non-farm loans (house or car) and real estate loans. Like asset accounts, liability accounts are all added in a similar manner.

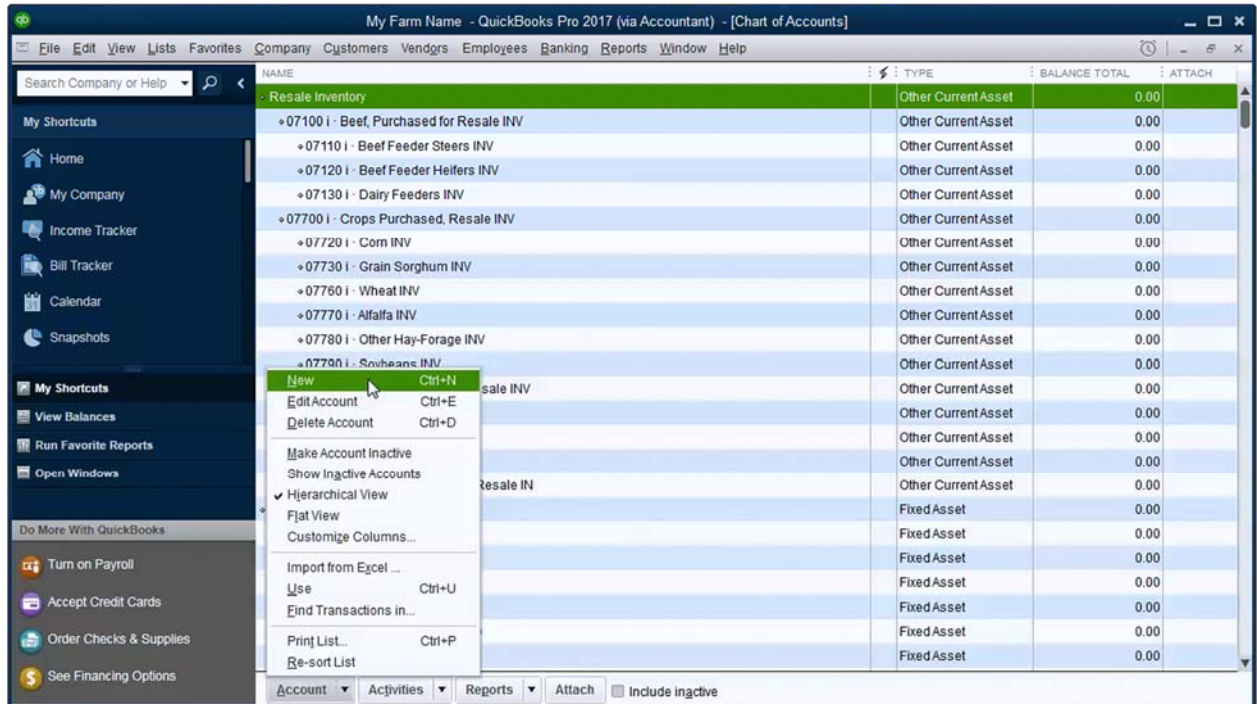
If you plan to use bills and track accounts payable, QuickBooks uses an internal A/P account. You do not need to do anything to add this account.

Note: QuickBooks treats items charged to a credit card as an expense when charged, not when the credit card is paid. Consult with your tax advisor to see if you have been deducting expenses when the credit card is paid in order to maintain consistency.

1. From the Home screen, click the *Chart of Accounts* icon to open the chart of accounts.

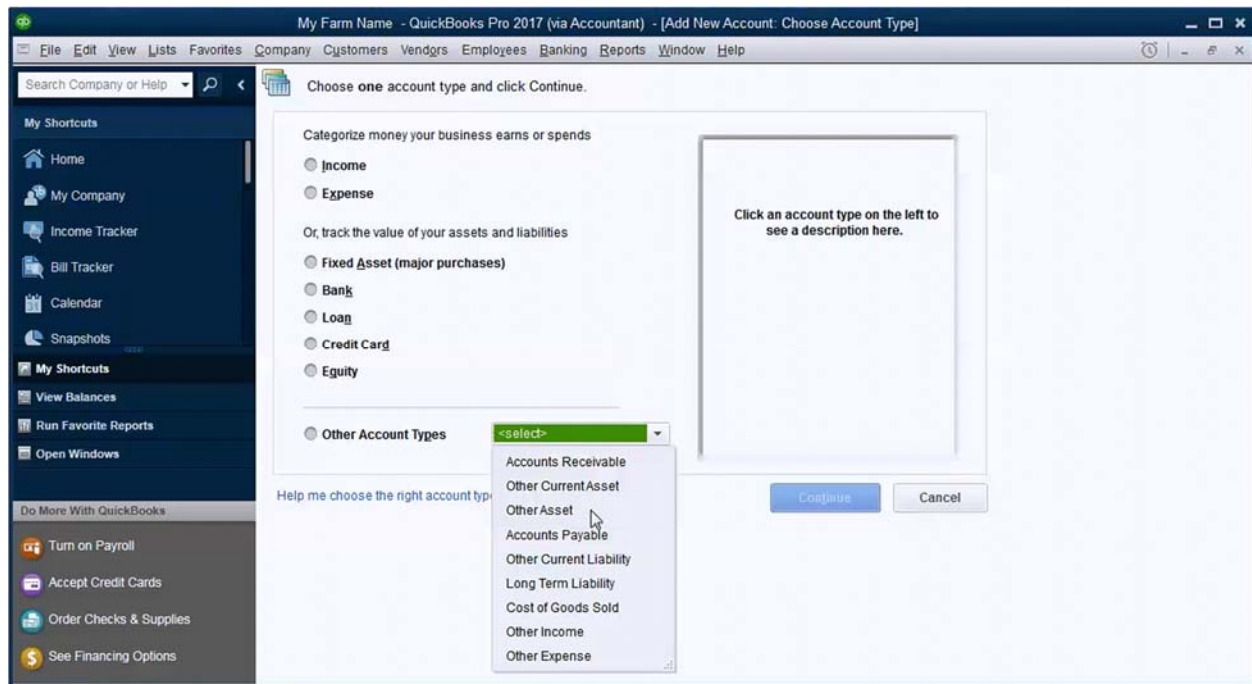


- In the bottom left corner of the chart of accounts window, Click on *Account* and select *New*.



- Use the table below to determine the appropriate *Account Type* to select. Click *Continue*.

Account	QuickBooks Account Type	Account Number
Operating Loan or LOC	Other Current Liability	1021
Credit Card	Credit Card	1021
Loan from Partner/Shareholder	Long Term Liability	1026
Equipment or Breeding Livestock Loan	Long Term Liability	1027
Farm Real Estate Loan	Long Term Liability	1028
Non-Farm Loan	Long Term Liability	1101



4. Enter a *Number* (optional) and an *Account Name*.

It is helpful if you enter both the lender name and a short description of the purpose of the loan as *Account Name*. For example, "JD Financial – JD S670 Combine".

QuickBooks will not let you use an account number twice, so to distinguish between similar types of accounts, an external code is often used. In QuickBooks, the KFMA account number should be entered in the *Account Number* followed by a space and the external code. For example, if you have 2 equipment loans, they might be numbered 1027 01 and 1027 02.

It may be helpful to enter the loan term, interest rate and regular payment amount in the *Description* field.

If you are adding a loan that **did not** exist at the beginning of the current year, setup of the loan is complete. Click *Save & Close*.

If you are setting up QuickBooks for the first time and adding a loan that existed at the beginning of the current year, click *Enter Opening Balance*.

My Farm Name - QuickBooks Pro 2017 (via Accountant) - [Add New Account]

File Edit View Lists Favorites Company Customers Vendors Employees Banking Reports Window Help

Search Company or Help

Account Type: Long Term Liability Number: 1027 01

Account Name: JD Financial - JD 8670 Combine Select from Examples

Subaccount of: [Dropdown]

OPTIONAL

Description: 5 years @ 3.375% @ \$33,104.68

Account No.: [Text Box]

Tag-Line Mapping: <Unassigned> How do I choose the right tax line?

Enter Opening Balance... Should I enter an opening balance?

Save & Close Save & New Cancel

5. Enter the loan balance on the last day of the prior tax year as the *Opening Balance*. Enter the date of the last day of the prior fiscal year. Click **OK**.

Enter Opening Balance: Long Term Liability Account

Enter the balance this account had on the day before your QuickBooks start date.

Attention: If this account did not have a balance before your QuickBooks start date, click **Cancel** and use a transaction to put money in this account. [Example transactions](#)

Opening Balance: 121,957.82 as of: 12/31/2015

OK Cancel Help

6. Click **Save & Close**.
7. You may see a window stating that the transaction is 90 days in the past. Click **Yes** to continue.

Past Transactions

Warning: This transaction is more than 90 days in the past. Are you sure you want to make this change?

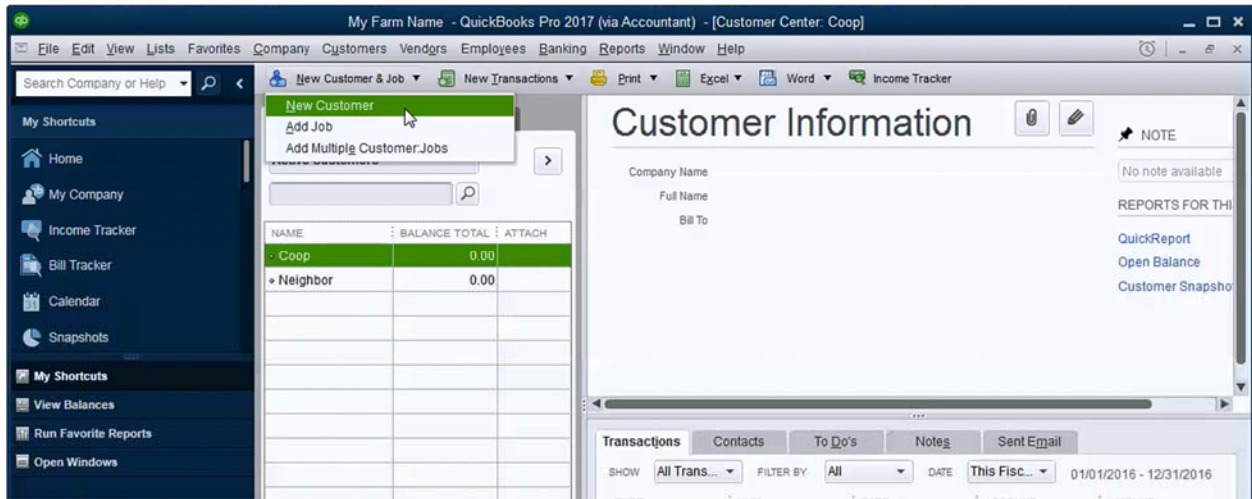
Turn off this warning, or change the number of days, in **Edit > Preferences > Accounting**.

Important: QuickBooks recommends setting a **closing date and password** to prevent changes that could impact your previously filed tax returns, in **Edit > Preferences > Accounting**.

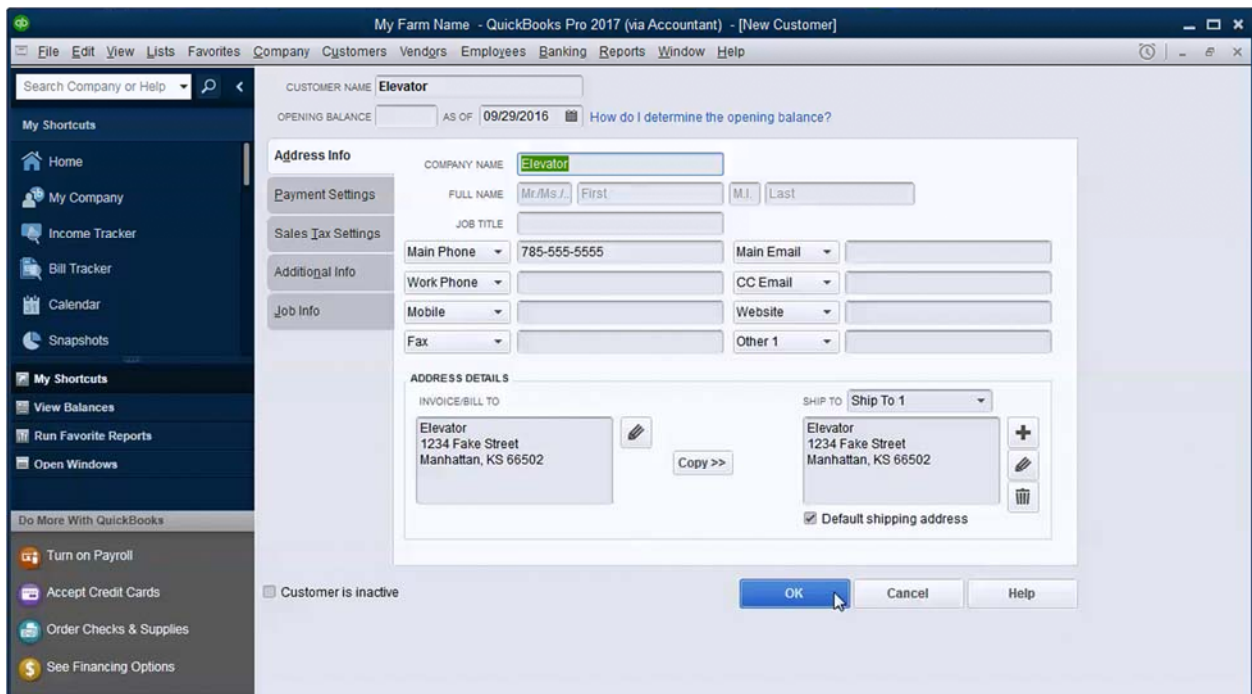
Yes No

3.6 ADD CUSTOMERS

1. Select the *Customers* menu and click on *Customer Center*.
2. Click on *New Customer & Job* and select *New Customer* or use the CTRL + N shortcut key.



3. Enter the *Customer Name*, *Phone Number*, and *Addresses*. Usually, you will not need to enter information of the *Sales Tax Settings*, *Additional Info*, or *Job Info* tabs. If you will be invoicing a customer, consider defining default *Payment Terms* for a customer. Click *OK*.



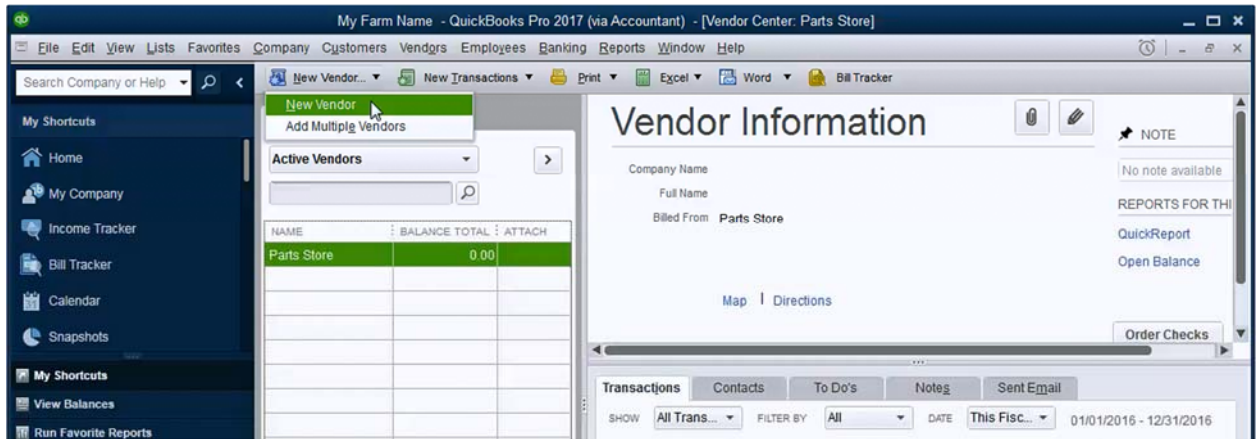
If you have a list of customers (in MS Excel) from a previous accounting program, you can use the *Add Multiple Customers:Jobs* tool to import customers and speed up the entry process.

Once a customer is added, you can edit their information by double clicking on them in the list on the left side of the Customer Center.

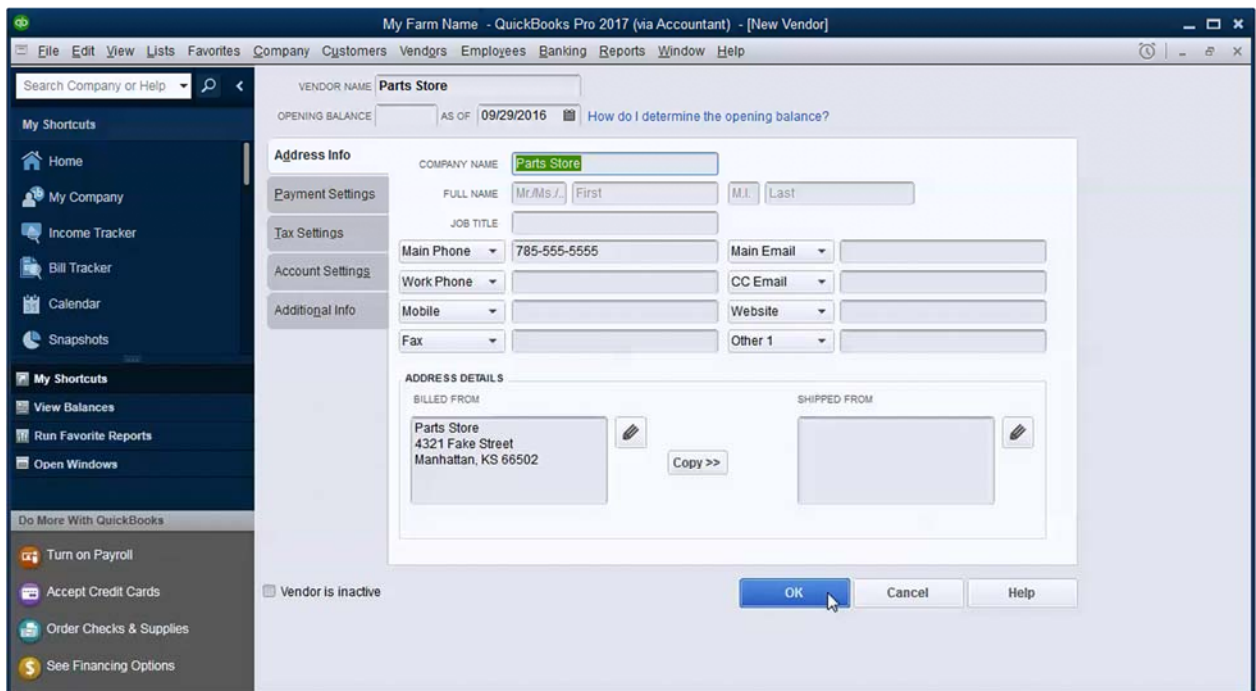
A shortcut method to add customers is also available. See page 41.

3.7 ADD VENDORS

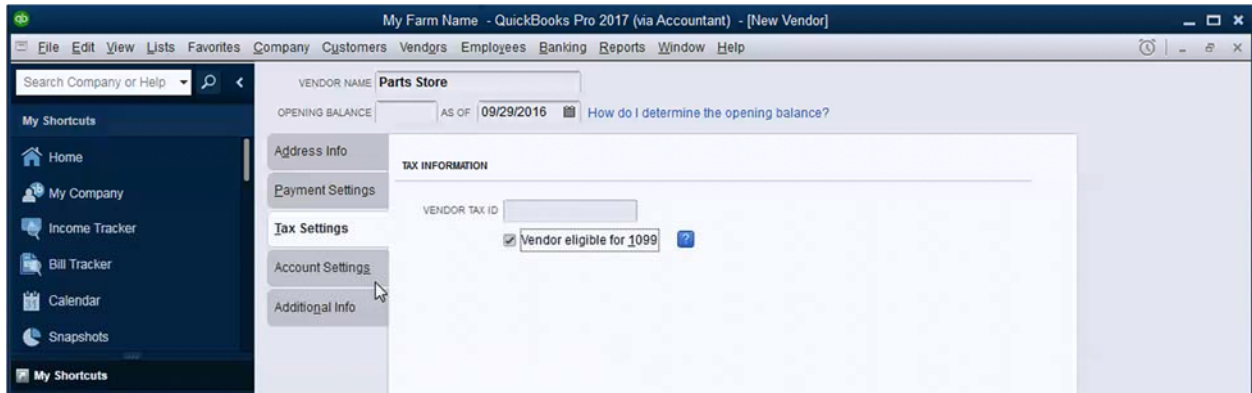
1. Select the *Customers* menu and click on *Customer Center*.
2. In the *Vendor Center*, click the *New Vendor* button and select *New Vendor*.



3. Enter the *Vendor Name*, *Phone Number*, and *Address*. You will probably not need to enter any information in *Payment Settings*, *Account Settings*, or *Additional Info* tabs.



- If this vendor will receive 1099s, it may be helpful to enter the *Vendor Tax ID* and check the box in front of *Vendor eligible for 1099*. Entering the *Vendor Tax ID* will trigger QuickBooks Sensitive Data Protection, requiring a company file password.



- Click *OK*.

A shortcut method to add vendors is also available. See page 62.

3.8 SETUP ACCOUNTS RECEIVABLE (A/R) BALANCES

Using invoices or statements to bill customers will allow you to track Accounts Receivable (A/R) so you know how much you are owed, who owes it, and how far behind they are. After you setup a company file and add customers you will need to enter opening A/R balances. QuickBooks allows several methods to set initial customer balances. However, only one method is acceptable for a cash-basis taxpayer.

To accurately reflect customer balances, you must create an invoice using the original billing date and select items that are linked to the appropriate income account. If you are a cash basis taxpayer, DO NOT use a journal entry to adjust an opening customer balance. If you are a cash basis taxpayer, DO NOT enter an opening balance in the new customer window.

3.9 SETUP ACCOUNTS PAYABLE (A/P) BALANCES

Using bills allows you to track Accounts Payable (A/P) so you can see how much you owe your vendors. QuickBooks allows several methods to initially set A/P balances. If you are a cash basis taxpayer, you must enter a bill with the original billing date and an appropriate expense account. If you are a cash basis taxpayer, DO NOT use a journal entry to enter an A/P balance. If you are a tax basis taxpayer, DO NOT enter an opening balance in the new vendor window.

4 INCOME TRANSACTIONS

QuickBooks utilizes an Undeposited Funds account to track income that has been received but has yet to be deposited into a bank account. This makes recording certain income transactions a multi-step process, shown on the Home Screen.

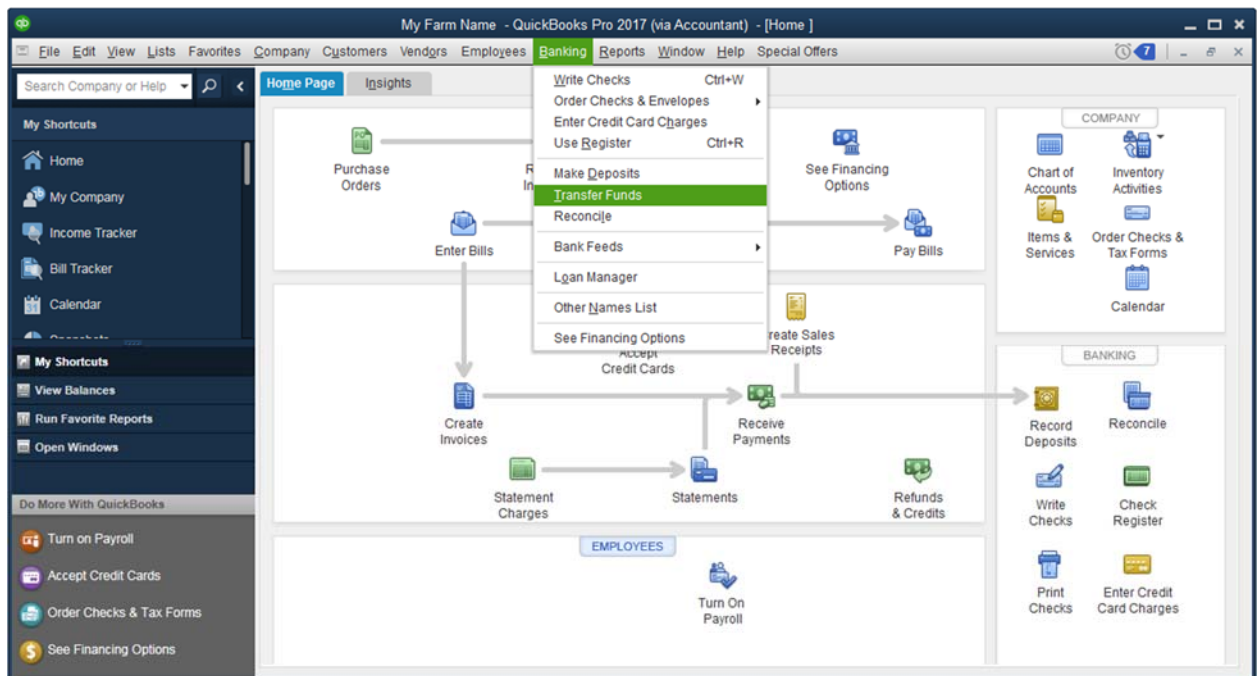
Failure to follow this process correctly will make it difficult to determine who owes you money and could have unintended tax consequences. **It is extremely important that you follow the flow chart on the Home Screen to prevent errors!**

When entering an income transaction, use the date that the income was received, not the date of the deposit in the bank.

4.1 TRANSFERS BETWEEN ACCOUNTS

A transfer between two accounts is easily accomplished with QuickBooks. You can transfer to or from any asset, liability, or equity account. Transfers would most commonly be used when moving money from savings to checking or vice versa.

1. Click on the *Banking* menu and select *Transfer Funds*.



2. Enter the date, select a From account, To account, and enter the amount of the transfer.

4.2 DEPOSITS VS SALES RECEIPTS VS INVOICES

QuickBooks provides several methods to record income. Which do you use? The preferred method depends on what you wish to accomplish.

- The Make Deposits window is the most direct way of recording income as it only requires one step. If you are not tracking inventory of commodities, most of your income transactions should be recorded this way. You can also enter a transaction directly in the Check Register as a shortcut to using Make Deposits.

Even if you are tracking inventory of commodities, you will use Make Deposits when recording income from crop insurance, patronage dividends, or government payments.

- Sales receipts are a two-step process used to record asset or commodity sales where you would like to track quantities or keep an inventory. Sales receipts are usually used to record a sale as it occurs. Inventory tracking inventory with QuickBooks is not covered in this edition of the Farmers Guide to QuickBooks.
- Invoices are usually used when you want to send an invoice to a customer. Generally, an invoice is sent when you are performing work (or have already) and will be paid at a later date, which impacts accounts receivable. Like sales receipts, invoices allow you to sell goods that are inventoried. Invoicing requires three steps to record income. You might use an invoice when you do custom work for a neighbor and want to send them a bill.

Statements are used in conjunction with invoices (that have already been created) to send a summary of activity to a customer. A statement will include outstanding invoices at the beginning of a period as well as payments received and a total amount due. Recording income from a statement requires at least three steps. You might use a statement when you have created several invoices for a neighbor for custom work done on different occasions. If the invoices are past due, you can also add finance charges to a statement.

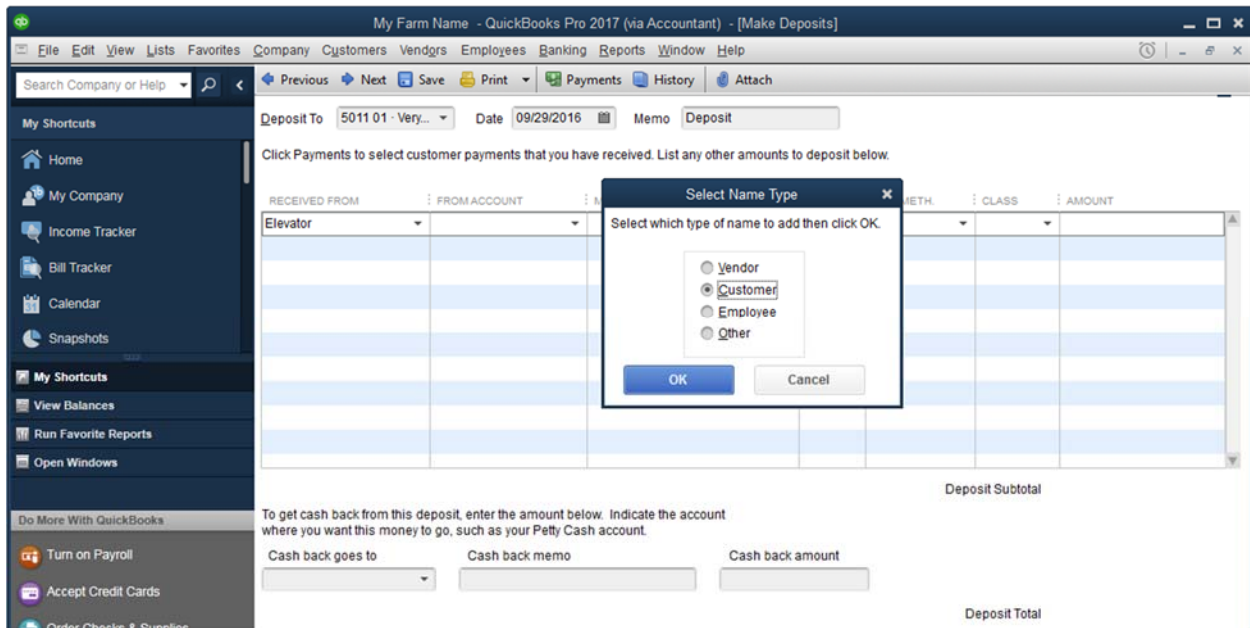
4.3 RECORD DEPOSITS

If you are not tracking inventory, most income transactions can be recorded (in one-step) using the *Make Deposits* window.

1. From the *Home Screen*, click on *Record Deposits*.
2. Select the bank account in *Deposit To* and enter the *Date*. Enter the payer in *Received From* and select the appropriate income account in *From Account*. Enter *Amount*. Click *Save & Close*.

3. If you are entering a deposit (or invoice) from a name not in the customer list, QuickBooks will display *Name Not Found*. Click *Set Up* to add detailed information about the customer, including address, phone number, etc. To add the customer quickly, without detail, click on *Quick Add*.

- If you selected *Quick Add* in step 3, select *Customer* and click *OK*.

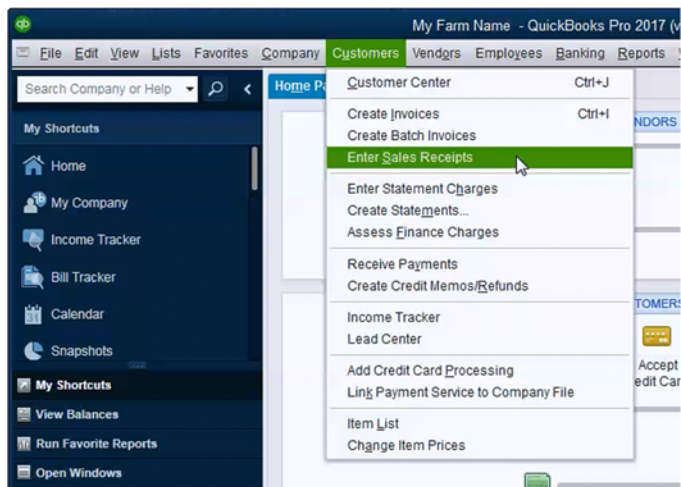


4.4 SALES RECEIPTS

Use *Sales Receipts* (rather than *Record Deposits*) to record sales of commodities when you are tracking inventory. A sales receipt requires first creating the sales receipt, then recording the deposit.

CREATE A SALES RECEIPT

- To create a Sales Receipt, select the *Customers* menu and click *Enter Sales Receipt* or click on the *Create Sales Receipt* icon on the *Home Screen*.



2. Select a customer from the *Customer:Job* drop down and enter the *Date* of the sale, *not* the date of the deposit. When you select an Item, the description will be automatically filled.

My Farm Name - QuickBooks Pro 2017 (via Accountant) - [Enter Sales Receipts]

File Edit View Lists Favorites Company Customers Vendors Employees Banking Reports Window Help Special Offers

Search Company or Help

My Shortcuts

Home

My Company

Income Tracker

Bill Tracker

Calendar

Snapshots

My Shortcuts

View Balances

Run Favorite Reports

Open Windows

Do More With QuickBooks

Turn on Payroll

Accept Credit Cards

Order Checks & Tax Forms

See Financing Options

Main Formatting Send/Ship Reports Payments

Find New Save Delete Create a Copy Memorize Mark As Pending Print Email Email Later Attach File Add time/costs Process payment Add Credit Card Processing

CUSTOMER:JOB Coop CLASS TEMPLATE Custom Sa...

Sales Receipt

DATE 10/15/2016 SOLD TO

CASH CHECK CREDIT DEBIT e-CHECK MORE

SALE NO. CHECK NO.

ITEM	DESCRIPTION	QTY	RATE	CLASS	AMOUNT
0172	Inventory Part				0.00

<Add New>

CUSTOMER MESSAGE

MEMO

Save & Close Save & New Clear

Coop

Customer Transaction

SUMMARY

Open balance

RECENT TRANSACTION

NOTES

3. You may see an error message stating that you don't have enough in inventory on hand. See page **Error! Bookmark not defined.** for more information on entering crop or livestock production into inventory.

My Farm Name - QuickBooks Pro 2017 (via Accountant) - [Enter Sales Receipts]

File Edit View Lists Favorites Company Customers Vendors Employees Banking Reports Window Help Special Offers

Search Company or Help

My Shortcuts

Home

My Company

Income Tracker

Bill Tracker

Calendar

Snapshots

My Shortcuts

View Balances

Run Favorite Reports

Open Windows

Do More With QuickBooks

Turn on Payroll

Accept Credit Cards

Order Checks & Tax Forms

See Financing Options

Main Formatting Send/Ship Reports Payments

Find New Save Delete Create a Copy Memorize Mark As Pending Print Email Email Later Attach File Add time/costs Process payment Add Credit Card Processing

CUSTOMER:JOB Coop CLASS TEMPLATE Custom Sa...

Sales Receipt

DATE 10/15/2016 SOLD TO

CASH CHECK CREDIT DEBIT e-CHECK MORE

SALE NO. CHECK NO.

ITEM	DESCRIPTION	QTY	RATE	CLASS	AMOUNT
0176	Wheat				0.00

Warning: You don't have sufficient quantity on hand to sell item 0176.

OK

CUSTOMER MESSAGE

MEMO

Save & Close Save & New Clear

Coop

Customer Transaction

SUMMARY

Open balance

RECENT TRANSACTION

10/15/16 Sales Receipt

NOTES

- Enter the *Quantity* and *Rate*. QuickBooks will calculate the *Amount*. Click *Save & Close*.

My Farm Name - QuickBooks Pro 2017 (via Accountant) - [Enter Sales Receipts]

File Edit View Lists Favorites Company Customers Vendors Employees Banking Reports Window Help Special Offers

Search Company or Help

My Shortcuts

Home

My Company

Income Tracker

Bill Tracker

Calendar

Snapshots

My Shortcuts

View Balances

Run Favorite Reports

Open Windows

Do More With QuickBooks

Turn on Payroll

Accept Credit Cards

Order Checks & Tax Forms

See Financing Options

Customer: Coop

CLASS: [Blank]

TEMPLATE: Custom Sa...

Sales Receipt

DATE: 10/15/2016

SOLD TO: [Blank]

CASH CHECK CREDIT DEBIT CHECK

CHECK NO. [Blank]

ITEM	DESCRIPTION	QTY	RATE	CLASS	AMOUNT
0172	Corn	5,000	3.00		15,000.00

TOTAL: 15,000.00

CUSTOMER MESSAGE: [Blank]

MEMO: [Blank]

Save & Close Save & New Clear

Customer Transaction

SUMMARY

Open balance

RECENT TRANSACTION

NOTES

RECORD A DEPOSIT

- On the *Home Screen*, select *Record Deposits*. In QuickBooks 2017, the number in the red box near the *Record Deposits* icon is the number of customer payments that have been received but not deposited.
- The *Make Deposits* window and *Payments to Deposit* window should both open automatically. Place a checkmark in front of each customer payment that will be included in the deposit. You can select payments from multiple customers at once. Click *OK*.

Payments to Deposit

File Edit View Lists Favorites Company Customers Vendors Employees Banking Reports Window Help Special Offers

Search Company or Help

My Shortcuts

Home

My Company

Income Tracker

Bill Tracker

Calendar

Snapshots

My Shortcuts

View Balances

Run Favorite Reports

Open Windows

Do More With QuickBooks

Turn on Payroll

Accept Credit Cards

Order Checks & Tax Forms

See Financing Options

Deposit To: [Blank]

Click Payment

RECEIVED FROM: [Blank]

SELECT VIEW

View payment method type: All types

Sort payments by: Payment Method

What are payment method views?

SELECT PAYMENTS TO DEPOSIT

DATE	TIME	TYPE	NO.	PAYMENT METH...	NAME	AMOUNT
10/15/2016		RCPT			Coop	15,000.00

1 of 1 payments selected for deposit

Payments Subtotal: 15,000.00

Select All Select None

OK Cancel Help

Clear

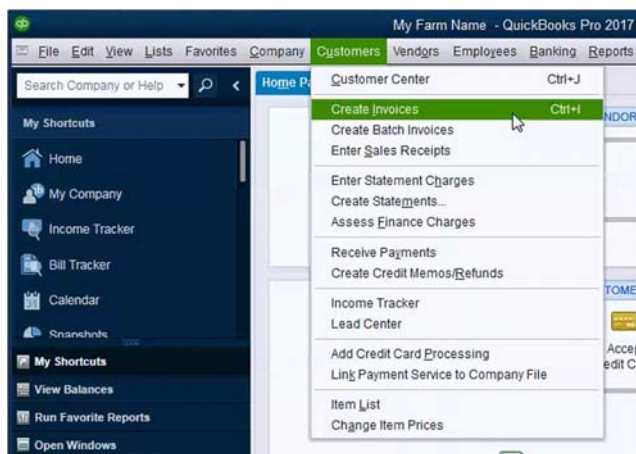
- The selected customer payments are automatically entered on the *Make Deposits* window. Select the appropriate bank account under *Deposit To* and change the *Date* as needed. You can add additional lines if other checks were deposited at the same time. Click *Save & Close*.

4.5 INVOICING

An invoice requires three steps: creating the invoice, receiving a payment, and recording the deposit. You must use *Items* to detail an invoice. If you downloaded and modified a company file from www.farmersguidetoqb.com, a long list of items are included but some are inactive by default. To see a list of *Items*, click on the *Lists* menu and select *Item List*. At the bottom of the *Item List* window, check the box to *Include inactive* to show all items.

CREATE AN INVOICE

- To create a new invoice, click on the *Customers* menu and select *Create Invoices* or select *Create Invoices* on the *Home Screen*.



2. Select a customer from the *Customer:Job* drop down;

3. Enter the invoice *Date*, *Quantity*, and type the *Item Code* or select from the menu. If you are using a downloaded company file template, preconfigured items are available for nearly all income codes in the KFMA chart of accounts. If you do not see an item, it may be hidden.

Once an item is selected, QuickBooks will automatically fill in the *Description*. Edit *Description* as needed and enter a *Price Each*. QuickBooks will calculate *Amount* by multiplying *Quantity* by *Price Each*.

4. Click *Save & Close* when finished.

RECEIVE A CUSTOMER PAYMENT

When you receive a customer payment, QuickBooks will decrease Accounts Receivable (A/R) and increase the balance in the Undeposited Funds account. QuickBooks uses this Undeposited Funds account to track funds received that have not made it to the bank.

If you receive a customer payment, make certain that you complete the process by using Record Deposit. If these customer payments are not handled properly, income may duplicated on profit and loss reports.

1. From the *Home Screen*, select *Receive Payments* or click the *Customers* menu and select *Receive Payments*.
2. Select the customer in the *Received From* drop down.

The screenshot shows the 'Customer Payment' window in QuickBooks Pro 2017. The 'RECEIVED FROM' dropdown menu is open, showing a list of customers: Coop, Elevator, and Neighbor. The 'PAYMENT AMOUNT' field is set to '< Add New >'. The 'DATE' field is empty. The 'REFERENCE #' field is empty. The 'CUSTOMER BALANCE' is 0.00. The 'Totals' row shows 0.00 for the payment amount, 0.00 for the customer balance, and 0.00 for the total. The 'AMOUNTS FOR SELECTED INVOICES' section shows 0.00 for Amount Due, 0.00 for Applied, and 0.00 for Discount and Credits Applied.

3. Once you have selected a customer, QuickBooks will display a list of unpaid invoices for that customer. When you enter a *Payment Amount*, it will place a checkmark in the far left column of an invoice that matches the payment amount. If no invoices match the payment amount

exactly, QuickBooks will apply partial payments starting with the oldest invoice. You can modify how a payment is applied to an invoice by changing the amount in the *Payment* column.

The screenshot shows the 'Customer Payment' window in QuickBooks Pro 2017. The 'RECEIVED FROM' field is set to 'Neighbor'. The 'PAYMENT AMOUNT' is 3,200.00, and the 'DATE' is 11/30/2016. The 'CUSTOMER BALANCE' is 3,200.00. The table below shows one invoice with an amount due of 3,200.00, which is fully paid (3,200.00). The 'Totals' row shows the original amount, amount due, and payment all at 3,200.00.

DATE	NUMBER	ORIG. AMT.	AMT. DUE	PAYMENT
10/18/2016	2	3,200.00	3,200.00	3,200.00
Totals		3,200.00	3,200.00	3,200.00

AMOUNTS FOR SELECTED INVOICES:

AMOUNT DUE	3,200.00
APPLIED	3,200.00
DISCOUNT AND CREDITS APPLIED	0.00

4. If the *Payment Amount* is less than the total *Amount Due* on the selected invoices, an *Underpayment* section will be displayed in the lower left corner of the Customer Payment window.

The screenshot shows the 'Customer Payment' window with the 'PAYMENT AMOUNT' set to 3,000.00. The 'CUSTOMER BALANCE' remains 3,200.00. The table shows the same invoice with an amount due of 3,200.00, but only 3,000.00 is paid. An 'UNDERPAYMENT' section is displayed in the lower left corner, showing a remaining balance of \$200.00. The 'AMOUNTS FOR SELECTED INVOICES' section shows the amount due as 3,200.00 and the amount applied as 3,000.00.

DATE	NUMBER	ORIG. AMT.	AMT. DUE	PAYMENT
10/18/2016	2	3,200.00	3,200.00	3,000.00
Totals		3,200.00	3,200.00	3,000.00

UNDERPAYMENT: \$200.00

WHEN FINISHED:

- ☒ LEAVE THIS AS AN UNDERPAYMENT
- ☐ WRITE OFF THE EXTRA AMOUNT

VIEW CUSTOMER CONTACT INFORMATION

AMOUNTS FOR SELECTED INVOICES:

AMOUNT DUE	3,200.00
APPLIED	3,000.00
DISCOUNT AND CREDITS APPLIED	0.00

If you select *Leave this as an underpayment*, QuickBooks will continue to show an open balance for this customer. Select this option if you are unsure that the customer will pay the remaining balance at a later date.

If you select *Write off the extra amount*, QuickBooks will prompt you to select an *Account* to reflect the amount of the write off. Select an account that is similar to the income account on the original invoice. Use this option if you know the customer **will not** pay the remaining balance in the future.

The screenshot shows the 'Customer Payment' window in QuickBooks Pro 2017. The 'PAYMENT AMOUNT' is 3,000.00, and the 'CUSTOMER BALANCE' is 3,200.00. A 'Write Off Amount' dialog box is open, prompting the user to select an account for the write-off. The dialog box contains the following text:

Write off \$200.00 to
 Account: Farm Income:03200 - Machine
 How do I choose the right account?
 Class:
 OK Cancel

The 'Write Off Amount' dialog box is a small window that appears over the main 'Customer Payment' window. It has a title bar that says 'Write Off Amount'. The main content area contains the text 'Write off \$200.00 to', followed by a dropdown menu showing 'Farm Income:03200 - Machine'. Below this is the text 'How do I choose the right account?' followed by a 'Class' dropdown menu. At the bottom are 'OK' and 'Cancel' buttons.

- If the *Payment Amount* is more than the total *Amt Due* on the selected invoices, an *Overpayment* section will be displayed in the lower left corner of the Customer Payment window.

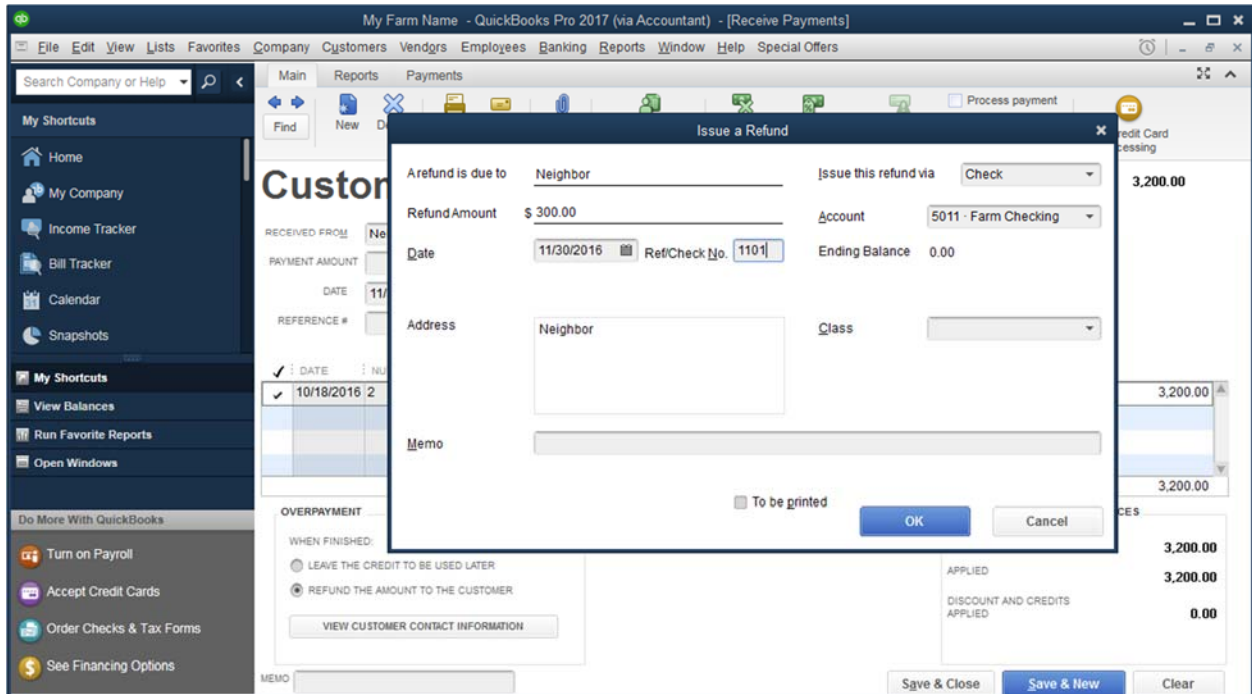
The screenshot shows the 'Customer Payment' window in QuickBooks Pro 2017. The 'PAYMENT AMOUNT' is 3,500.00, and the 'CUSTOMER BALANCE' is 3,200.00. An 'OVERPAYMENT' section is displayed in the lower left corner, indicating an overpayment of \$300.00. The 'OVERPAYMENT' section contains the following text:

OVERPAYMENT \$ 300.00.
 WHEN FINISHED:
☐ LEAVE THE CREDIT TO BE USED LATER
☐ REFUND THE AMOUNT TO THE CUSTOMER
 VIEW CUSTOMER CONTACT INFORMATION

The 'OVERPAYMENT' section is a small box in the lower left corner of the 'Customer Payment' window. It has a title bar that says 'OVERPAYMENT'. The main content area contains the text 'OVERPAYMENT \$ 300.00.', followed by the text 'WHEN FINISHED:'. Below this are two radio buttons: 'LEAVE THE CREDIT TO BE USED LATER' and 'REFUND THE AMOUNT TO THE CUSTOMER'. At the bottom is a 'VIEW CUSTOMER CONTACT INFORMATION' button.

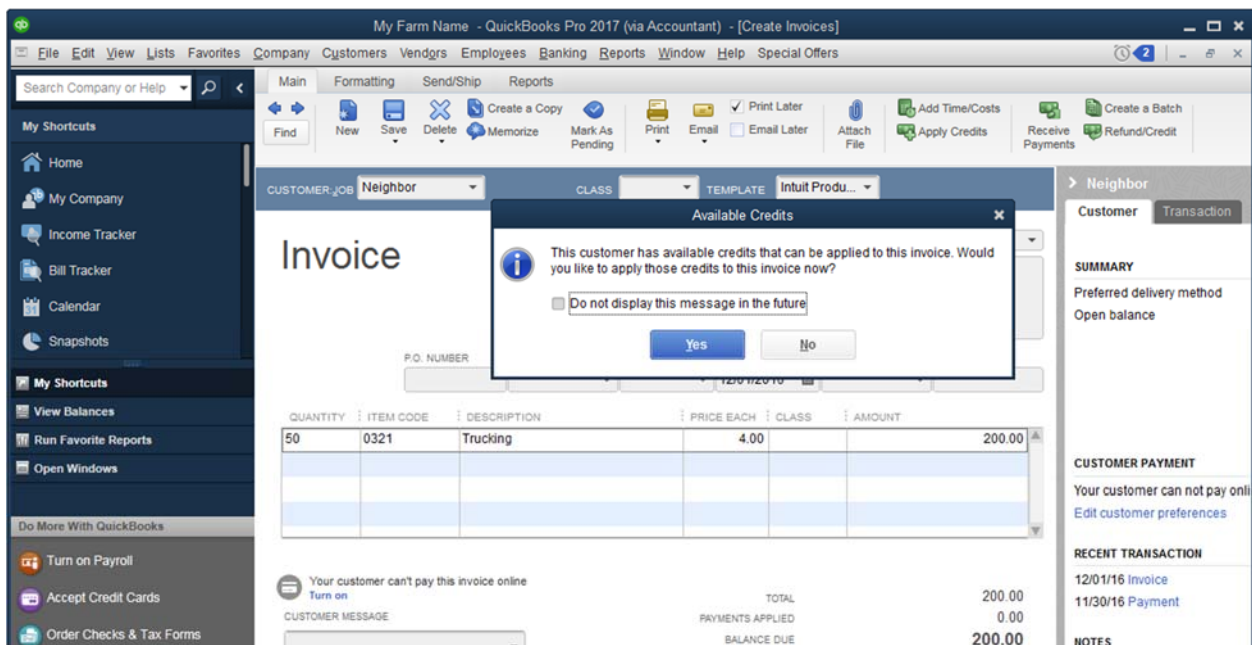
If the overpayment is correct and is for additional goods or services, beyond the original invoice, create an invoice for the amount of the overpayment and apply the overpayment to that invoice in addition to the original invoice.

If the overpayment is an error and no additional work will be done for the customer, select *Refund the amount to the customer*. When you save the customer payment, QuickBooks will prompt you to create a check to issue the refund.



If the overpayment is an error and you anticipate invoicing the customer in the future for additional work, select *Leave the credit to be used later*.

When you create a future invoice for this customer and save it, QuickBooks will remind you that you have credits available to be applied. Click Yes to apply available credits to the invoice.



Select the credit to apply by placing a checkmark in the left column. You can partially apply a credit by changing the value in *Amt to use*. Click Done when you are finished.

RECORD A DEPOSIT

1. On the *Home Screen*, select *Record Deposits*. In QuickBooks 2017, the number in the red box near the *Record Deposits* icon is the number of customer payments that have been received but not deposited.
2. The *Make Deposits* window and *Payments to Deposit* window should both open automatically. Place a checkmark in front of each customer payment that will be included in the deposit. You can select payments from multiple customers at once. Click *OK*.

3. The selected customer payments are automatically entered on the *Make Deposits* window. Select the appropriate bank account under *Deposit To* and change the *Date* as needed. You can add additional lines to the deposit if needed. Click *Save & Close*.

[illegible]

4.6 RAISED GRAIN OR HAY SALES

My Farm Name - QuickBooks Pro 2017 (via Accountant) - [Make Deposits]

Search Company or Help

Deposit To: 5011 - Farm ... Date: 10/15/2016 Memo: Deposit

Click Payments to select customer payments that you have received. List any other amounts to deposit below.

RECEIVED FROM	FROM ACCOUNT	MEMO	CHK NO.	PMT	CLASS	AMOUNT
Elevator	Farm Income:01700 - Grain:01720 - Corn	^5000@3@^			2016:16 Corn	15,000.00
Elevator	Farm Expense:05300 - Misc Crop Expense:05330 - Storage	Storage			2016:16 Corn	-525.00
Elevator	Farm Income:01700 - Grain:01720 - Corn	Moisture discou...			2016:16 Corn	-300.00
Elevator	Farm Expense:05300 - Misc Crop Expense	Grain Tax			2016:16 Corn	-100.00
Deposit Subtotal						14,075.00

To get cash back from this deposit, enter the amount below. Indicate the account where you want this money to go, such as your Petty Cash account.

Cash back goes to: Cash back memo: Cash back amount:

Deposit Total: 14,075.00

Save & Close Save & New Revert

If the sale includes an adjustment for storage, grain tax, or a discount/premium (for moisture, protein, foreign material, etc), enter discounts as a negative and premiums as a positive using the following suggested ATIG codes:

Storage, grain tax, etc
Premium/discount

05300
Use the same grain code used in the sale

If you prefer more detail, use:

Storage
Grain Tax
Premium/Discount

05330
05300
Use the same grain code used in the sale

If you are using classes to allocate income and expenses between enterprises, make sure you select the appropriate class in the class column.

If you are a KFMA member, enter the quantity, dollars per unit, and total weight in the memo column using the format:

^units@dollars per unit@total weight^

Example: 15,000 bushels, \$3.00 per bushel

^15000@3.00@^

Do not enter text, including "\$" or "lbs"

4.7 RAISED MARKET LIVESTOCK SALES

My Farm Name - QuickBooks Pro 2017 (via Accountant) - [Make Deposits]

File Edit View Lists Favorites Company Customers Vendors Employees Banking Reports Window Help Special Offers

Search Company or Help

Previous Next Save Print Payments History Attach

Deposit To: 5011 - Farm ... Date: 10/15/2016 Memo: Deposit

Click Payments to select customer payments that you have received. List any other amounts to deposit below.

RECEIVED FROM	FROM ACCOUNT	MEMO	C.	P.	CLASS	AMOUNT
Sale Barn	Farm Income:01100 - Beef, Raised:01110 - Beef Feeder Steers	^10@1.30@5500^			16 Cows	7,150.00
Sale Barn	Farm Income:01100 - Beef, Raised:01120 - Beef Feeder Heifers	^10@1.20@5000			16 Cows	6,000.00
Sale Barn	Farm Expense:05100 - Misc Livestock Expense:05130 - Commissions	Commission			16 Cows	-263.00
Sale Barn	Farm Expense:04900 - Vet-Medicine-Drugs:04910 - Vet Services	Vet			16 Cows	-32.00
Sale Barn	Farm Expense:05100 - Misc Livestock Expense:05110 - Marketing Services	Check off			16 Cows	-20.00
Sale Barn	Farm Expense:05100 - Misc Livestock Expense:05170 - Livestock Insurance	Insurance			16 Cows	-40.00
Deposit Subtotal						12,795.00

To get cash back from this deposit, enter the amount below. Indicate the account where you want this money to go, such as your Petty Cash account.

Cash back goes to: Cash back memo: Cash back amount:

Deposit Total: 12,795.00

Save & Close Save & New Clear

If a sale includes deductions such as commission, insurance, check off fees, veterinary, or yardage, enter these as negative amounts on the deposit. Enter deductions using the following suggested ATIG codes:

Commissions, yardage, insurance, check-off	05100
Veterinary	04900
Feed	04400

If you prefer more detail, use:

Commissions	05130
Yardage	05130
Insurance	05170
Veterinary	04910
Feed	04450
Check-off	05110

If you are using classes to allocate income and expenses between enterprises, make sure you select the appropriate class in the class column.

If you are a KFMA member, enter the quantity, dollars per unit, and total weight in the description column using the format:

^units@dollars per unit@total weight^

Example: 10 steers, 550 pounds each, \$1.30 per pound

^10@1.30@5500^

Do not enter text, including "\$" or "lbs"

4.8 RESALE MARKET LIVESTOCK SALES

My Farm Name - QuickBooks Pro 2017 (via Accountant) - [Make Deposits]

Deposit To: **Farm Checking** Date: 03/01/2016 Memo: Deposit

Click Payments to select customer payments that you have received. List any other amounts to deposit below.

RECEIVED FROM	FROM ACCOUNT	MEMO	C.	PMT	CLASS	AMOUNT
Sale Barn	Farm Income:06100 · Beef, Resale:06110 · Beef Feeder Steers, Resale	^60@1.40@45000^			2016:16 Beef B...	63,000.00
Sale Barn	Farm Expense:05100 · Misc Livestock Expense:05130 · Commissions	Commission			2016:16 Beef B...	-1,260.00
Sale Barn	Farm Expense:04900 · Vet-Medicine-Drugs:04910 · Vet Services	Vet			2016:16 Beef B...	-120.00
Sale Barn	Farm Expense:05100 · Misc Livestock Expense:05110 · Marketing Services	Check off			2016:16 Beef B...	-60.00
Sale Barn	Farm Expense:05100 · Misc Livestock Expense:05170 · Livestock Insurance	Insurance			2016:16 Beef B...	-120.00
Deposit Subtotal						61,440.00

To get cash back from this deposit, enter the amount below. Indicate the account where you want this money to go, such as your Petty Cash account.

Cash back goes to: Cash back memo: Cash back amount:

Deposit Total: 61,440.00

Buttons: Save & Close, Save & New, Revert

If a sale includes deductions such as commission, insurance, check off fees, veterinary, or yardage, enter these as negative amounts on the deposit. Enter deductions using the following suggested ATIG codes:

Commissions, yardage, insurance, check-off	05100
Veterinary	04900
Feed	04400

If you prefer more detail, use:

Commissions	05130
Yardage	05130
Insurance	05170
Veterinary	04910
Feed	04450
Check-off	05110

If you are using classes to allocate income and expenses between enterprises, make sure you select the appropriate class in the class column.

If you are a KFMA member, enter the quantity, dollars per unit, and total weight in the description column using the format:

^units@dollars per unit@total weight^

Example: 60 steers, 750 pounds each, \$1.40 per pound

^60@1.40@45000^

Do not enter text, including "\$" or "lbs"

4.9 BREEDING LIVESTOCK SALES

My Farm Name - QuickBooks Pro 2017 (via Accountant) - [Make Deposits]

Deposit To: 5011 - Farm ... Date: 09/01/2016 Memo: Deposit

Click Payments to select customer payments that you have received. List any other amounts to deposit below.

RECEIVED FROM	FROM ACCOUNT	MEMO	C.	PMT	CLASS	AMOUNT
Sale Barn	Asset Sales:08100 - Beef Breeding, Sales:08180 - Purchased Cows	Cow ^1@0.70@1200^			16 Cows	840.00
Sale Barn	Asset Sales:08100 - Beef Breeding, Sales:08170 - Purchased Bulls	Bull ^1@0.90@1800^			16 Cows	1,620.00
Sale Barn	Farm Expense:05100 - Misc Livestock Expense:05130 - Commissions	Commission			16 Cows	-49.20
Sale Barn	Farm Expense:05100 - Misc Livestock Expense:05170 - Livestock Ins...	Insurance			16 Cows	-20.00
Sale Barn	Farm Expense:04900 - Vet-Medicine-Drugs:04910 - Vet Services	Vet			16 Cows	-3.00
Sale Barn	Farm Expense:04400 - Feed Purchased:04450 - Custom Feeding	Feed			16 Cows	-40.00
Sale Barn	Farm Expense:05100 - Misc Livestock Expense:05110 - Marketing Ser...	Check off			16 Cows	-2.00
Deposit Subtotal						2,345.80
Deposit Total						2,345.80

To get cash back from this deposit, enter the amount below. Indicate the account where you want this money to go, such as your Petty Cash account.

Cash back goes to: Cash back memo: Cash back amount:

Save & Close Save & New Revert

If a sale includes deductions such as commission, insurance, check off fees, veterinary, or yardage, enter these as negative amounts on the deposit. Enter deductions using the following suggested ATIG codes:

Commissions, yardage, insurance, check-off	05100
Veterinary	04900
Feed	04400

If you prefer more detail, use:

Commissions	05130
Yardage	05130
Insurance	05170
Veterinary	04910
Feed	04450
Check-off	05110

If you are using classes to allocate income and expenses between enterprises, make sure you select the appropriate class in the class column.

If you are a KFMA member, enter the quantity, dollars per unit, and total weight in the description column using the format:

^units@dollars per unit@total weight^

Example: 1 cow, 1200 pounds, \$0.70 per pound

^1@0.70@1200^

Do not enter text, including "\$" or "lbs"

4.10 LANDLORD REFUNDS

INVOICE

Use this method to create an invoice to send to a landlord for their share of crop inputs. When creating an invoice you may need to update the *Description* column to provide more detail. Use additional *Description* lines to provide more detail if needed.

My Farm Name - QuickBooks Pro 2017 (via Accountant) - [Create Invoices]

File Edit View Lists Favorites Company Customers Vendors Employees Banking Reports Window Help Special Offers

Search Company or Help

My Shortcuts: Home, My Company, Income Tracker, Bill Tracker, Calendar, Snapshots, View Balances, Run Favorite Reports, Open Windows, Turn on Payroll, Accept Credit Cards, Order Checks & Tax Forms

Customer: Landlord CLASS: Intuit Produ...

DATE: 10/15/2016 INVOICE #

BILL TO: Landlord, 12321 Gravel Road, Manhattan, KS 66502

SHIP TO:

P.O. NUMBER TERMS REP SHIP VIA F.O.B.

QUANTITY	ITEM CODE	DESCRIPTION	PRICE EACH	CLASS	AMOUNT
160	0253	1/3 Starter fertilizer @ 16.65/acre on wheat ground	5.50		880.00

TOTAL: 880.00
PAYMENTS APPLIED: 0.00
BALANCE DUE: 880.00

Customer Message: Your customer can't pay this invoice online

Customer Payment: Your customer can not pay online

Recent Transaction: Edit customer preferences

Notes:

Follow the steps in section 4.5 on page 45 to document receiving the payment and to record the deposit in a bank account.

MAKE DEPOSITS

If you do not use QuickBooks to invoice a landlord, record the deposit using negative expense account code when possible.

My Farm Name - QuickBooks Pro 2017 (via Accountant) - [Make Deposits]

File Edit View Lists Favorites Company Customers Vendors Employees Banking Reports Window Help Special Offers

Search Company or Help

My Shortcuts: Home, My Company, Income Tracker, Bill Tracker, Calendar, Snapshots, View Balances, Run Favorite Reports, Open Windows, Turn on Payroll, Accept Credit Cards

Deposit To: 5011 - Farm ... Date: 04/30/2016 Memo: Deposit

Click Payments to select customer payments that you have received. List any other amounts to deposit below.

RECEIVED FROM	FROM ACCOUNT	MEMO	C...	PMT	CLASS	AMOUNT
Landlord	Farm Expense:04500 - Seeds-Crop Insurance:04510 - Seed And Plants	1/3 seed			2016:16 Corn	2,000.00
Landlord	Farm Expense:05800 - Herbicide-Insecticide:05810 - Herbicide	1/3 chemical			2016:16 Corn	500.00

Deposit Subtotal: 2,500.00

To get cash back from this deposit, enter the amount below. Indicate the account where you want this money to go, such as your Petty Cash account.

Cash back goes to: Cash back memo: Cash back amount:

4.13 DEFERRED PATRONAGE

Before entering a deferred patronage transaction, you must have a Coop deferred patronage account (1068) setup in your chart of accounts. See page 28 for more information.

STATEMENT OF PATRONAGE REFUND and EQUITY DISPOSITION

PATRONAGE YEAR ENDING: 2015 PATRON ID: 222-22-2222 NAME: My Farm Name CHECK NO. 1482

PATRONAGE REFUND CALCULATION				DISPOSITION OF EQUITY			
BUSINESS	DESCRIPTION	RATE	REFUND	DESCRIPTION	PREVIOUS BALANCE	DISPOSITION	NEW BALANCE
16,353.53	FERTILIZER \$	5.46	892.90	COMMON STCK	1000.00	00	1000.00
34,694.30	MERCHANDISE	4.87	1689.61	PPD COM STK	00	00	00
00	PETROLEUM GALLONS	6.13	00	DEFRRD PATR	8517.57	2388.71	10906.28
7,443.30	GRAIN BU PURCHASD	11.15	829.93	PARTIC STOK	00	00	00
				PPD PARTIC	00	00	00
				DFR PARTIC	00	00	00
				P/U RETAIN	00	00	00

DATE PREPARED
4/10/2016

TOTALS →

REFUND	- CASH	=DISPOSITIONS	+ PREVIOUS BALANCE	= NEW BALANCE
3,412.44	1,023.73	2,388.71	9,517.57	11,906.28

CHECK ATTACHED

DETACH HERE AND KEEP FOR YOUR RECORDS

The full patronage refund is entered on the first line. The amount of the patronage that is deferred is entered on the second line, as a negative value. The full patronage amount (the taxable amount) will be reflected on any profit and loss reports. Entering the deferred patronage amount as a negative will result in an increase in assets on the balance sheet. The *Deposit Subtotal* should equal the cash portion of the patronage refund.

My Farm Name - QuickBooks Pro 2017 (via Accountant) - [Make Deposits]

Deposit To: 5011 - Farm ... Date: 04/15/2016 Memo: Deposit

Click Payments to select customer payments that you have received. List any other amounts to deposit below.

RECEIVED FROM	FROM ACCOUNT	MEMO	CHK NO.	PMT METH.	CLASS	AMOUNT
Coop	Farm Income:03520 - Supply Cooperatives					3,412.44
Coop	1068 02 - Coop Deferred Patronage					-2,388.71
Deposit Subtotal						1,023.73

To get cash back from this deposit, enter the amount below. Indicate the account where you want this money to go, such as your Petty Cash account.

Cash back goes to: Cash back memo: Cash back amount:

Deposit Total: 1,023.73

4.14 DEFERRED PATRONAGE RETIREMENT

Some cooperatives will pay out deferred patronage when patrons reach a certain age. In most cases, these payouts are non-taxable as taxes were paid when patronage was deferred.

STATEMENT OF PATRONAGE REFUND and EQUITY DISPOSITION

PATRONAGE YEAR ENDING: 2015 PATRON ID: 222-22-2222 NAME: My Farm Name CHECK NO. 1482

PATRONAGE REFUND CALCULATION				DISPOSITION OF EQUITY			
BUSINESS	DESCRIPTION	RATE	REFUND	DESCRIPTION	PREVIOUS BALANCE	DISPOSITION	NEW BALANCE
				COMMON STCK	1000.00	00	1000.00
				PPD COM STK	00	00	00
				DEFRRD PATR	10906.28	-698.78	10207.50
				PARTIC STOK	00	00	00
				PPD PARTIC	00	00	00
				DFR PARTIC	00	00	00
				P/U RETAIN	00	00	00

DATE PREPARED
4/10/2016

TOTALS →

REFUND	- CASH	=DISPOSITIONS	+ PREVIOUS BALANCE	= NEW BALANCE
0.00	698.78	-698.78	11,906.28	11,207.50

CHECK ATTACHED

DETACH HERE AND KEEP FOR YOUR RECORDS

By selecting a balance sheet account (1068 02 Coop Deferred Patronage in this case), the refund will decrease the balance in that account but the proceeds will not be reflected on any profit and loss reports.

My Farm Name - QuickBooks Pro 2017 (via Accountant) - [Make Deposits]

File Edit View Lists Favorites Company Customers Vendors Employees Banking Reports Window Help Special Offers

Search Company or Help

Previous Next Save Print Payments History Attach

Deposit To: 5011 Farm ... Date: 04/15/2016 Memo: Deposit

Click Payments to select customer payments that you have received. List any other amounts to deposit below.

RECEIVED FROM	FROM ACCOUNT	MEMO	CHK NO.	PMT METH.	CLASS	AMOUNT
Coop	1068 02 - Coop Deferred Patronage					698.78

Deposit Subtotal 698.78

To get cash back from this deposit, enter the amount below. Indicate the account where you want this money to go, such as your Petty Cash account.

Cash back goes to: Cash back memo: Cash back amount:

Deposit Total 698.78

Save & Close Save & New Clear

4.15 CASH WITHHELD FROM DEPOSITS

Add an additional line (with a negative amount) to the deposit slip. Use a family living code for the withdrawal.

My Farm Name - QuickBooks Pro 2017 (via Accountant) - [Make Deposits]

Search Company or Help

Deposit To: 5011 - Farm ... Date: 11/01/2016 Memo: Deposit

Click Payments to select customer payments that you have received. List any other amounts to deposit below.

RECEIVED FROM	FROM ACCOUNT	MEMO	CHK NO.	PMT ...	CLASS	AMOUNT
Crop Insurance Co	Farm Income:03110 - Crop Insurance				2016:16 Corn	12,568.00
Cash	00500 - Family Living Expense					-500.00
Deposit Subtotal						12,068.00

To get cash back from this deposit, enter the amount below. Indicate the account where you want this money to go, such as your Petty Cash account.

Cash back goes to: Cash back memo: Cash back amount:

Deposit Total: 12,068.00

Save & Close Save & New Clear

If you use the *Cash Back Goes To* section at the bottom of a *Make Deposits* window, you must select an equity account (like Owner Draws) You cannot select an expense account so the amount withheld will not show up on a profit and loss report.

My Farm Name - QuickBooks Pro 2017 (via Accountant) - [Make Deposits]

Search Company or Help

Deposit To: 5011 - Farm ... Date: 11/01/2016 Memo: Deposit

Click Payments to select customer payments that you have received. List any other amounts to deposit below.

RECEIVED FROM	FROM ACCOUNT	MEMO	CHK NO.	PMT ...	CLASS	AMOUNT
Crop Insurance Co	Farm Income:03110 - Crop Insurance				2016:16 Corn	12,568.00
Cash	00500 - Family Living Expense					-500.00
Deposit Subtotal						12,068.00

To get cash back from this deposit, enter the amount below. Indicate the account where you want this money to go, such as your Petty Cash account.

Cash back goes to: 30800 - Owners Draw Cash back memo: Cash back amount: 500.00

Deposit Total: 12,068.00

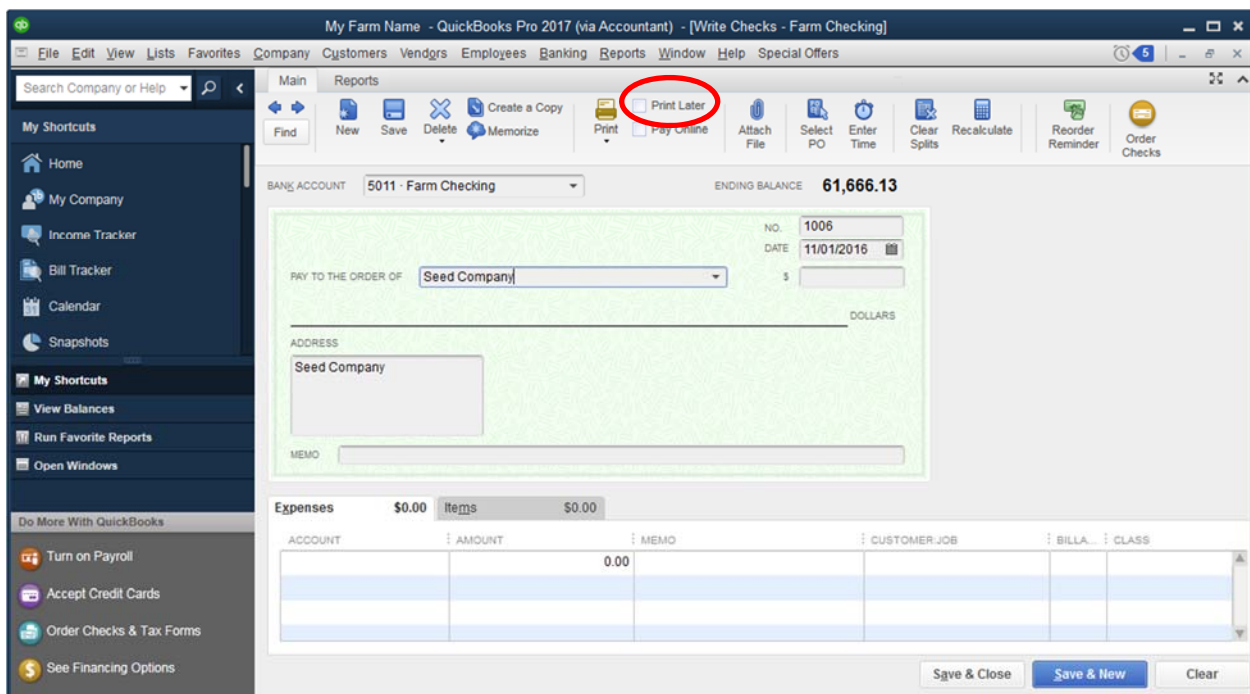
Save & Close Save & New Clear

5 RECORDING EXPENSES

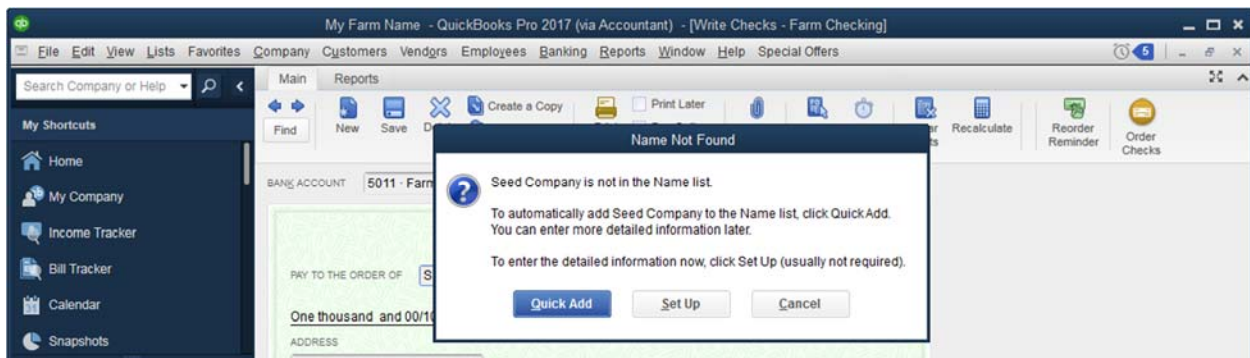
5.1 WRITE CHECKS

The *Write Checks* window is just as it sounds. *Write Checks* can be used to record a transaction that has already occurred (a hand written check) or to code expenses on a check you will print from QuickBooks. Printing checks from QuickBooks is a very handy feature. See page 65.

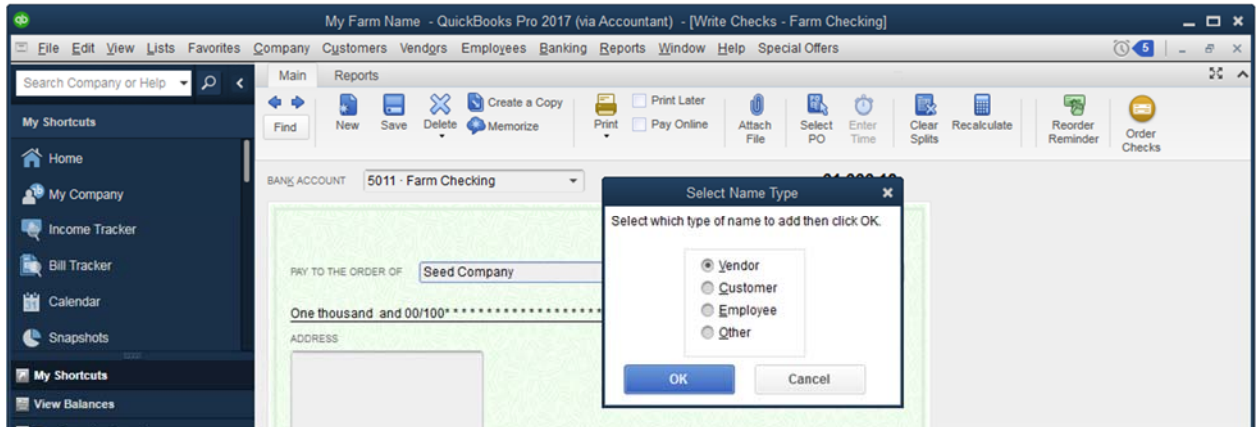
1. On the *Home Screen*, click on *Write Checks*.
2. If you are printing checks from QuickBooks make sure that *Print Later* is checked. If you will be entering a handwritten check, uncheck *Print Later* so the check number field is available. Enter a check number (*NO.*) and *Date* and select a vendor in the *Pay to the Order of* drop down.



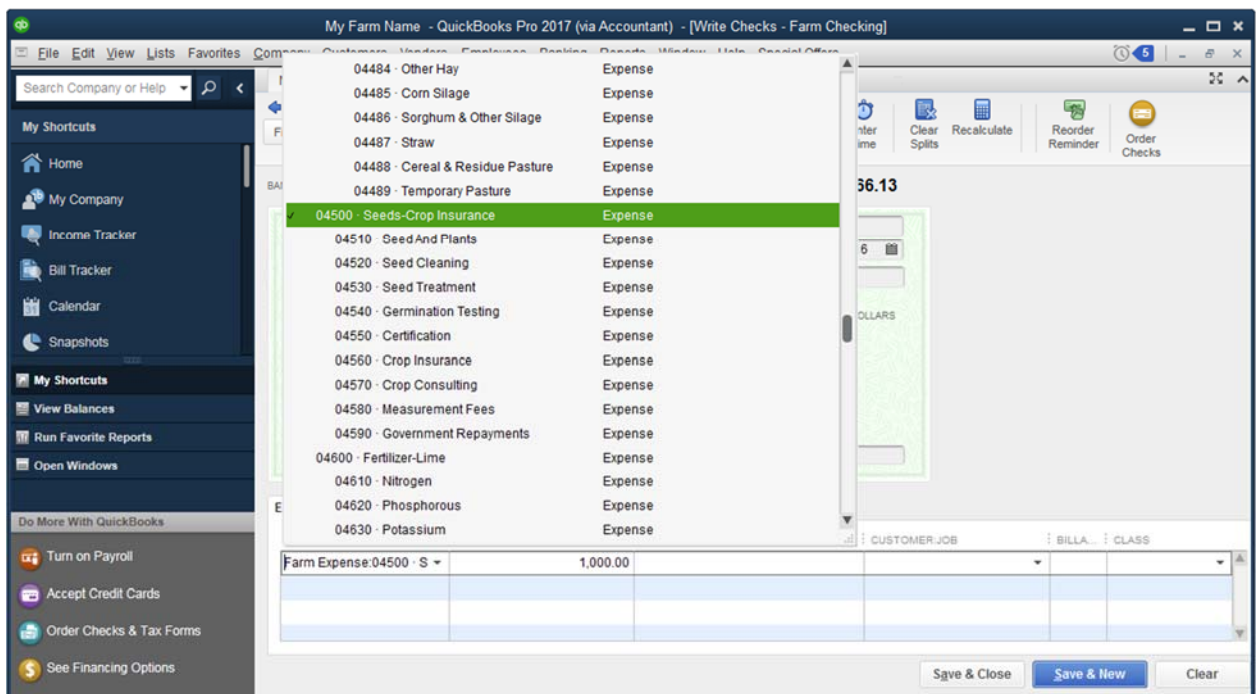
3. If you enter a name that is not in the vendor list, QuickBooks will display *Name Not Found*. Click *Set Up* to add detailed information about the vendor, including address, phone number, etc. To add the vendor quickly, without detail, click on *Quick Add*.



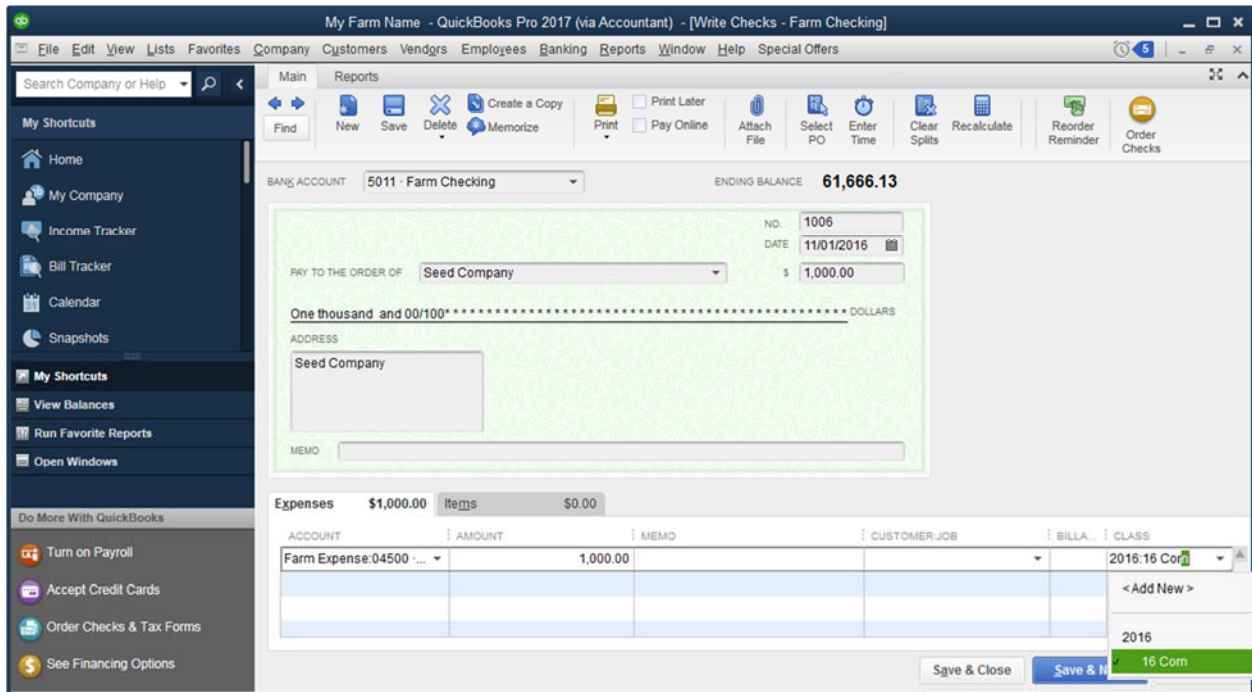
4. If you selected *Quick Add* in step 3, select *Vendor* and click *OK*.



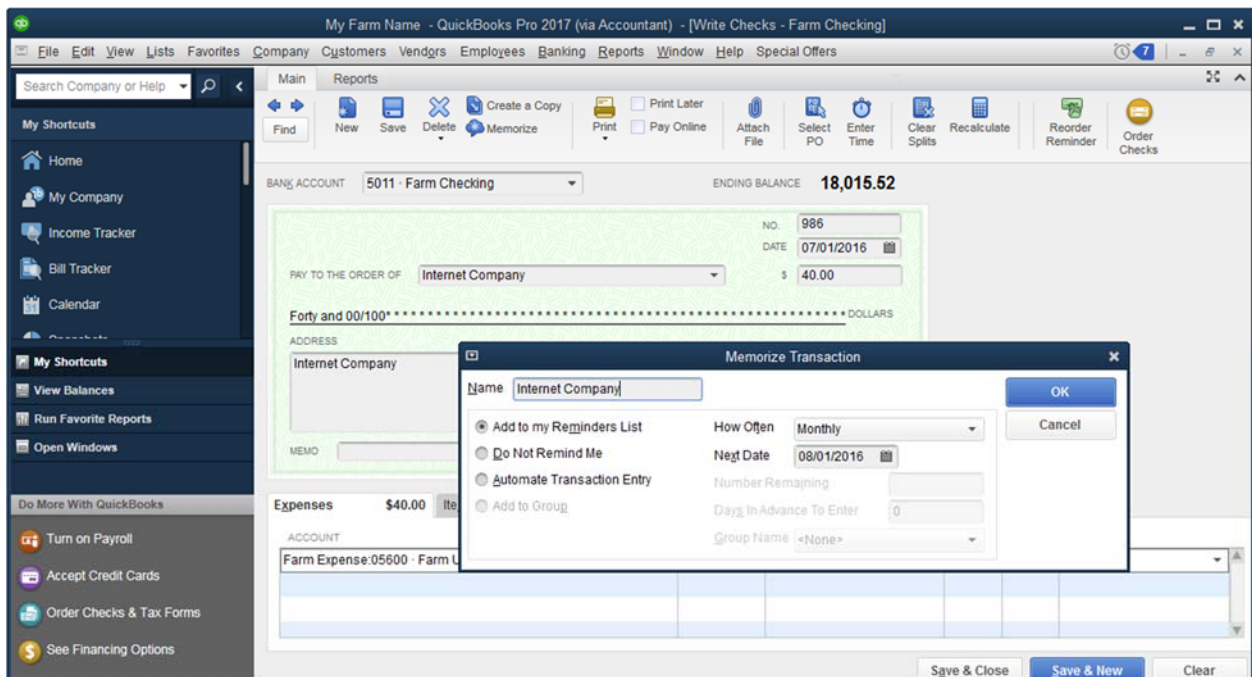
5. Enter the *Amount* of the check and click in the first row of the *Account* column. Click on the down arrow to open a list of expense accounts or start typing the account number or account name.



6. Select a *Class* if the expense is a direct expense such as seed, chemical, fertilizer, cash rent, or crop insurance.



7. If an expense occurs regularly, memorize a check to either remind you or automatically enter the transaction. Click on the *Memorize* button. Select a frequency and enter Next Date.

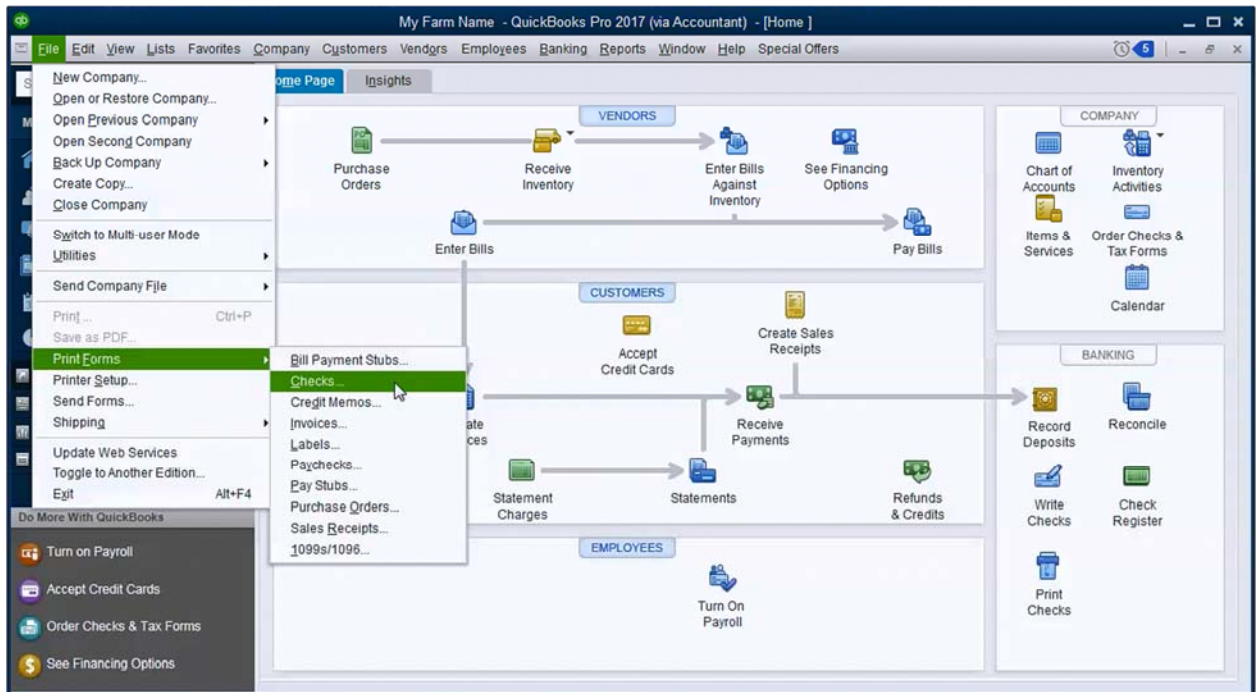


8. Click *Save & Close*.

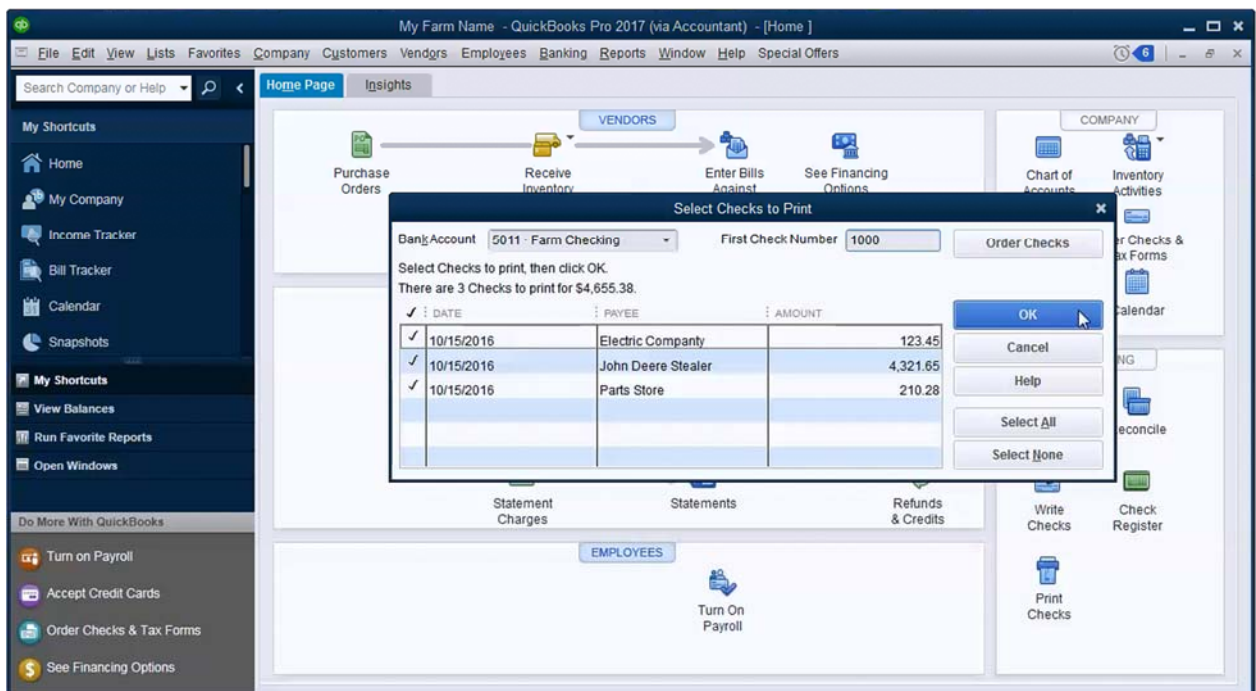
5.2 PRINT CHECKS

The Print Checks feature of QuickBooks allows you to enter a check to pay a bill or cover an expense at the same time that you code or categorize the expense, saving a step when compared to hand-writing a check then entering the check in QuickBooks.

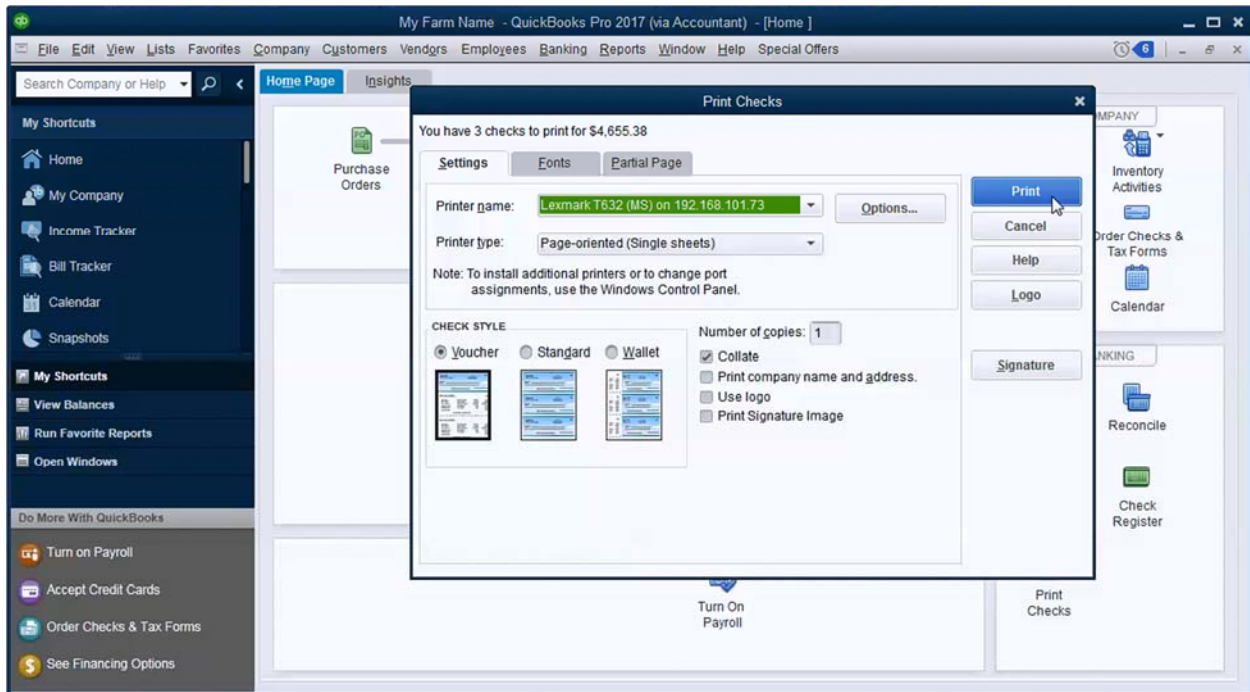
1. If you have marked checks or bill payments to *Print Later* and would like to print them, from the *File* menu select *Print Forms>Checks...*



2. In the *Select Checks to Print* window, enter the *First Check Number* and Click *OK* to begin printing.



3. Select your printer and appropriate *Check Style*. Click *Print*. Click *OK* if all checks printed correctly.



5.3 BILLS

Accounts payable is an essential part of an accrual accounting system. The Bills feature of QuickBooks is the foundation of accounts payable. It allows you to keep track of who you owe, how much you owe and can remind you when bills are due.

Using bills adds an extra step when compared to simply writing a check as you will need to enter a bill as well as enter a bill payment when the bill is due. Be aware that in order to take full advantage of bills and accounts payable, you should plan on spending a little time every day (or every few days), opening mail and entering bills in QuickBooks.

This effort can pay off in several ways. First, if you are printing check from QuickBooks the bill payment process goes very quickly after entering bills. Second, you will be able to better project short term cash flow which helps you plan sales or estimate borrowing needs. Finally, QuickBooks can remind you of upcoming bill due dates so you are less likely to pay a bill late or forget one entirely.

If you don't have the time to commit or don't see a high volume of bills, don't worry. Using the bills feature is optional. You can easily enter a check or credit card transaction as an alternative.

Purchase orders are closely connected to bills. They are often used when purchasing items that are tracked in inventory to resell. The ability to use purchase orders is automatically turned on when preferences are set to track inventory. Most farms won't need to use purchase orders, so they will not be covered in this manual.

ENTER A BILL

1. From the *Home Screen*, click on *Enter Bills*.
2. Select the *Vendor*. Enter the *Date* the bill was received as well as the *Amount Due* and *Due Date*. For most bills, you will use the *Expenses* tab to enter details from the bill. You can enter multiple lines of detail.

The screenshot displays the 'Enter Bills' window in QuickBooks Pro 2017. The main form is for a bill from 'Parts Store' dated 11/01/2016, with an amount due of \$235.64 and a bill due date of 11/11/2016. The 'Expenses' tab is selected, showing a table with one line item: 'Farm Expense' with account '04200 - Repairs, Tools, Supplies' and amount '235.64'. The right sidebar shows a summary of the bill and a recent transaction section.

3. Click *Save & Close*.

MEMORIZE A BILL

If you receive a bill that is due the same time every month and is for the same amount every month, you can memorize the bill to save time in the future. Click on the *Memorize* button at the top of the *Enter Bills* window. In the *Memorize Transaction* window, select *Add to my Reminders List* and QuickBooks will remind you when the next bill date is approaching. Select a payment frequency in *How Often* and enter the *Next Date*.

The screenshot displays the 'Memorize Transaction' window. The 'Name' field is set to 'Internet Company'. The 'How Often' dropdown is set to 'Monthly', and the 'Next Date' is set to 11/08/2016. The 'Add to my Reminders List' radio button is selected.

ENTER A CREDIT

Use a credit when you return a purchase to a vendor and they apply the return to your account.

1. From the *Home Screen*, click on *Enter Bills*.
2. Select *Credit* in the upper left portion of the *Enter Bills* window.

My Farm Name - QuickBooks Pro 2017 (via Accountant) - [Enter Bills]

File Edit View Lists Favorites Company Customers Vendors Employees Banking Reports Window Help Special Offers

Search Company or Help

My Shortcuts: Home, My Company, Income Tracker, Bill Tracker, Calendar, Snapshots

My Shortcuts: View Balances, Run Favorite Reports, Open Windows

Do More With QuickBooks: Turn on Payroll, Accept Credit Cards, Order Checks & Tax Forms, See Financing Options

Main Reports

Find New Save Delete Create a Copy Memorize Print Attach File Select PO Clear Splits Recalculate Pay Bill

Bill Received

Bill

VENDOR: [Dropdown] DATE: 10/15/2016

ADDRESS: [Text Box] REF. NO.: [Text Box]

AMOUNT DUE: 0.00

TERMS: [Dropdown] BILL DUE: 10/25/2016

MEMO: [Text Box]

Expenses \$0.00 Items \$0.00

ACCOUNT	AMOUNT	MEMO	CUSTOMER JOB	BILLA...	CLASS

Save & Close Save & New Clear

Vendor Transaction

SUMMARY

RECENT TRANSACTIONS

NOTES

3. Select a *Vendor*. Enter the *Date* of the return and the *Credit Amount*. Select the same *Account* that was used to code the original purchase. For example, if the original purchase was coded 0421 Repairs, the return should also be coded 0421 Repairs.

My Farm Name - QuickBooks Pro 2017 (via Accountant) - [Enter Bills]

File Edit View Lists Favorites Company Customers Vendors Employees Banking Reports Window Help Special Offers

Search Company or Help

My Shortcuts: Home, My Company, Income Tracker, Bill Tracker, Calendar, Snapshots

My Shortcuts: View Balances, Run Favorite Reports, Open Windows

Do More With QuickBooks: Turn on Payroll, Accept Credit Cards, Order Checks & Tax Forms, See Financing Options

Main Reports

Find New Save Delete Create a Copy Memorize Print Attach File Select PO Clear Splits Recalculate Pay Bill

Bill Credit

Credit

VENDOR: Parts Store DATE: 10/15/2016

REF. NO.: [Text Box]

CREDIT AMOUNT: 25.36

MEMO: [Text Box]

Expenses \$25.36 Items \$0.00

ACCOUNT	AMOUNT	MEMO	CUSTOMER JOB	BILLA...	CLASS
General Mach Repair	25.36				
< Add New >					
Farm Expense		Expense			
04200 - Repairs, Tools, Supplies		Expense			
04210 - General Mach Repair		Expense			

Save & Close Save & New Revert

Vendor Transaction

SUMMARY

Open balance 210.28

POs to be received 0

RECENT TRANSACTION

DATE	DESCRIPTION	AMOUNT
11/01/16	Bill	235.64
10/15/16	Credit	25.36

NOTES

PAY BILLS

1. From the *Home Screen*, click on *Pay Bills*.
2. Several options are available at the top of the *Pay Bills* window to filter the list of bills. Place a checkmark in the left column of the bills that will be paid. If a credit is available from a vendor, it will be displayed when you click on a bill. Click *Set Credits* to apply the credits to the bill.

My Farm Name - QuickBooks Pro 2017 (via Accountant) - [Pay Bills]

File Edit View Lists Favorites Company Customers Vendors Employees Banking Reports Window Help Special Offers

Search Company or Help

My Shortcuts

- Home
- My Company
- Income Tracker
- Bill Tracker
- Calendar
- Snapshots
- My Shortcuts
- View Balances
- Run Favorite Reports
- Open Windows
- Do More With QuickBooks
- Turn on Payroll
- Accept Credit Cards
- Order Checks & Tax Forms
- See Financing Options

SELECT BILLS TO BE PAID

Show bills: ☐ Due on or before 10/25/2016 ☒ Show all bills

Filter By: Sort By: Due Date

<input checked="" type="checkbox"/>	DATE DUE	VENDOR	REF. NO.	DISC. DATE	AMT. DUE	DISC. USED	CREDITS USED	AMT. TO PAY
<input checked="" type="checkbox"/>	11/11/2016	Parts Store			235.64	0.00	0.00	235.64
<input checked="" type="checkbox"/>	11/11/2016	Electric Company			123.45	0.00	0.00	123.45
<input checked="" type="checkbox"/>	11/11/2016	John Deere Ste...			4,321.65	0.00	0.00	4,321.65
Totals					4,680.74	0.00	0.00	4,680.74

Clear Selections

DISCOUNT & CREDIT INFORMATION FOR HIGHLIGHTED BILL

Vendor: Parts Store Terms: Sugg. Discount: 0.00 Number of Credits: 1 Total Credits Available: 25.36

Bill Ref. No. Set Discount

PAYMENT

Date: 10/15/2016 Method: Check ☒ To be printed ☐ Assign check number Account: 5011 - Farm Checking Ending Balance: 61,640.77

3. When the *Discounts and Credits* window opens, available credits should be automatically applied. You can choose which credits to apply by checking or unchecking in the far left column. Click *Done*.

My Farm Name - QuickBooks Pro 2017 (via Accountant) - [Pay Bills]

File Edit View Lists Favorites Company Customers Vendors Employees Banking Reports Window Help Special Offers

Search Company or Help

My Shortcuts

- Home
- My Company
- Income Tracker
- Bill Tracker
- Calendar
- Snapshots
- My Shortcuts
- View Balances
- Run Favorite Reports
- Open Windows
- Do More With QuickBooks
- Turn on Payroll
- Accept Credit Cards
- Order Checks & Tax Forms
- See Financing Options

SELECT BILLS TO BE PAID

Show bills: ☐ Due on or before 10/25/2016 ☒ Show all bills

Filter By: Sort By: Due Date

<input checked="" type="checkbox"/>	DATE DUE	VENDOR	REF. NO.	DISC. DATE	AMT. DUE	DISC. USED	CREDITS USED	AMT. TO PAY
<input checked="" type="checkbox"/>	11/11/2016	Parts Store			235.64	0.00	0.00	235.64
<input checked="" type="checkbox"/>	11/11/2016	Electric Company			123.45	0.00	0.00	123.45
<input checked="" type="checkbox"/>	11/11/2016	John Deere Ste...			4,321.65	0.00	0.00	4,321.65
Totals					4,680.74	0.00	0.00	4,680.74

Clear Selections

DISCOUNT & CREDIT INFORMATION FOR HIGHLIGHTED BILL

Vendor: Parts Store Terms: Sugg. Discount: 0.00 Number of Credits: 1 Total Credits Available: 25.36

Bill Ref. No. Set Discount

PAYMENT

Date: 10/15/2016 Method: Check ☒ To be printed ☐ Assign check number Account: 5011 - Farm Checking Ending Balance: 61,640.77

Discount and Credits

Vendor: Parts Store Ref. No. Amount Due: 235.64 Discount Used: 0.00 Credits Used: 25.36 Amt. To Pay: 210.28

Original Amt. 235.64

Discount Credits

<input checked="" type="checkbox"/>	DATE	REF. NO.	CREDIT AMT.	AMT. TO USE	CREDIT BALANCE
<input checked="" type="checkbox"/>	10/15/2016		25.36	25.36	0.00
Totals			25.36	25.36	0.00

Clear

4. The *Credits Used* and *Amount to Pay* columns should reflect the applied credits.

My Farm Name - QuickBooks Pro 2017 (via Accountant) - [Pay Bills]

SELECT BILLS TO BE PAID

Show bills: ☐ Due on or before 10/25/2016 ☒ Show all bills

Filter By: Sort By: Due Date

DATE DUE	VENDOR	REF. NO.	DISC. DATE	AMT. DUE	DISC. USED	CREDITS USED	AMT. TO PAY
11/11/2016	Parts Store			235.64	0.00	25.36	210.28
11/11/2016	Electric Company			123.45	0.00	0.00	123.45
11/11/2016	John Deere Ste...			4,321.65	0.00	0.00	4,321.65
Totals				4,680.74	0.00	25.36	4,655.38

Clear Selections

DISCOUNT & CREDIT INFORMATION FOR HIGHLIGHTED BILL

Vendor: Parts Store Terms: 0.00 Number of Credits: 0

Bill Ref. No. Sugg. Discount: 0.00 Total Credits Available: 0.00

Go to Bill Set Discount Set Credits

PAYMENT

Date: 10/15/2016 Method: Check To be printed: ☒ Assign check number: ☐ Account: 5011 - Farm Checking

Ending Balance: 61,666.13

Pay Selected Bills Cancel

5. In the payment section, enter a *Date* and select a *Method*. If you select *Check*, select *To be printed* if you print check from QuickBooks. If you will hand write checks, select *Assign check number*. Click *Pay Selected Bills*.

My Farm Name - QuickBooks Pro 2017 (via Accountant) - [Pay Bills]

SELECT BILLS TO BE PAID

Show bills: ☐ Due on or before 10/25/2016 ☒ Show all bills

Filter By: Sort By: Due Date

DATE DUE	VENDOR	REF. NO.	DISC. DATE	AMT. DUE	DISC. USED	CREDITS USED	AMT. TO PAY
11/11/2016	Parts Store			235.64	0.00	25.36	210.28
11/11/2016	Electric Company			123.45	0.00	0.00	123.45
11/11/2016	John Deere Stealer			4,321.65	0.00	0.00	4,321.65
Totals				4,680.74	0.00	25.36	4,655.38

Clear Selections

DISCOUNT & CREDIT INFORMATION FOR HIGHLIGHTED BILL

Vendor: Parts Store Terms: 0.00 Number of Credits: 0

Bill Ref. No. Sugg. Discount: 0.00 Total Credits Available: 0.00

Go to Bill Set Discount Set Credits

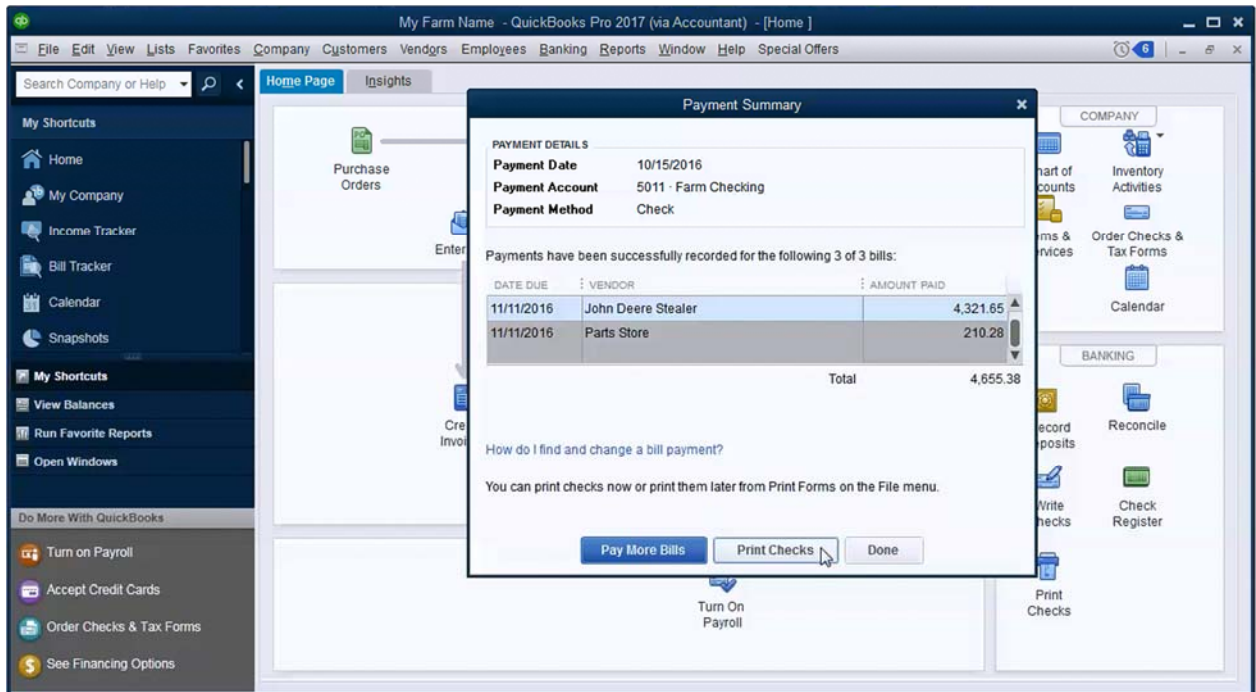
PAYMENT

Date: 10/15/2016 Method: Check To be printed: ☒ Assign check number: ☐ Account: 5011 - Farm Checking

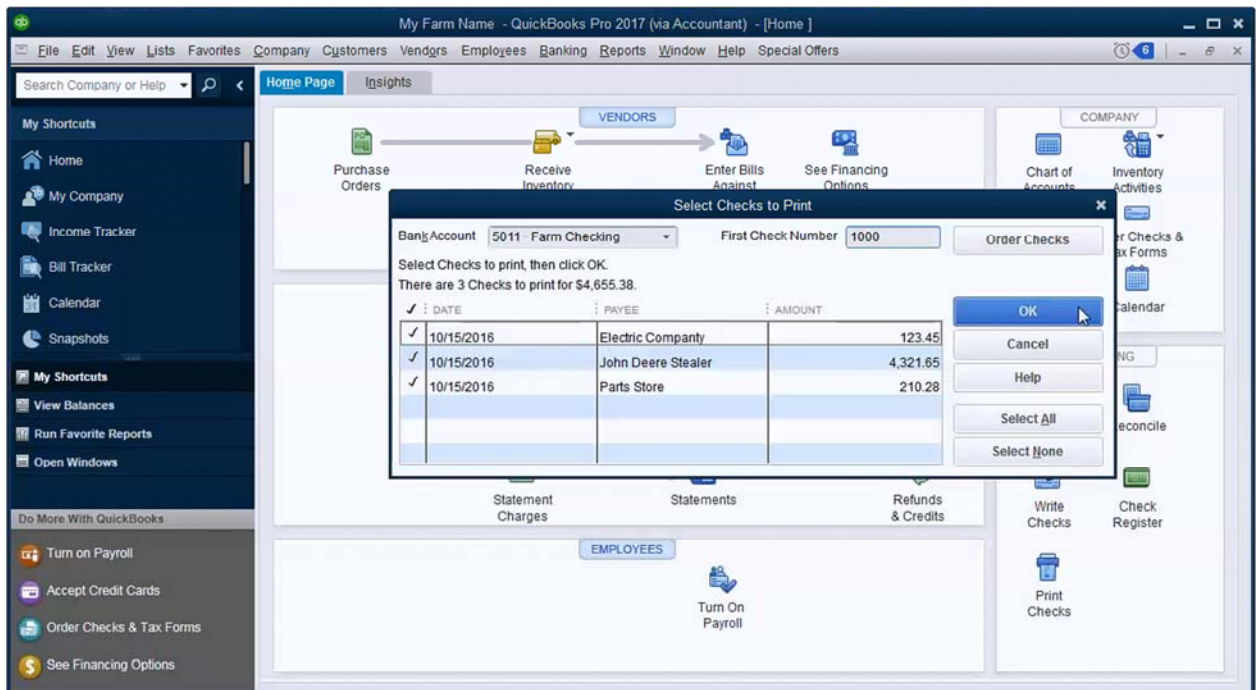
Ending Balance: 61,666.13

Pay Selected Bills Cancel

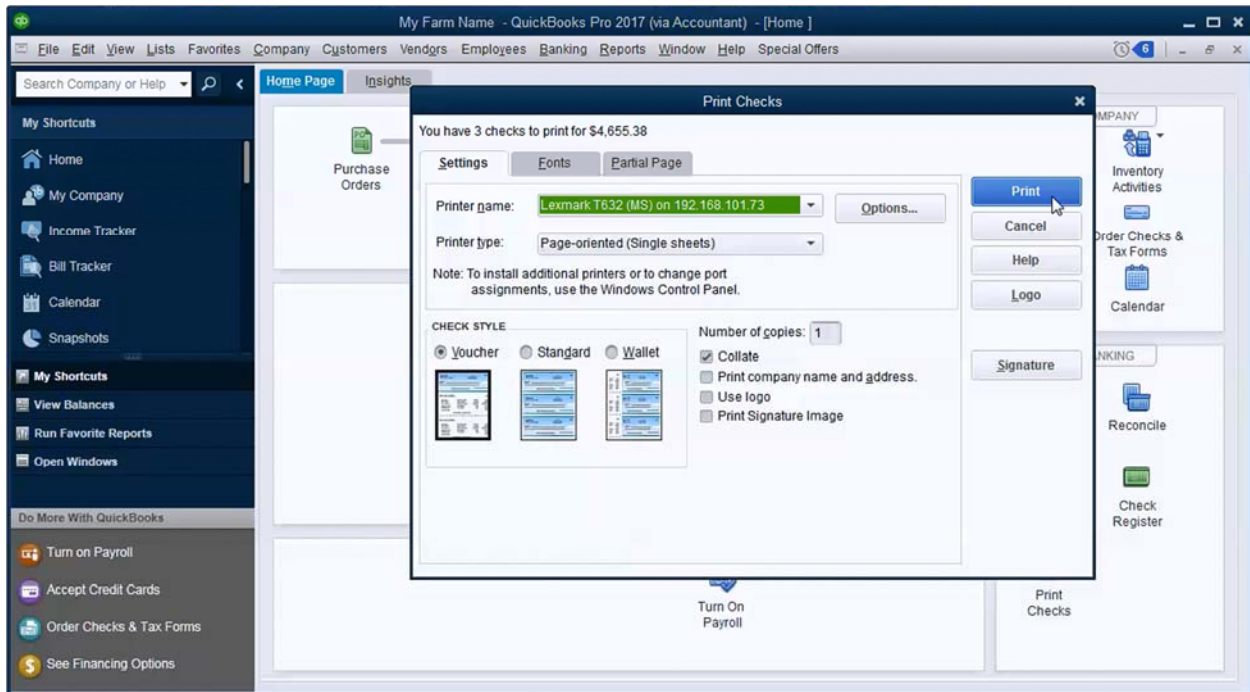
6. If you selected *To be printed*, the *Payment Summary* window will open. Click *Print Checks* to proceed.



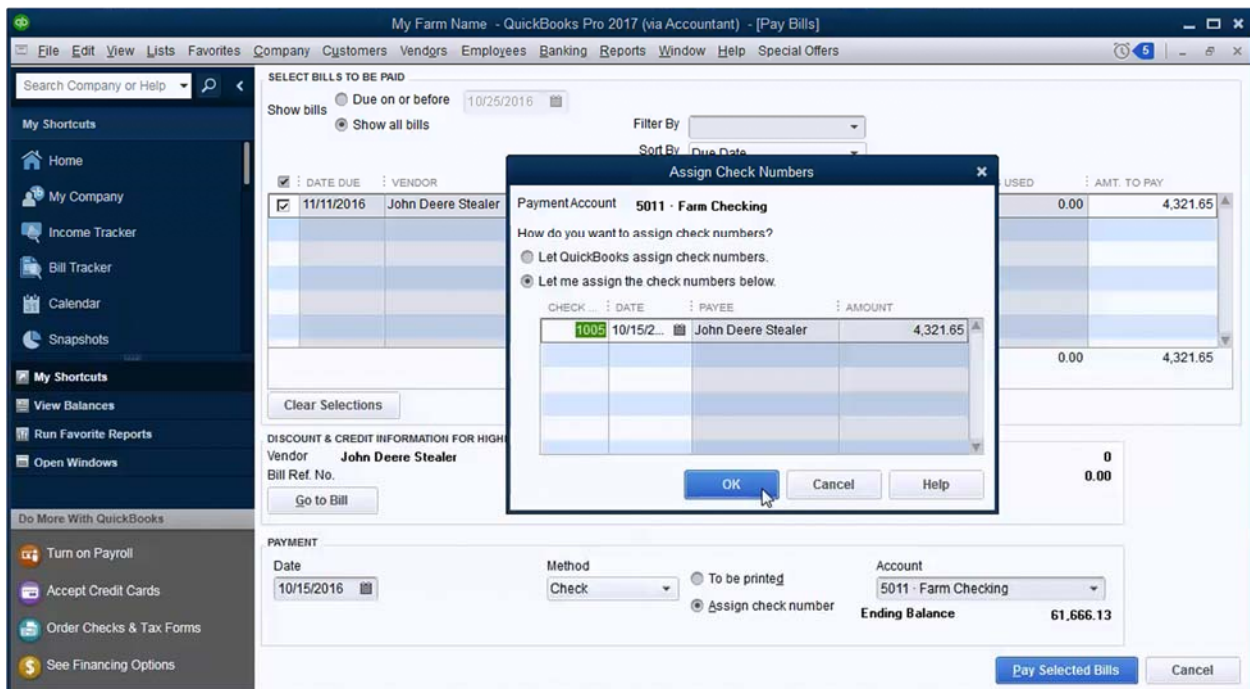
7. Enter the *First Check Number* and Click *OK* to begin printing.



- Select your printer and appropriate *Check Style*. Click *Print*. Click *OK* if all checks printed correctly.



- If you selected *Assign check number* is step 5, enter a check number for each bill and click *OK*. Click *Done*.



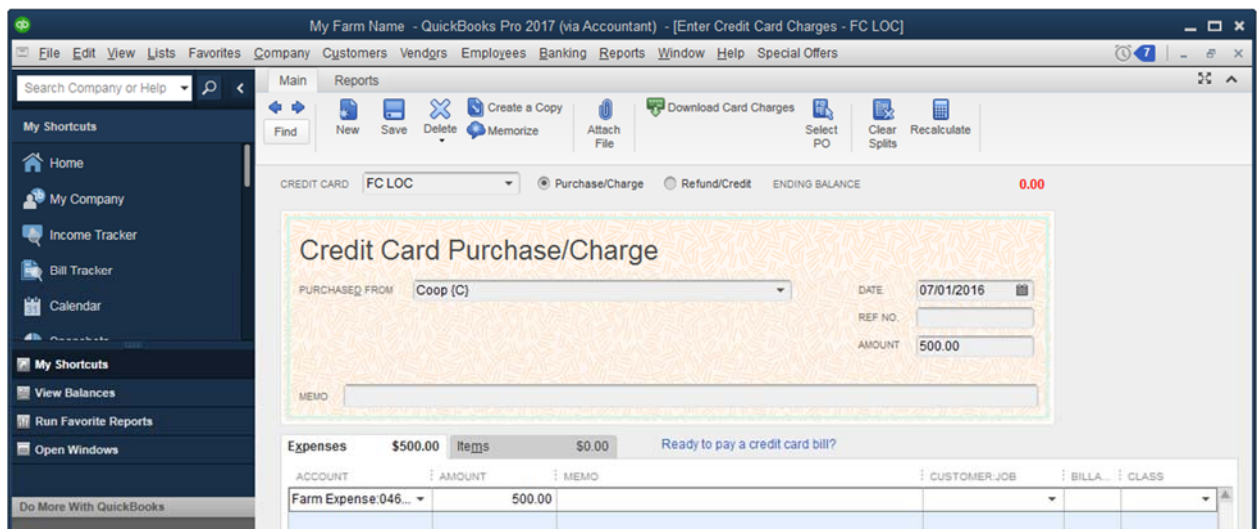
5.4 USING A LOAN REGISTER

Some Farm Credit operating loans are designed to be used in conjunction with a check book. When a check clears, it increases the loan balance directly.

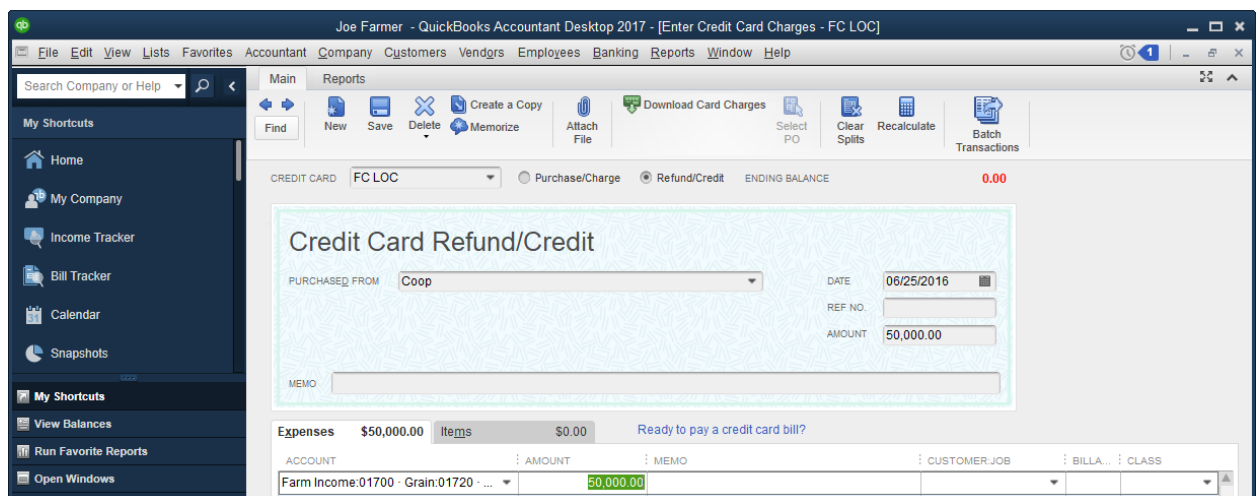
With a loan account in QuickBooks, you cannot use the Write Checks or Make Deposits windows like you can with a bank account. There are two options to work with these loans in QuickBooks.

OPTION 1

1. Add the account as a credit card account. This allows you to use the Enter Credit Card Charges window as a way to write checks. You will be able to reconcile the account and move money from a checking account to make a payment.

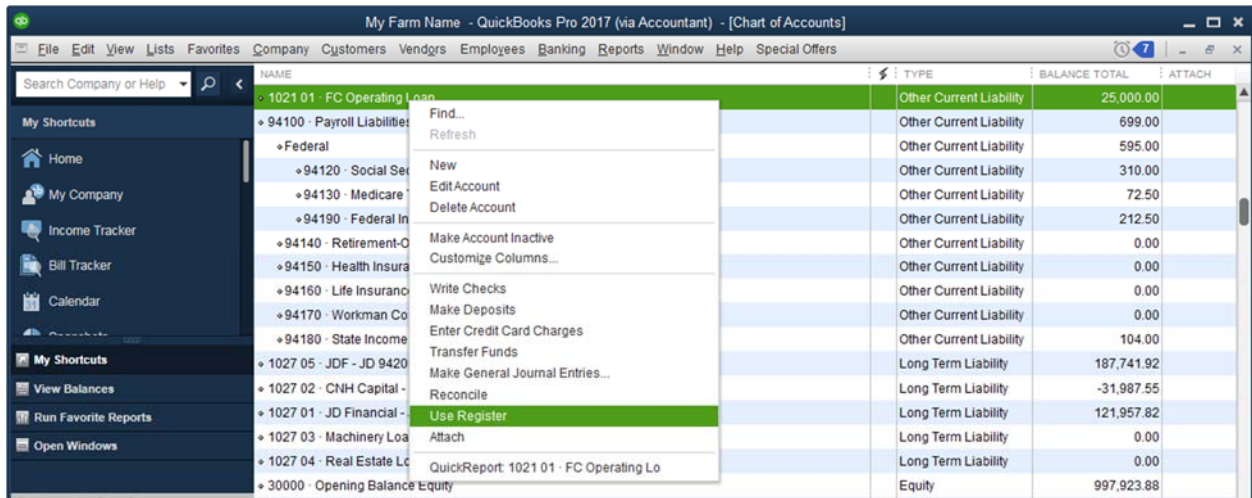


2. Deposits into a Farm Credit LOC can be made by selecting *Refund/Credit* in the *Enter Credit Card Charges* window.

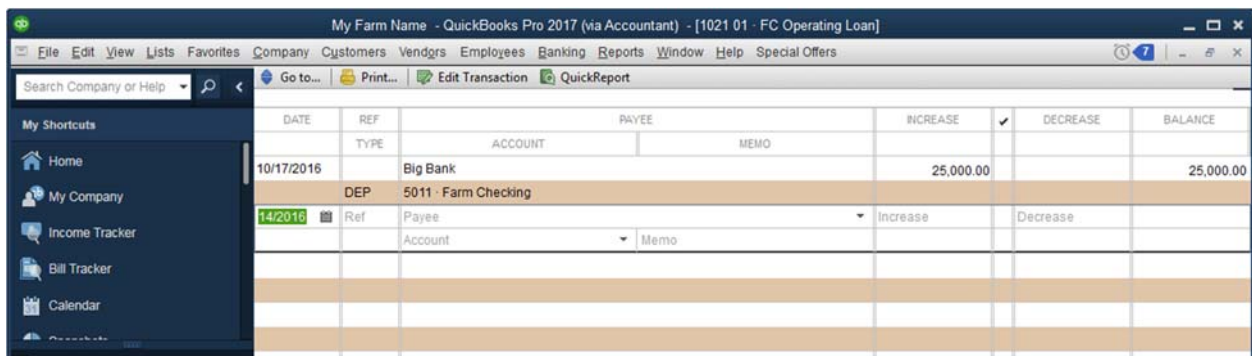


OPTION 2

1. Set the loan up as an Other Current Liability account. To enter transactions, you will need to use the register for the loan. In the Chart of Accounts window, right-click on the loan and select Use Register.



2. This allows you to enter transactions directly to the loan. A check written will increase the loan balance



5.5 RESALE LIVESTOCK PURCHASE

When entering a purchase of resale livestock, use an inventory account rather than a cost of goods sold (COGS) account. For example, use 56110 (Beef feeder steers) rather than 07110 (Beef feeder steers COGS).

My Farm Name - QuickBooks Pro 2017 (via Accountant) - [Write Checks - Farm Checking]

File Edit View Lists Favorites Company Customers Vendors Employees Banking Reports Window Help Special Offers

Search Company or Help

My Shortcuts

- Home
- My Company
- Income Tracker
- Bill Tracker
- Calendar
- Snapshots

My Shortcuts

- View Balances
- Run Favorite Reports
- Open Windows

Do More With QuickBooks

- Turn on Payroll
- Accept Credit Cards
- Order Checks & Tax Forms
- See Financing Options

Main Reports

Find New Save Delete Memorize Create a Copy Print Later Print Pay Online Attach File Select PO Enter Time Clear Splits Recalculate Reorder Reminder Order Checks

BANK ACCOUNT 5011 - Farm Checking ENDING BALANCE 8,015.52

NO. 1020 DATE 12/15/2016

PAY TO THE ORDER OF Cattle Buyer \$ 99,000.00

Ninety-nine thousand and 00/100 ***** DOLLARS

ADDRESS Cattle Buyer

MEMO

Expenses \$99,000.00 Items \$0.00

ACCOUNT	AMOUNT	MEMO	CUST..	BILLA..	CLASS
Resale Inventory:56100 - Beef, Resale INV:56110 - Beef Feeder St...	99,000.00	^120@1.5@66000^			2017-17 Beef Background...

Save & Close Save & New Revert

If you are a KFMA member, enter the quantity, dollars per unit, and total weight in the memo column using the format:

^units@dollars per unit@total weight^

Example: 120 steers, 550 pounds each, \$1.50 per pound

^120@1.50@66000^

Do not enter text, including "\$" or "lbs"

5.6 BREEDING LIVESTOCK PURCHASE

My Farm Name - QuickBooks Pro 2017 (via Accountant) - [Write Checks - Farm Checking]

File Edit View Lists Favorites Company Customers Vendors Employees Banking Reports Window Help Special Offers

Search Company or Help

My Shortcuts: Home, My Company, Income Tracker, Bill Tracker, Calendar, Snapshots, View Balances, Run Favorite Reports, Open Windows

Do More With QuickBooks: Turn on Payroll, Accept Credit Cards, Order Checks & Tax Forms, See Financing Options

BANK ACCOUNT: 5011 - Farm Checking ENDING BALANCE: 8,015.52

NO. 1008 DATE 04/01/2016

PAY TO THE ORDER OF: Bull Sale \$ 6,500.00

Six thousand five hundred and 00/100* DOLLARS

ADDRESS: Bull Sale

MEMO:

Expenses \$6,500.00 Items \$0.00

ACCOUNT	AMOUNT	MEMO	CUST.	BILLA.	CLASS
Depreciable Assets:09100 - Beef Breeding:09110 - Young Bulls	6,500.00	*2@3250@2800*			

Save & Close Save & New Revert

If you are a KFMA member, enter the quantity, dollars per unit, and total weight in the memo column using the format:

^units@dollars per unit@total weight^

Example: 2 bulls, 1,400 pounds each, \$3,250 each

^2@3250@2800^

Do not enter text, including "\$" or "lbs"

5.7 DEBT FINANCED CAPITAL ASSET PURCHASE

When machinery or equipment is purchased, the transaction often includes a trade-in and/or financing. Use the example below as a guide to record the purchase.

Before entering the purchase, in the chart of accounts create a new long-term loan. See page 32. DO NOT enter an opening balance.

The screenshot shows the QuickBooks interface for creating a new account. At the top, the 'Account Type' is set to 'Long Term Liability' and the 'Number' is '1027 05'. Below this, the 'Account Name' is 'JDF - JD 9420R Tractor'. There is a checkbox for 'Subaccount of' which is unchecked. Under the 'OPTIONAL' section, there is a 'Description' field, an 'Account No.' field, and a 'Tag-Line Mapping' dropdown set to '<Unassigned>'. There are two links: 'How do I choose the right tax line?' and 'Should I enter an opening balance?'. At the bottom, there is a checkbox for 'Account is inactive' which is unchecked, and two buttons: 'Save & Close' and 'Cancel'.

- A. Down payment
- B. Full price of new asset (including any financing fees)
- C. Trade-in allowance on old asset
- D. Payoff of loan on old asset
- E. Interest due at payoff of loan of old asset (if interest is unknown entire payoff amount in D)
- F. Proceeds from new loan

QTY	NEW	DEMO	RENTAL	USED	PRODUCT (Give Model, Size & Description)	Hours of Use	PRODUCT IDENTIFICATION NUMBER	DELIVERED CASH PRICE (Or Total Lease Payments)
1	X				2015 JOHN DEERE 9420R 4WD Tractor			\$285,000 00
I (We) offer to sell, transfer, and convey the following item(s) at or prior to the time of delivery of the above Product, as a "trade-in" to be applied against the cash price. Such item(s) shall be free and clear of all security agreements, liens, and encumbrances at the time of transfer to you. The following is a description and the price to be allowed for each item.						TOTAL CASH PRICE		\$285,000 00
QTY	DESCRIPTION OF TRADE-IN				Hours of Use	PRODUCT IDENTIFICATION NUMBER	AMOUNT	
1	New Holland T9.390 Tractor				2569		\$215,000 00	
1	Case IH 9180 Tractor				6522		\$30,500 00	
TOTAL TRADE-IN ALLOWANCE							\$245,500 00	
PURCHASER TYPE						MARKET USE		
9 Farm						15 Row Crop/Small Grain		
COMMENTS:						1. TOTAL CASH-PRICE		
						\$285,000 00		
						2. TOTAL TRADE-IN ALLOWANCE		
						\$245,500 00		
						3. TOTAL TRADE-IN PAY-OFF		
						\$172,969 42		
						4. BALANCE		
						\$212,469 42		
						5. Delivery		
						\$0 00		
						6. Finance Participation Fee		
						\$272 50		
						7. Interest		
						\$0 00		
						8. UCC Documentation Fee		
						\$0 00		
						9.		
						10.		
						11.		
						12. SUB-TOTAL		
						13. CASH WITH ORDER		
						\$25,000 00		
						14. RENTAL APPLIED		
						\$0 00		
						15. CASH DISCOUNT		
						\$0 00		
						16. BALANCE DUE		
						\$187,741 92		

The sum of all detail line items should equal the amount of the check written.

BANK ACCOUNT: 5011 - Farm Checking ENDING BALANCE: 31,701.61

NO: 1009 DATE: 04/01/2016

PAY TO THE ORDER OF: John Deere Dealer \$ 25,000.00

Twenty-five thousand and 00/100* DOLLARS

ADDRESS: John Deere Dealer

MEMO:

Expenses: \$25,000.00 Items: \$0.00

ACCOUNT	AMOUNT	MEMO	CUSTOMER JOB	BILLA...	CLASS
Depreciable Assets:09600 - Motorized Equipment	B 285,272.50	JD 9420R Tractor			
Depreciable Assets:09600 - Motorized Equipment	C -215,000.00	NH T9.390 Tractor allowance			
Depreciable Assets:09600 - Motorized Equipment	C -30,500.00	CIH 9180 Tractor allowance			
1027 02 - CNH Capital - NH T9.390 Tractor	D 168,957.23	Payoff loan on old tractor			
Farm Expense:04300 - Interest Paid:04370 - Int...	E 4,012.19	Interest on old loan			
1027 05 - JDF - JD 9420R Tractor	F -187,741.92	Proceeds from new loan			

Save & Close Save & New Clear

Capital asset purchases without financing can be recorded like other expenses

5.8 LOAN PAYMENT

My Farm Name - QuickBooks Pro 2017 (via Accountant) - [Write Checks - Farm Checking]

Search Company or Help

My Shortcuts: Home, My Company, Income Tracker, Bill Tracker, Calendar, Snapshots, Customers, Vendors, Employees

Do More With QuickBooks: Turn on Payroll, Accept Credit Cards, Order Checks & Tax Forms, See Financing Options

Bank Account: 5011 - Farm Checking Ending Balance: 6,701.61

Check Form: NO. 998, DATE 08/15/2016, PAY TO THE ORDER OF: CNH Capital, \$ 35,642.10

Address: CNH Capital

MEMO:

Expenses: \$35,642.10 Items: \$0.00

ACCOUNT	AMOUNT	MEMO	CUSTOMER JOB	BILLA...	CLASS
1027 02 - CNH Capital - NH T9.390 Tractor	31,987.55				
Farm Expense:04300 - Interest Paid:04370 - Intermedi...	3,654.55				

Buttons: Save & Close, Save & New, Clear

5.9 SHORTCUT PAYROLL

This method is a shortcut to subscribing to the QuickBooks payroll service (\$2-300 per year). For most agricultural employers, the subscription is overkill. This shortcut method does require that you have a basic understanding of payroll and that you have means of calculating paychecks, either by hand or with a spreadsheet. If you are a KFMA member, a spreadsheet is available to assist in payroll calculation.

This method works best for “simple” payroll but with a little effort, a savvy bookkeeper can handle “complicated” payroll where you are deducting for health insurance, retirement plan contributions, or other pre-tax deductions.

Consult your tax preparer if you have questions related to payroll. Payroll withholding mistakes can be costly to fix.

The KFMA chart of accounts should include several Other Current Liability accounts that are used to track payroll liability. These accounts are essential to this shortcut payroll method.

- A. 04110 Gross wages
- B. 04120 *Employer's* share of Social Security
- C. 04130 *Employer's* share of Medicare
- D. 94120 Combined *employer and employee* share of Social Security (entered as a negative)
- E. 94130 Combined *employer and employee* share of Medicare (entered as a negative)
- F. 94190 Federal income tax withheld
- G. 94180 State income tax withheld

BANK ACCOUNT: 5011 - Farm Checking ENDING BALANCE: 16,059.51

NO. 1015 DATE 11/10/2016

PAY TO THE ORDER OF: Bill Employee \$ 2,041.25

Two thousand forty-one and 25/100* DOLLARS

ADDRESS: Bill Employee

MEMO:

Expenses \$2,041.25 Items \$0.00

ACCOUNT	AMOUNT	MEMO	CUSTOMER-JOB	BILLA...	CLASS
Farm Expense:04100 - Labor Hired:04110 - Wages	A 2,500.00				
Farm Expense:04100 - Labor Hired:04120 - Social Security Tax	B 155.00				
Farm Expense:04100 - Labor Hired:04130 - Medicare Tax	C 36.25				
94100 - Payroll Liabilities:94120 - Social Security Tax	D -310.00				
94100 - Payroll Liabilities:94130 - Medicare Tax	E -72.50				
94100 - Payroll Liabilities:94190 - Federal Income Tax	F -212.50				
94100 - Payroll Liabilities:94180 - State Income Tax	G -55.00				

Save & Close Save & New Clear

5.10 PAYING PAYROLL LIABILITIES

1. Open the chart of accounts (*Lists>Chart of Accounts*) and scroll until you find the Payroll Liabilities accounts.
2. To determine your federal liability, right-click on *Federal* and select *QuickReport: Federal*. Right-click on *State Income Tax* and select *QuickReport* for your state liability.

My Farm Name - QuickBooks Pro 2017 (via Accountant) - [Chart of Accounts]

File Edit View Lists Favorites Company Customers Vendors Employees Banking Reports Window Help Special Offers

Search Company or Help

My Shortcuts: Home, My Company, Income Tracker, Bill Tracker, Calendar, My Shortcuts, View Balances, Run Favorite Reports, Open Windows, Do More With QuickBooks, Turn on Payroll, Accept Credit Cards, Order Checks & Tax Forms, See Financing Options

NAME	TYPE	BALANCE TOTAL	ATTACH
94100 - Payroll Liabilities			
Federal	Other Current Liability	1,256.65	
94130 - Medicare Tax	Other Current Liability	1,152.65	
94120 - Social Security Tax	Other Current Liability	139.20	
94190 - Federal Income Tax	Other Current Liability	595.20	
94140 - Retirement-Other	Other Current Liability	418.25	
94150 - Health Insurance	Other Current Liability	0.00	
94160 - Life Insurance	Other Current Liability	0.00	
94170 - Workman Compens	Other Current Liability	0.00	
94180 - State Income Tax	Other Current Liability	0.00	
1027 05 - JDF - JD 9420R Trac	Long Term Liability	104.00	
1027 02 - CNH Capital - NH T9	Long Term Liability	187,741.92	
1027 01 - JD Financial - JD S67	Long Term Liability	-31,987.55	
1027 03 - Machinery Loan	Long Term Liability	121,957.82	
1027 04 - Real Estate Loan	Long Term Liability	0.00	
30000 - Opening Balance Equi	Equity	0.00	
30800 - Owners Draw	Equity	-109,371.84	
32000 - Owners Equity	Equity	0.00	
Farm Income	Income		
01100 - Beef, Raised	Income		
01110 - Beef Feeder Steers	Income		
01110* - Beef Feeder Steers, Raised	Income		
01120 - Beef Feeder Heifers	Income		

Account Activities Reports Attach Include inactive

3. Change the date range of the report to reflect the appropriate payroll month. Print this report or write down each of the liability account balances.

My Farm Name
Account QuickReport
As of October 31, 2016

Type	Date	Num	Name	Memo	Split	Amount	Balance
94100 - Payroll Liabilities							0.00
Federal							0.00
94120 - Social Security Tax							0.00
Check	10/10/2016	1006	Bill Employee		5011 - Farm C...	285.20	285.20
Total 94120 - Social Security Tax						285.20	285.20
94130 - Medicare Tax							0.00
Check	10/10/2016	1006	Bill Employee		5011 - Farm C...	66.70	66.70
Total 94130 - Medicare Tax						66.70	66.70
94190 - Federal Income Tax							0.00
Check	10/10/2016	1006	Bill Employee		5011 - Farm C...	205.75	205.75
Total 94190 - Federal Income Tax						205.75	205.75
Total Federal						557.65	557.65
Total 94100 - Payroll Liabilities						557.65	557.65
TOTAL						557.65	557.65

4. From the *Home Screen*, select *Write Checks*.
5. Select the payroll liability accounts as the expense details and enter the amounts from the liability report in step 3.

My Farm Name - QuickBooks Pro 2017 (via Accountant) - [Write Checks - Farm Checking]

BANK ACCOUNT: 5011 - Farm Checking ENDING BALANCE: 12,148.96

NO. EFT DATE: 11/15/2016

PAY TO THE ORDER OF: EFTPS \$ 557.65

Five hundred fifty-seven and 65/100* DOLLARS

ADDRESS: EFTPS

MEMO:

Expenses: \$557.65 Items: \$0.00


ACCOUNT	AMOUNT	MEMO	CUSTOMER JOB	BILLA...	CLASS
94100 - Payroll Liabilities:Federal:94120 - Social Security Tax	285.20				
94100 - Payroll Liabilities:Federal:94130 - Medicare Tax	66.70				
94100 - Payroll Liabilities:Federal:94190 - Federal Income Tax	205.75				

Save & Close Save & New Clear

Consult your tax preparer if you have questions related to payroll. Payroll withholding mistakes can be costly to fix.

6 RECONCILING ACCOUNTS

Reconciling bank accounts is critical to accurate recordkeeping. Reconciliation insures that all transactions *amounts* are entered correctly. DO NOT skip this step!



VERY BIG BANK
9876 FAKE STREET
MANHATTAN KS 66502 1-800-222-2222

MY FARM NAME
1234 FAKE STREET
MANHATTAN, KS 66502

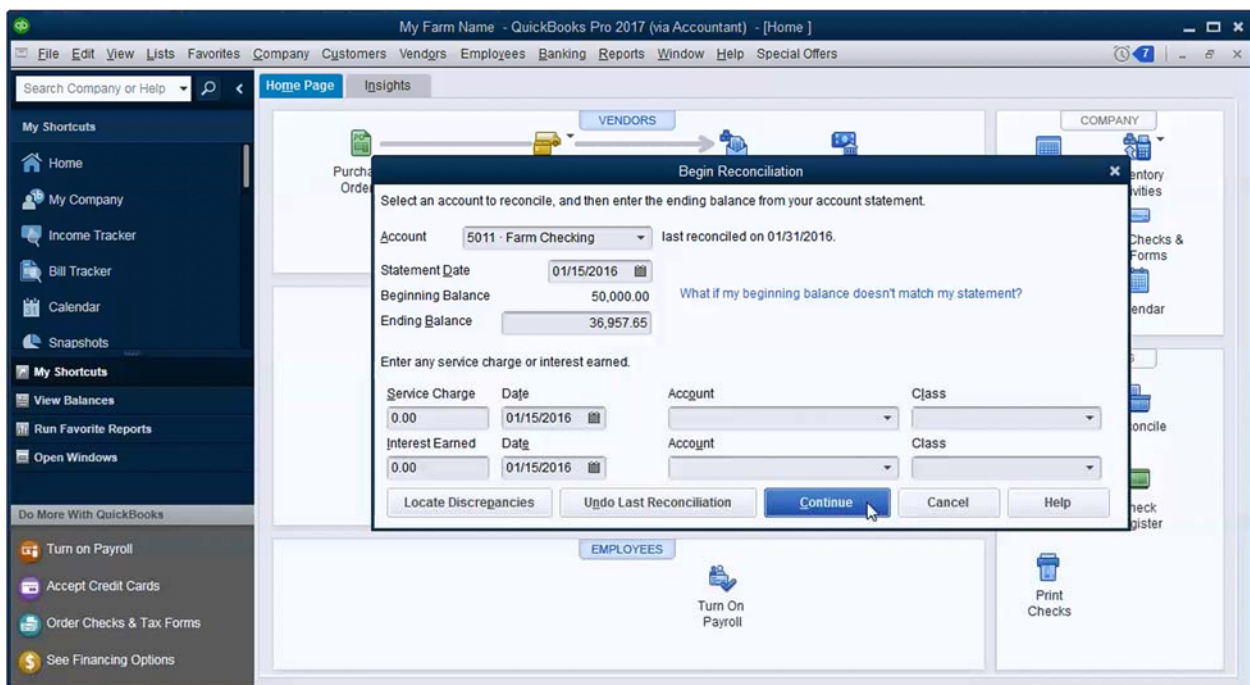
CHECKING ACCOUNT STATEMENT
Page: 1 of 1

		Statement Period	Account No.
		12-16-15 to 01-15-2016	0005-123-456-7

Checking Summary		
	INSTANCES	AMOUNT
Beginning Balance		\$50,000.00
Deposits and Additions	1	3,000.00
Checks Paid	4	16,042.35
Other Withdrawals, Fee & Charges	0	0.00
Ending Balance		\$36,957.65

Date	Description	Ref.	Withdrawals	Deposits	Balance
12-16	Previous Balance				50,000.00
01-03	Check 989		15,000.00		35,000.00
01-05	Deposit			3,000.00	38,000.00
01-06	Check 990		115.49		37,884.51
01-10	Check 991		567.89		37,316.62
01-12	Check 992		358.97		36,957.65
01-15	Ending Balance				36,957.65
TOTALS			16,042.35	3,000.00	

1. From the *Banking* menu, select *Reconcile*.
2. Enter the *Ending Balance* and *Statement Date* from the bank statement. QuickBooks will carry over the ending balance from the last reconciliation and automatically enter it as the beginning balance.



- Work methodically through the bank statement. For each transaction on the bank statement, click on that transaction in the reconcile window to mark it as cleared.

My Farm Name - QuickBooks Pro 2017 (via Accountant) - [Reconcile - Farm Checking]

For period: 01/15/2016

Hide transactions after the statement's end date

Checks and Payments				Deposits and Other Credits				
DATE	CHK #	PAYEE	AMOUNT	DATE	CHK #	MEMO	TYPE	AMOUNT
12/30/2015	989	Coop (V)	15,000.00	01/05/2016		Deposit	DEP	3,000.00
01/03/2016	990	Electric Company	115.49					
01/08/2016	991	Coop (V)	567.89					
01/09/2016	992	Parts Store	358.97					
01/14/2016	993	Parts Store	689.24					

Highlight Marked

Mark All Unmark All Go To Columns to Display...

Beginning Balance 50,000.00

Items you have marked cleared

0	Deposits and Other Credits	0.00
1	Checks and Payments	15,000.00

Modify

Service Charge	0.00
Interest Earned	0.00
Ending Balance	36,957.65
Cleared Balance	35,000.00
Difference	1,957.65

Reconcile Now Leave

- Once you have worked through all transactions on the bank statement, review the *Difference* amount in the lower right corner of the *Reconcile* window. If *Difference* is *not* zero, there is a transaction missing, a duplicate transaction, or the amount of a transaction was entered incorrectly. To edit a transaction, click on it and click the *Go To* button. When you have finished editing a transaction, click *Save & Close* to return to the *Reconcile* window. If the difference amount is a multiple of 9, look for transposed numbers (98 instead of 89).

My Farm Name - QuickBooks Pro 2017 (via Accountant) - [Reconcile - Farm Checking]

For period: 01/15/2016

Hide transactions after the statement's end date

Checks and Payments				Deposits and Other Credits				
DATE	CHK #	PAYEE	AMOUNT	DATE	CHK #	MEMO	TYPE	AMOUNT
12/30/2015	989	Coop (V)	15,000.00	01/05/2016		Deposit	DEP	3,000.00
01/03/2016	990	Electric Company	115.49					
01/08/2016	991	Coop (V)	567.98					
01/09/2016	992	Parts Store	358.97					
01/14/2016	993	Parts Store	689.24					

Highlight Marked

Mark All Unmark All Go To Columns to Display...

Beginning Balance 50,000.00

Items you have marked cleared

1	Deposits and Other Credits	3,000.00
4	Checks and Payments	16,042.44

Modify

Service Charge	0.00
Interest Earned	0.00
Ending Balance	36,957.65
Cleared Balance	36,957.56
Difference	0.09

Reconcile Now Leave

5. If *Difference* is zero, the bank account is balanced to the bank statement. Click *Reconcile Now* to finish.

My Farm Name - QuickBooks Pro 2017 (via Accountant) - [Reconcile - Farm Checking]

For period: 01/15/2016

Hide transactions after the statements end date

DATE	CHK #	PAYEE	AMOUNT
12/30/2015	989	Coop (V)	15,000.00
01/03/2016	990	Electric Company	115.49
01/08/2016	991	Coop (V)	567.89
01/09/2016	992	Parts Store	358.97
01/14/2016	993	Parts Store	689.24

DATE	CHK #	MEMO	TYPE	AMOUNT
01/05/2016		Deposit	DEP	3,000.00

Highlight Marked

Mark All Unmark All Go To Columns to Display...

Beginning Balance 50,000.00

Items you have marked cleared

1 Deposits and Other Credits	3,000.00
4 Checks and Payments	16,042.35

Modify

Service Charge	0.00
Interest Earned	0.00
Ending Balance	36,957.65
Cleared Balance	36,957.65
Difference	0.00

Reconcile Now Leave

6. You will have a chance to *View or Print a Reconciliation Report*. Select *Summary*, *Detail* or *Both* and click *Display* to view the report.

My Farm Name - QuickBooks Pro 2017 (via Accountant) - [Reconcile - Farm Checking]

For period: 01/15/2016

Hide transactions after the statements end date

DATE	CHK #	PAYEE	AMOUNT
01/14/2016	993	Parts Store	689.24

DATE	CHK #	MEMO	TYPE	AMOUNT
------	-------	------	------	--------

Highlight Marked

Go To Columns to Display...

Beginning Balance 36,957.65

Items you have marked cleared

0 Deposits and Other Credits	0.00
0 Checks and Payments	0.00

Modify

Service Charge	0.00
Interest Earned	0.00
Ending Balance	36,957.65
Cleared Balance	36,957.65
Difference	0.00

Reconcile Now Leave

Select Reconciliation Report

Congratulations! Your account is balanced. All marked items have been cleared in the account register.

Select the type of reconciliation report you'd like to see.

Summary
Detail
Both

To view this report at a later time, select the Report menu, display Banking and then Previous Reconciliation.

Display Print... Close

7 REPORTS

One strength of QuickBooks is reporting. There are multitudes of built-in reports available, probably far more than you will ever need. If you are diligent about working in QuickBooks, the reports will give you an indication of farm performance as well as provide accurate information for your KFMA economist or your tax preparer. Below are a few examples of some of the more useful reports in QuickBooks.

For any report, select a meaningful date range using the *Dates* drop down, or by manually entering the *From* and *To* dates. Click the *Customize Report* button to customize the report even more.

Income/Expense		
Farm Income		
01100 · Beef, Raised		
01110 · Beef Feeder Steers, Raised		14,350.00
01120 · Beef Feeder Heifers, Raised		6,000.00
Total 01100 · Beef, Raised		20,350.00
01700 · Grain		
01720 · Corn		32,700.00
Total 01700 · Grain		32,700.00
03110 · Crop Insurance		11,000.00
03200 · Machine Work		
03210 · Trucking		200.00
03230 · Combine		25,000.00

If you see this window when opening a report, check “Do not display...” and click OK.



If you have customized a report that you will want to see again later, click the *Memorize* button to save the report for easy access later.

7.1 QUICKREPORT

In any list (chart of accounts, customers, vendors), right-click on a list item and select *QuickReport* to see a list of current year transactions related to that item. *QuickReports* are very handy.

Account Name	Type
03110 - Crop Insurance	Income
03120 - Weather Insurance - Crop	Income
03200 - Machine Work	Income
03210 - Trucking	Income
03220 - Tractor	Income
03230 - Combine	Income
03240 - Tillage	Income
03250 - Planting	Income
03260 - Spraying	Income
03270 - Irrigation Equipment	Income
03280 - Haying Equipment	Income
03290 - Processing-Handling	Income
03300 - Breeding Fees	Income
03310 - Stud Fees	Income
03320 - Artificial Insemination	Income
03500 - Patronage Dividends	Income
03520 - Supply Cooperatives	Income
03600 - Government Payments	Income
03610 - Direct Payments	Income

Show | Applied Filters

My Farm Name
Account QuickReport
January through December 2016

Accrual Basis

Type	Date	Num	Name	Memo	Split	Amount
Farm Income						
03200 - Machine Work						
03210 - Trucking						
Invoice	12/01/2016	3	Neighbor	Trucking	11000 - Acco...	200.00
Total 03210 - Trucking						200.00
03230 - Combine						
Deposit	07/01/2016		Neighbor	Deposit	5011 - Farm C...	25,000.00
Total 03230 - Combine						25,000.00
03280 - Haying Equipment						
Invoice	10/18/2016	2	Neighbor	Haying	11000 - Acco...	3,200.00
Total 03280 - Haying Equipment						3,200.00
Total 03200 - Machine Work						28,400.00
Total Farm Income						28,400.00
TOTAL						28,400.00

In a report, when the mouse pointer turns into a magnifying glass, you can double click to open an additional report showing the detail of that line.

Account Name	Amount
Ordinary Income/Expense	
Income	
Farm Income	
01100 - Beef, Raised	
01110 - Beef Feeder Steers, Raised	14,350.00
01120 - Beef Feeder Heifers, Raised	6,000.00
Total 01100 - Beef, Raised	20,350.00
01700 - Grain	
01720 - Corn	32,700.00
Total 01700 - Grain	32,700.00
03110 - Crop Insurance	11,000.00
03200 - Machine Work	
03210 - Trucking	200.00

7.2 PROFIT AND LOSS STANDARD

The profit and loss report is a picture of farm performance over a period of time.

Menu: *Reports>Company & Financial>Profit & Loss Standard*

Show | Applied Filters

My Farm Name
Profit & Loss
January through December 2016

Accrual Basis

Jan - Dec 16

▼ Ordinary Income/Expense	
▼ Income	
▼ Farm Income	
▼ 01100 · Beef, Raised	
01110 · Beef Feeder Steers, Raised ▶	14,350.00 ◀
01120 · Beef Feeder Heifers, Raised	6,000.00
Total 01100 · Beef, Raised	20,350.00
▼ 01700 · Grain	
01720 · Corn	32,700.00
Total 01700 · Grain	32,700.00
03110 · Crop Insurance	11,000.00
▼ 03200 · Machine Work	
03210 · Trucking	200.00
03230 · Combine	25,000.00
03280 · Haying Equipment	3,200.00
Total 03200 · Machine Work	28,400.00
03520 · Supply Cooperatives	3,412.44
▼ 06100 · Beef, Resale	
06110 · Beef Feeder Steers, Resale	63,000.00
Total 06100 · Beef, Resale	63,000.00
Total Farm Income	158,862.44
Total Income	158,862.44
Gross Profit	158,862.44
▼ Expense	
▼ Farm Expense	
▼ 04100 · Labor Hired	
04110 · Wages	4,800.00
04120 · Social Security Tax	297.60
04130 · Medicare Tax	69.60
Total 04100 · Labor Hired	5,167.20

7.3 PROFIT & LOSS DETAIL

This report is similar to profit & loss standard, but with detail for each income or expense account rather than a summary.

Menu: *Reports>Company & Financial>Profit & Loss Detail*

Show | Applied Filters

My Farm Name
Profit & Loss Detail
January through December 2016

Accrual Basis

Type	Date	Num	Name	Memo	Class	Clr	Split	Amount	Balance
Ordinary Income/Expense									
Income									
Farm Income									
01100 - Beef, Raised									
01110 - Beef Feeder Steers, Raised									
Sales Receipt	10/15/2016		Sale Barn	Beef Feeder...	2016:16...		12000 - Unde...	7,200.00	7,200.00
Deposit	10/15/2016		Sale Barn	^10@1.30@...	2016:16...		5011 - Farm C...	7,150.00	14,350.00
Total 01110 - Beef Feeder Steers, Raised								14,350.00	14,350.00
01120 - Beef Feeder Heifers, Raised									
Deposit	10/15/2016		Sale Barn	^10@1.20@...	2016:16...		5011 - Farm C...	6,000.00	6,000.00
Total 01120 - Beef Feeder Heifers, Raised								6,000.00	6,000.00
Total 01100 - Beef, Raised								20,350.00	20,350.00
01700 - Grain									
01720 - Corn									
Deposit	01/05/2016			Deposit			5011 - Farm C...	3,000.00	3,000.00
Sales Receipt	10/15/2016		Elevator	Corn ^5000@...	2016:16...		12000 - Unde...	15,000.00	18,000.00
Deposit	10/15/2016		Elevator	^5000@3@^	2016:16...		5011 - Farm C...	15,000.00	33,000.00
Deposit	10/15/2016		Elevator	Moisture dis...	2016:16...		5011 - Farm C...	-300.00	32,700.00
Total 01720 - Corn								32,700.00	32,700.00
Total 01700 - Grain								32,700.00	32,700.00
03110 - Crop Insurance									
Deposit	07/01/2016		Crop Insurance Co	Deposit			5011 - Farm C...	6,000.00	6,000.00
Deposit	12/01/2016		Crop Insurance Co	Deposit			5011 - Farm C...	5,000.00	11,000.00
Total 03110 - Crop Insurance								11,000.00	11,000.00
03200 - Machine Work									
03210 - Trucking									
Invoice	12/01/2016	3	Neighbor	Trucking			11000 - Acco...	200.00	200.00
Total 03210 - Trucking								200.00	200.00
03230 - Combine									
Deposit	07/01/2016		Neighbor	Deposit			5011 - Farm C...	25,000.00	25,000.00

7.4 BALANCE SHEET

The balance sheet is a snapshot in time of all assets, liabilities and equity. QuickBooks balance sheets are tax-basis balance sheets. DO NOT attempt to force adjustments in order to make QuickBooks display a market value balance sheet.

Menu: *Reports>Company & Financial>Balance Sheet Standard*

Show | Applied Filters

My Farm Name
Balance Sheet
As of December 31, 2016

Accrual Basis

		Dec 31, 16
ASSETS		
▼ Current Assets		
▼ Checking/Savings		
5011 · Farm Checking		8,015.52
5018 01 · Very Big Bank - Savings		50,000.00
5018 02 · Very Big Bank - Money Market		75,000.00
Total Checking/Savings		133,015.52
▼ Accounts Receivable		
11000 · Accounts Receivable		780.00
Total Accounts Receivable		780.00
▼ Other Current Assets		
▼ Resale Inventory		
▼ 56100 · Beef, Resale INV		
56110 · Beef Feeder Steers, Resale I...		127,600.00
Total 56100 · Beef, Resale INV		127,600.00
Total Resale Inventory		127,600.00
Total Other Current Assets		127,600.00
Total Current Assets		261,395.52
▼ Fixed Assets		
▼ Depreciable Assets		
▼ 09100 · Beef Breeding		
09110 · Young Bulls		6,500.00
Total 09100 · Beef Breeding		6,500.00
09600 · Motorized Equipment		39,772.50
Total Depreciable Assets		46,272.50
Total Fixed Assets		46,272.50
▼ Other Assets		
1068 02 · Coop Deferred Patronage		1,689.93
1069 01 · Little Coop - Def Patronage		6,543.21
Total Other Assets		8,233.14

7.5 BALANCE SHEET PREV YEAR COMPARISON

Menu: *Reports>Company & Financial>Balance Sheet Prev Year Comparison*

Show | Applied Filters

My Farm Name
Balance Sheet Prev Year Comparison
As of December 31, 2016

Accrual Basis

	Dec 31, 16	Dec 31, 15	\$ Change
Fixed Assets			
Depreciable Assets			
09000 · Listed Property	65,894.23	65,894.23	0.00
09100 · Beef Breeding			
09110 · Young Bulls	6,500.00	0.00	6,500.00
09100 · Beef Breeding - Other	55,468.97	55,468.97	0.00
Total 09100 · Beef Breeding	61,968.97	55,468.97	6,500.00
09600 · Motorized Equipment	607,594.84	567,822.34	39,772.50
09700 · Machinery	389,764.31	389,764.31	0.00
09800 · Buildings	126,000.00	126,000.00	0.00
99600 · Accumulated Depreciation	-851,627.38	-785,649.13	-65,978.25
Total Depreciable Assets	399,594.97	419,300.72	-19,705.75
09900 · Land	687,995.00	687,995.00	0.00
Total Fixed Assets	1,087,589.97	1,107,295.72	-19,705.75
Other Assets			
1068 02 · Coop Deferred Patronage	8,233.14	6,543.21	1,689.93
Total Other Assets	8,233.14	6,543.21	1,689.93
TOTAL ASSETS	1,357,218.63	1,273,838.93	83,379.70
LIABILITIES & EQUITY			
Liabilities			
Current Liabilities			
Accounts Payable			
20000 · Accounts Payable	45.00	0.00	45.00
Total Accounts Payable	45.00	0.00	45.00
Other Current Liabilities			
1021 01 · Operating Loan	25,000.00	0.00	25,000.00
94100 · Payroll Liabilities			
Federal			
94120 · Social Security Tax	310.00	0.00	310.00
94430 · Medicare Tax	73.68	0.00	73.68

7.6 CUSTOMER BALANCE DETAIL

If you use invoices, see who owes you money.

Reports>Customers & Receivables>Customer Balance Detail

Show | Applied Filters

My Farm Name
Customer Balance Detail
All Transactions

Type	Date	Num	Account	Class	Amount	Balance
Landlord						
Invoice	10/15/2016		11000 · Accounts...		880.00	880.00
Total Landlord					880.00	880.00
Neighbor						
Invoice	10/18/2016	2	11000 · Accounts...		3,200.00	3,200.00
Payment	11/30/2016		11000 · Accounts...		-3,500.00	-300.00
Invoice	12/01/2016	3	11000 · Accounts...		200.00	-100.00
Total Neighbor					-100.00	-100.00
TOTAL					780.00	780.00

7.7 VENDOR BALANCE DETAIL

If you utilize bills, see who you owe.

Reports>Vendors & Payables>Vendor Balance Detail

Show | Applied Filters

My Farm Name						
Vendor Balance Detail						
All Transactions						
Type	Date	Num	Account	Amount	Balance	
Electric Company						
Bill Pmt -Check	10/15/2016	1000	20000 - Accounts...	-123.45	-123.45	
Bill	11/01/2016		20000 - Accounts...	123.45	0.00	
Total Electric Company				0.00	0.00	
Internet Company						
Bill	11/01/2016		20000 - Accounts...	45.00	45.00	
Total Internet Company				45.00	45.00	
John Deere Stealer						
Bill Pmt -Check	10/15/2016	1005	20000 - Accounts...	-4,321.65	-4,321.65	
Bill	11/01/2016		20000 - Accounts...	4,321.65	0.00	
Total John Deere Stealer				0.00	0.00	
Parts Store						
Credit	10/15/2016		20000 - Accounts...	-25.36	-25.36	
Bill Pmt -Check	10/15/2016	1002	20000 - Accounts...	-210.28	-235.64	
Bill	11/01/2016		20000 - Accounts...	235.64	0.00	
Total Parts Store				0.00	0.00	
TOTAL				45.00	45.00	

8 CHART OF ACCOUNTS

8.1 FARM INCOME ACCOUNTS

ATIG	DESCRIPTION	ATIG	DESCRIPTION	ATIG	DESCRIPTION
0110 BEEF, RAISED		0190 CASH FIELD CROPS		0270 TRUCK CROPS	
1 BEEF FEEDER STEERS		1 SOYBEANS		1 SWEET CORN	
2 BEEF FEEDER HEIFERS		2 PINTO—DRY BEANS		2 POTATOES	
3 YOUNG BREEDING BULLS		3 SUGAR BEETS		3 TOMATOES	
4 YOUNG BREEDING HEIFERS		4 LEGUME—GRASS SEED		4 WATERMELONS	
		5 COTTON		5 CANTALOUPE—HONEYDEW	
0120 DAIRY, RAISED		6 POPCORN		6 CUCUMBER	
1 DAIRY CALVES		7 SUNFLOWERS		7 STRAWBERRIES	
2 DAIRY CALVES		8 CANOLA		8 PUMPKINS	
3 YOUNG BREEDING BULLS		9 OTHER CASH CROPS		9 SQUASH	
4 YOUNG BREEDING HEIFERS					
5 DAIRY FEEDERS					
		0200 VEGETABLES		0280 FRUITS—BERRIES—GRAPES	
0130 SHEEP, RAISED		1 BEANS		1 APPLES	
1 FEEDER LAMBS		2 BEETS		2 CHERRIES	
2 MARKET LAMBS		3 CABBAGE		3 PEACHES	
3 YOUNG BREEDING RAMS		4 CARROTS		4 PEARS	
4 YOUNG BREEDING EWES		5 EGGPLANT		5 PLUMS	
		6 LETTUCE		6 OTHER FRUITS	
0140 SWINE, RAISED		7 PEAS		7 BERRIES	
1 FEEDER PIGS		8 PEPPERS		8 GRAPES	
2 MARKET HOGS		9 SPINACH		9 SPECIALTY FRUITS	
3 YOUNG BREEDING BOARS					
4 YOUNG BREEDING GILTS					
		0210 VEGETABLES		0290 NURSERY CROPS	
0150 OTHER LIVESTOCK, RAISED		1 ASPARAGUS		1 FLOWERS	
1 HORSES		2 BROCCOLI		2 BEDDING PLANTS	
2 DOGS		3 CAULIFLOWER		3 VEGETABLE PLANTS	
3 BISON		4 GREENS		4 SHRUBS	
4 GOATS		5 ONIONS		5 TREES	
5 LLAMAS		6 RADISH		6 GRASS SEED	
		7 RHUBARB			
0160 POULTRY		8 ROOT CROPS			
1 BROILERS		9 OTHER			
2 LAYERS				0300 TREE NUTS	
3 TURKEYS				1 ALMOND	
4 ROASTERS		0220 DAIRY PRODUCTS		2 BUTTERNUT	
5 PULLETS		1 MILK		3 CHESTNUT	
6 OSTRICH		2 CHEESE		4 HICAN	
7 EMU		3 OTHER DAIRY PRODUCTS		5 HICKORY	
				6 PECAN	
0170 GRAIN				7 WALNUT	
1 BARLEY		0230 ANIMAL BY-PRODUCTS		8 OTHER	
2 CORN		1 WOOL			
3 GRAIN SORGHUM		2 HIDES		0310 CROP INSURANCE	
4 OATS		3 MEAT		1 CROP INSURANCE PROCEEDS	
5 RYE		4 POULTRY LITTER		2 WEATHER INSURANCE-CROP	
6 WHEAT		5 HONEY			
7 MILLET					
8 OTHER GRAIN		0240 CUSTOM FEEDING		0320 MACHINE WORK	
9 OTHER GRAIN		1 BEEF FEEDING		1 TRUCKING	
		2 DAIRY FEEDING		2 TRACTOR	
0180 HAY & FORAGE		3 SHEEP FEEDING		3 COMBINE	
1 ALFALFA		4 SWINE FEEDING		4 TILLAGE	
2 BROME—FESCUE—BERMUDA		5 GRAZING		5 PLANTING	
3 PRAIRIE HAY				6 SPRAYING	
4 OTHER HAY		0250 LANDLORD REFUNDS		7 IRRIGATION EQUIPMENT	
5 CORN SILAGE		1 REPAIRS		8 HAYING EQUIPMENT	
6 SORGHUM & OTHER SILAGE		2 SEED		9 PROCESSING & HANDLING	
7 STRAW		3 FERTILIZER			
8 CEREAL & RESIDUE PASTURE		4 MACHINE HIRE		0330 BREEDING FEES	
9 TEMPORARY PASTURE		5 IRRIGATION EXPENSE		1 STUD FEES	
		6 GAS—FUEL—OIL		2 ARTIFICIAL INSEMINATION	
		7 DRYING—STORAGE			
		8 HERBICIDE—INSECTICIDE		0340 TREES—LUMBER	
		9 OTHER		1 CHRISTMAS TREES	
				2 STANDING TREES	
		0260 EGGS		3 CHIP WOOD	
		1 EGGS		4 PULP WOOD	
				5 PINE STRAW	
				6 LOGS	
				7 POSTS	
				8 FIREWOOD	

ATIG	DESCRIPTION
0350 PATRONAGE DIVIDENDS	
1	MILK COOPERATIVES
2	SUPPLY COOPERATIVES
0360 GOVERNMENT PAYMENTS	
1	DIRECT PAYMENTS
2	LDP PAYMENTS
3	CONSERVATION PAYMENTS
4	DISASTER PAYMENTS
5	STATE GOVT PAYMENTS
6	OTHER GOVT PAYMENTS
7	MARKET GAIN PAYMENTS
8	CRP PAYMENTS
9	LIVESTOCK PAYMENTS
0370 GAS TAX REFUNDS	
1	FEDERAL GASOLINE REFUND
2	STATE GASOLINE REFUND
0380 NON-CROP INSURANCE INCOME	
1	LIVESTOCK
2	MACHINERY
3	BUILDINGS
4	AGR-LITE INSURANCE
5	WEATHER INSURANCE-LVSTK
0390 MISCELLANEOUS INCOME	
1	PRODUCT REFUNDS
2	FEE HUNTING
3	OTHER
0600 LIVESTOCK FUTURES	
1	HEDGE ACCOUNT
2	SPECULATIVE ACCOUNT
3	OPTIONS
0610 BEEF, RESALE	
1	BEEF FEEDER STEERS
2	BEEF FEEDER HEIFERS
3	DAIRY FEEDERS
0620 DAIRY, RESALE	
1	DAIRY, RESALE
0630 SHEEP, RESALE	
1	FEEDER LAMBS
2	MARKET LAMBS
0640 SWINE, RESALE	
1	FEEDER PIGS
2	MARKET HOGS
0650 OTHER LIVESTOCK, RESALE	
1	HORSES
2	DOGS
3	BISON
4	GOATS
5	LLAMAS
0660 GRAIN FUTURES	
1	HEDGE ACCOUNT
2	SPECULATIVE ACCOUNT
3	OPTIONS

ATIG	DESCRIPTION
0670 CROPS, RESALE	
1	TRUCK CROPS—FRUITS—
	BERRIES—NUTS
2	CORN
3	GRAIN SORGHUM
4	NURSERY CROPS—VEGETABLES
5	OTHER CROPS
6	WHEAT
7	ALFALFA
8	OTHER HAY & FORAGE
9	SOYBEANS
0680 SUPPLIES PURCH, RESALE	
1	SEED
2	SUPPLIES
3	EQUIPMENT
4	COMMISSION—BONUS
5	REFUNDS
0690 MISC ITEMS, RESALE	
1	MISC ITEMS, RESALE
0800 LISTED PROPERTY SALES	
1	AUTO (% FARM)
2	COMPUTER (% FARM)
3	PICKUP (% FARM)
4	LIGHT TRUCKS & VANS (% FARM)
7	RENTAL PROPERTY
8	STOCK—BONDS
9	RETIREMENT PLANS
0810 BEEF BREEDING, SALES	
1	RAISED BULLS
2	RAISED COWS
7	PURCHASED BULLS
8	PURCHASED COWS
0820 DAIRY BREEDING, SALES	
1	RAISED BULLS
2	RAISED COWS
7	PURCHASED BULLS
8	PURCHASED COWS
0830 SHEEP BREEDING, SALES	
1	RAISED RAMS
2	RAISED EWES
7	PURCHASED RAMS
8	PURCHASED EWES
0840 SWINE BREEDING, SALES	
1	RAISED BOARS
2	RAISED SOWS
7	PURCHASED BOARS
8	PURCHASED SOWS
0850 OTHER LIVESTOCK, BREEDING	
1	HORSES
2	DOGS
3	BISON
4	GOATS
5	LLAMAS

ATIG	DESCRIPTION
0860 MOTORIZED EQUIPMENT, SALES	
1	AUTOS—CYCLES—AIRCRAFT
2	PICKUPS—TRUCKS
3	TRACTORS
4	POWER UNITS & GENERATORS
5	COMBINES
6	SWATHERS
7	SELF-PROPELLED EQUIPMENT
8	COMBINE HEADS
9	FORKLIFTS & SKID LOADERS
0870 MACHINERY, SALES	
1	LIVESTOCK FEEDING EQUIP
2	OTHER LIVESTOCK EQUIPMENT
3	MATERIALS HANDLING EQUIPM
4	TILLAGE MACHINERY
5	PLANTERS & CULTIVATORS
6	IRRIGATION EQUIPMENT
7	HARVESTING EQUIPMENT
8	HAYING EQUIPMENT
9	OTHER EQUIPMENT
0880 BUILDINGS, SALES	
1	GRAIN STORAGE
2	HAY & SILAGE
3	LIVESTOCK FENCES & YARDS
4	LIVESTOCK BUILDINGS
5	WATER SYSTEMS
6	MACHINE STORAGE
7	DEPRECIABLE LAND IMPROVMNT
8	FARM SHOP
9	NON-FARM BUILDINGS
0890 LAND, SALES	
1	NONIRRIGATED CROP LAND
2	IRRIGATED CROP LAND
5	PRAIRIE MEADOW
6	NATIVE PASTURE
7	BROME—FESCUE—BERMUDA
8	TIMBER
9	FARMSTEAD—ROADS—WASTE

8.2 FARM EXPENSE ACCOUNTS

ATIG DESCRIPTION	ATIG DESCRIPTION	ATIG DESCRIPTION
0070 UNDIVIDED UTILITIES	0440 FEED PURCHASED	0490 VET—MEDICINE—DRUGS
1 PHONE	1 ADDITIVES—SALT—MINERAL	1 VETERINARIAN SERVICES
2 ELECTRICITY	2 PROTEIN—MIXED FEEDS	2 MEDICINE—DRUGS
3 NATURAL GAS	5 CUSTOM FEEDING	3 MEDICAL SUPPLIES
4 WATER	7 GRAIN	
5 PROPANE	71 BARLEY	0500 DAIRY EXPENSE
6 WASTE DISPOSAL	72 CORN	1 MILK HAULING
7 CELL PHONE	73 GRAIN SORGHUM	2 GOVERNMENT ASSESSMENTS
8 INTERNET	74 OATS	3 FARM SUPPLIES
	75 RYE	4 PROMOTION
0080 UNDIVIDED AUTO EXPENSE	76 WHEAT	5 STATE DEDUCTIONS
1 AUTO GAS & OIL	77 MILLET	6 DHIA TESTING
2 AUTO REPAIRS	78 OTHER GRAIN	7 BST
3 AUTO TAXES & LICENSES	79 OTHER GRAIN	
4 AUTO INSURANCE	8 HAY & FORAGE	0510 MISC LIVESTOCK EXPENSE
5 AUTO LOAN INTEREST	81 ALFALFA	1 MARKETING SERVICES
	82 BROME-FESCUE-BERMUDA	2 TRUCKING & DELIVERY
0400 POULTRY, PURCH FOR RESALE	83 PRAIRIE HAY	3 COMMISSIONS
1 BROILERS	84 OTHER HAY	4 AI—STUD FEES
2 LAYERS	85 CORN SILAGE	5 LIVESTOCK LEASING
3 TURKEYS	86 SORGHUM & OTHER SILAGE	6 ADVERTISING
4 ROASTERS	87 STRAW	7 LIVESTOCK INSURANCE
5 PULLETS	88 CEREAL & RESIDUE PASTURE	8 TRAVEL EXPENSE
6 OSTRICH	89 TEMPORARY PASTURE	9 CONSULTING & DAY LABOR
7 EMU		
	0450 SEED & CROP INSURANCE	0520 GAS—FUEL—OIL
0410 LABOR HIRED	1 SEED & PLANTS	1 GASOLINE
1 WAGES	2 SEED CLEANING	2 LP GAS
2 SOCIAL SECURITY TAX	3 SEED TREATMENT	3 DIESEL
3 MEDICARE TAX	4 GERMINATION TESTING	4 GREASE & OIL
4 RETIREMENT—OTHER	5 CERTIFICATION	5 IRRIGATION FUEL
41 RETIREMENT	6 CROP INSURANCE	6 IRRIGATION DIESEL
42 OTHER	7 CROP CONSULTING	7 IRRIGATION ELECTRICITY
5 HEALTH INSURANCE	8 MEASUREMENT FEES	
6 LIFE INSURANCE	9 GOVERNMENT REPAYMENTS	0530 MISC CROP EXPENSE
7 WORK COMP—UNEMPLOYMENT		1 TRUCKING
71 WORKERS COMPENSATION	0460 FERTILIZER & LIME	2 FREIGHT
72 FUTA	1 NITROGEN	3 STORAGE
73 SUTA	2 PHOSPHORUS	4 ADVERTISING
8 STATE TAX WITHHELD	3 POTASSIUM	5 TRAVEL EXPENSE
9 FEDERAL TAX WITHHELD	4 MIXED FERTILIZER	6 MARKETING SERVICES
	5 TRACE ELEMENTS	7 PRECISION AG SERVICES & FEES
0420 REPAIRS—TOOLS—SUPPLIES	6 LIME & GYPSUM	9 CROP DAY LABOR
1 GENERAL MACHINERY REPAIR	7 SOIL TESTING	
2 CROP MACHINERY REPAIR	8 MANURE	0540 PROPERTY TAXES
3 LIVESTOCK EQUIPMENT REPAIR		1 REAL ESTATE TAX
4 IRRIGATION EQUIPMENT REPAIR	0470 MACHINE HIRE & LEASE	2 PERSONAL PROPERTY TAX
5 BUILDING REPAIR	1 TRUCKING	3 SALES TAX
6 LIVESTOCK SUPPLIES	2 TRACTOR	4 HIGHWAY USE TAX
7 CROP SUPPLIES	3 COMBINE	
8 MISCELLANEOUS SUPPLIES	4 TILLAGE	0550 GENERAL FARM INSURANCE
9 TOOLS	5 PLANTING	1 MACHINERY INSURANCE
	6 SPRAYING	2 BUILDING INSURANCE
0430 INTEREST PAID	7 IRRIGATION EQUIPMENT	3 LIABILITY INSURANCE
1 CURRENT INTEREST	8 HAYING EQUIPMENT	4 MOTOR VEHICLE INSURANCE
6 STOCKHOLDERS INTEREST	9 PROCESSING & HANDLING	5 IRRIGATION EQUIPM INSURANCE
7 INTERMEDIATE INTEREST		6 AGR-LITE INSURANCE
8 REAL ESTATE INTEREST	0480 FEES—PUBLICATIONS—TRAVEL	7 WEATHER INSURANCE-CROP
9 LONG-TERM INTEREST	1 FARM ORGANIZATION FEE	8 WEATHER INSURANCE-LVSTK
	2 MAGAZINES—PAPERS	
	3 FEES—COMMISSIONS—TESTING	
	4 ACCOUNTING—BANK CHARGE	
	5 TRAVEL EXPENSE	
	6 OFFICE SUPPLIES	
	7 POSTAGE	
	8 COMPUTER SOFTWARE	
	9 OTHER	

ATIG DESCRIPTION	ATIG DESCRIPTION	ATIG DESCRIPTION
0560 FARM UTILITIES	0770 CROPS, PURCH FOR RESALE	0960 MOTORIZED EQUIP, PURCHASED
1 PHONE	1 TRUCK CROPS—FRUITS—	1 AUTOS—CYCLES—AIRCRAFT
2 ELECTRICITY	BERRIES—NUTS	2 PICKUPS—TRUCKS
3 NATURAL GAS	2 CORN	3 TRACTORS
4 WATER	3 GRAIN SORGHUM	4 POWER UNITS & GENERATORS
5 PROPANE	4 NURSERY CROPS—VEGETABLES	5 COMBINES
6 WASTE DISPOSAL	5 OTHER CROPS	6 SWATHERS
7 CELL PHONE	6 WHEAT	7 SELF-PROPELLED EQUIPMENT
8 INTERNET	7 ALFALFA	8 COMBINE HEADS
	8 OTHER HAY & FORAGE	9 FORKLIFTS & SKID LOADERS
	9 SOYBEANS	
0570 CASH FARM RENT	0780 SUPPLIES, PURCH FOR RESALE	0970 MACHINERY, PURCHASED
1 NONIRRIGATED CROP LAND	1 SEED	1 LIVESTOCK FEEDING EQUIPMENT
2 IRRIGATED CROP LAND	2 SUPPLIES	2 OTHER LIVESTOCK EQUIPMENT
3 CEREAL & RESIDUE PASTURE	3 EQUIPMENT	3 MATERIALS HANDLING EQUIPM
4 NATIVE PASTURE	4 COMMISSION—BONUS	4 TILLAGE MACHINERY
5 BROME & FESCUE PASTURE	5 REFUNDS	5 PLANTERS & CULTIVATORS
6 BUILDINGS	6 SALES TAX	6 IRRIGATION EQUIPMENT
	7 ADVERTISING	7 HARVESTING EQUIPMENT
0580 HERBICIDE & INSECTICIDE	8 TRAVEL	8 HAYING EQUIPMENT
1 HERBICIDE		9 OTHER EQUIPMENT
2 INSECTICIDE		
3 FUNGICIDE		
	0790 MISC ITEMS, PURCH FOR RESALE	0980 BUILDINGS, PURCHASED
0590 CONSERVATION	1 MISC ITEMS, PURCH FOR RESALE	1 GRAIN STORAGE
1 TERRACING		2 HAY & SILAGE
2 WATERWAYS		3 LIVESTOCK FENCES & YARDS
3 LEVELING	0900 LISTED PROPERTY, PURCHASED	4 LIVESTOCK BUILDINGS
4 SEEDS	1 AUTO (% FARM)	5 WATER SYSTEMS
5 TREES	2 COMPUTER (% FARM)	6 MACHINE STORAGE
6 DAMS	3 PICKUP (% FARM)	7 DEPRECIABLE LAND IMPROVMNT
7 BRUSH CLEARING	4 LIGHT TRUCKS & VANS (% FARM)	8 FARM SHOP
	61 AMORTIZATION – TAX, MAN	9 NON-FARM BUILDINGS
	62 AMORTIZATION – TAX, NO MAN	
0700 LIVESTOCK FUTURES	7 RENTAL PROPERTY	
1 HEDGE ACCOUNT	8 STOCKS—BONDS	0990 LAND, PURCHASED
2 SPECULATIVE ACCOUNT	9 RETIREMENT PLANS	1 NONIRRIGATED CROP LAND
3 OPTIONS		2 IRRIGATED CROP LAND
0710 BEEF, PURCH FOR RESALE	0910 BEEF BREEDING, PURCHASED	5 PRAIRIE MEADOW
1 BEEF FEEDER STEERS	1 YOUNG BULLS	6 NATIVE PASTURE
2 BEEF FEEDER HEIFERS	2 YOUNG COWS	7 BROME—FESCUE—BERMUDA
3 DAIRY FEEDERS	7 MATURE BULLS	8 TIMBER
	8 MATURE COWS	9 FARMSTEAD—ROADS—WASTE
0720 DAIRY, PURCH FOR RESALE	0920 DAIRY BREEDING, PURCHASED	
1 DAIRY, PURCH FOR RESALE	1 YOUNG BULLS	
	2 YOUNG COWS	
0730 SHEEP, PURCH FOR RESALE	7 MATURE BULLS	
1 FEEDER LAMBS	8 MATURE COWS	
2 MARKET LAMBS		
0740 SWINE, PURCH FOR RESALE	0930 SHEEP BREEDING, PURCHASED	
1 FEEDER PIGS	1 YOUNG RAMS	
2 MARKET HOGS	2 YOUNG EWES	
	7 MATURE RAMS	
0750 OTHER LIVESTOCK, PURCH	8 MATURE EWES	
1 HORSES		
2 DOGS	0940 SWINE BREEDING, PURCHASED	
3 BISON	1 YOUNG BOARS	
4 GOATS	2 YOUNG GILTS	
5 LLAMAS	7 MATURE BOARS	
	8 MATURE SOWS	
0760 GRAIN FUTURES	0950 OTHER LIVESTOCK, BREEDING	
1 HEDGE ACCOUNT	1 HORSES	
2 SPECULATIVE ACCOUNT	2 DOGS	
3 OPTIONS	3 BISON	
	4 GOATS	
	5 LLAMAS	

8.3 Non-Farm Income

ATIG	DESCRIPTION	ATIG	DESCRIPTION
0010	TAXABLE NON-FARM INCOME	0030	NONTAXABLE NON-FARM INCOME
1	WAGES—W2	1	TRANSFERS INTO BUSINESS
2	RENTAL INCOME	2	SAVINGS
3	DIVIDENDS	3	GIFTS
4	ROYALTIES	4	HEALTH INSURANCE REFUNDS
5	SALES—BUSINESS	5	INHERITANCE
6	OIL—GAS—MINERAL LEASES	6	INCOME TAX REFUNDS
7	INTEREST	7	DISABILITY INCOME
8	STOCKS—BONDS	8	SOCIAL SECURITY INCOME
9	FEES—IRA—MISCELLANEOUS	9	NONTAXABLE CAPITAL RECEIPTS

8.4 Non-Farm Expense

ATIG	DESCRIPTION	ATIG	DESCRIPTION
0040	ITEMIZED EXPENSE	0080	UNDIVIDED AUTO EXPENSES
1	DOCTORS	1	AUTO GAS & OIL
2	MEDICINE—DRUGS	2	AUTO REPAIRS
3	CHARITABLE CONTRIBUTIONS	3	AUTO TAXES & LICENSES
4	HEALTH INSURANCE	4	AUTO INSURANCE
5	NON-FARM INTEREST	5	AUTO LOAN INTEREST
6	FEDERAL INCOME TAX		
7	STATE INCOME TAX	0090	NONDEDUCTIBLE NON-FARM EXPENSE
8	SOCIAL SECURITY—PROPERTY TAX	1	TRANSFERS OUT OF BUSINESS
1	REAL ESTATE	2	SAVINGS
2	SOCIAL SECURITY	3	GIFTS
3	TANGIBLE TAX	4	NON-FARM EXPENSE
9	CHILD CARE	5	DAIRY CAPITAL RETAINED
		6	NON-FARM EXPENSE
0050	FAMILY LIVING EXPENSE	7	NON-FARM EXPENSE
1	FOOD & GROCERIES	8	NON-FARM EXPENSE
2	CLOTHING	9	OTHER CAPITAL DISTRIBUTIONS
3	HOUSEHOLD OPERATION		
4	RECREATION—PERSONAL SERVICES	0100	DEDUCTIBLE NON-FARM EXPENSE
5	EDUCATION	1	RENTAL REPAIRS
6	FURNITURE—HOUSEHOLD EQUIPM	2	RENTAL INSURANCE
7	GIFTS	3	RENTAL TAXES
8	LIFE INSURANCE	1	RENTAL TAX
9	HOUSE UPKEEP—REPAIRS	2	ROYALTY TAX
		4	RENTAL UTILITIES
0070	UNDIVIDED UTILITIES	5	SALES—BUSINESS
1	PHONE	6	SECURITIES
2	ELECTRICITY	7	NON-FARM EXPENSE
3	NATURAL GAS	8	STOCKS—BONDS
4	WATER	9	RETIREMENT PLAN CONTRIBUTIONS
5	PROPANE		
6	WASTE DISPOSAL		
7	CELL PHONE		
8	INTERNET		

HOMEWORK ASSIGNMENT

Create a new company file (see section 3.1 on page 17):

Joe Farmer
12345 Gravel Road
Manhattan, KS 66502

Add the following asset accounts (see section 3.4 on page 28):

Very Big Bank – Farm Checking	12/31/16 Bal	\$2,411.19
Very Big Bank – Savings	12/31/16 Bal	\$5,000.00
Farmers Cooperative Association Deferred Patronage	12/31/16 Bal	\$20,699.82

Add the following liability accounts (see section 3.5 on page 32):

Very Big Bank – Operating Loan	12/31/16 Bal	\$100,000.00
Very Big Bank – Tractor Loan	12/31/16 Bal	\$35,000.00

Enter the following transactions in the farm checking account:

1/2/17	Debit	Stop N Rob	\$50.07	page 62
		Gasoline	\$50.07	
1/3/17	Deposit	Farmers Coop Assoc	\$233,084.91	page 53
		Corn (see detail)	\$145,675.41	
		Soybeans (see detail)	\$88,909.50	
		Less cash	\$1,500.00	page 61
1/6/17	Deposit	Da Local Livestock Auction	\$39,159.43	page 54
		Steers (see detail)	\$39,909.43	
		Less cash	\$750.00	page 61
1/6/17	#1101	RWD NO 3	\$76.54	
		Water	\$76.54	
1/6/17	Debit	Verizon Wireless	\$243.51	
		Cell phone	\$243.51	
1/6/17	#1102	Rural Electric Coop	\$323.12	
		House electric	\$201.65	
		Shop electric	\$56.98	
		Bins eletric	\$64.49	
1/6/17	#1103	Stop N Rob	\$32.46	
		Gasoline	\$32.46	
1/6/17	#1104	Farmers Coop Assoc	\$6,149.13	
		Fuel	\$2,593.17	
		Repair	\$12.75	
		Corn herbicide	\$3,543.21	
1/7/17	Debit	Very Big Bank	\$102,192.87	page 79
		Operating loan principal	\$100,000.00	
		Operating loan interest	\$2,192.87	
1/7/17	Debit	Very Big Bank	\$18,689.92	
		Tractor loan principal	\$17,114.92	
		Tractor loan interest	\$1,575.00	

Enter the following bills (see section 5.3 on page 66):

1/8/17	Bill	Empty Belly Feed Supply	\$3,430.50	Due 1/20
		Feed	\$3,430.50	
1/8/17	Bill	The Chemical Supply Co.	\$25,000.00	Due 1/25
		Wheat chemical prepay	\$8,000.00	
		Wheat topdress prepay	\$17,000.00	
1/8/17	Bill	Fuel Deliverers LLC	\$2,260.84	Due 1/25
		Diesel	\$2,260.84	
1/8/17	Bill	McVet Services	\$1,500.00	Due 1/25
		Preg check & vaccinate	\$1,500.00	

Create the following invoice:

1/8/17	Invoice	Nosey Neighbor for trucking grain	\$796.50	page 45
		398.25 miles @ \$2.00/mile		

Enter the following transactions in the farm checking account:

1/9/17	Debit	Stop N Rob	\$53.29	page 62
		Gasoline	\$45.30	
		Beef jerky	\$7.99	
1/11/17	Transfer To Savings		\$100,000.00	page 39
1/12/17	Debit	Ralph's Farm & Ranch Supply	\$124.61	
		Supplies	\$120.62	
		Candy	\$3.99	
1/13/17	Debit	Stop N Rob	\$66.81	
		Gasoline	\$66.81	
1/15/17	Deposit	Farmers Coop Assoc	\$987.35	page 59
		See detail	\$987.35	
1/20/17	#1105	Pay Empty Belly Feed Supply bill		page 69
1/20/17	#1106	Pay The Chemical Supply Co. bill		
1/20/17	#1107	Pay Fuel Deliverers LLC bill		
1/20/17	#1108	Pay McVet Services bill		
1/22/17	Debit	Broken Hammer Hardware	\$44.33	page 62
		Repairs	\$44.33	
1/26/17	Debit	Stop N Rob	\$57.11	
		Gasoline	\$57.11	
1/28/17	#1109	County Treasurer	\$680.99	
		Ford pickup tag and taxes	\$680.99	
1/28/17	#1110	John Deere Dealer	\$10,000.00	page 77
		See Detail		page 32
		<i>You'll need to set up a new loan to complete this transaction</i>		
1/31/17		Receive invoice payment from Nosey Neighbor		page 47
2/3/17		Deposit payment from Nosey Neighbor		page 51

Reconcile the checking account (see section 6 on page 82)