

KANSAS FARM MANAGEMENT ASSOCIATION

Farmers Guide to QuickBooks

Using QuickBooks Desktop 2019 Pro for Farm & Ranch Accounting

Mark Dikeman
Associate Director
Kansas Farm Management Association

Robin Reid
Extension Associate
Department of Agricultural Economics
Kansas State University

Karaline Mayer
Agriculture & Natural Resources Agent
Wabaunsee County Extension

Shelli Dikeman
Assistant Director
K-MAR-105 Association



Published January, 2020

TABLE OF CONTENTS

1	Introduction.....	1
1.1	About This Manual	1
1.2	About QuickBooks.....	1
2	Working With Company Files	6
2.1	About Company Files	6
2.2	Restore a Backup Company File	6
2.3	Close a Company File	9
2.4	Open a Company File	11
2.5	Backup a Company File	13
3	QuickBooks Setup.....	18
3.1	Download and Modify a Company File	18
3.2	Update an Existing Company File.....	24
3.3	QuickBooks Sensitive Data Protection	30
3.4	Add Asset Accounts.....	31
3.5	Add Liability Accounts	35
3.6	Add Customers.....	39
3.7	Add Vendors.....	40
3.8	Setup Accounts Receivable (A/R) Balances	41
3.9	Setup Accounts Payable (A/P) Balances.....	41
4	Income Transactions.....	43
4.1	Transfers Between Accounts.....	43
4.2	Deposits VS Sales Receipts VS Invoices	44
4.3	Record Deposits	45
4.4	Raised Grain Sales	47
4.5	Raised Hay Sales.....	48
4.6	Raised Market Livestock Sale	49
4.7	Landlord Refunds	50
4.8	Loan Proceeds	51
4.9	Crop Insurance Premium Withheld.....	52
4.10	Deferred Patronage.....	52
4.11	Deferred Patronage Retirement	53
4.12	Cash Withheld from Deposits	54
5	Recording Expenses.....	55
5.1	Write Checks	55
5.2	Print Checks.....	59
5.3	Bills	60
5.4	Using a Loan Register	68
5.5	Loan Payment.....	70
6	Products Purchased For Resale	71
6.1	Resale Market Livestock Purchase (FIFO)	71
6.2	Resale Market Livestock Sale (FIFO).....	73
6.3	Resale Market Livestock Purchase (Average Cost).....	75
6.4	Resale Market Livestock Sale (Average Cost).....	76
7	Capital Assets.....	77
7.1	Breeding Livestock Sales	77
7.2	Breeding Livestock Purchase.....	78
7.3	Capital Asset Sale	79
7.4	Debt Financed Capital Asset Purchase	79
8	Invoicing	81
8.1	Create an Invoice.....	81
8.2	Receive a Customer Payment	83

8.3	Record a Deposit	88
9	Shortcut Payroll	90
9.1	Payroll Liability Accounts.....	90
9.2	Create a Paycheck	90
9.3	Paying Payroll Liabilities	92
10	Reconciling Accounts	94
11	Inventory.....	98
11.1	Items.....	99
11.2	Adding Raised Inventory.....	101
11.3	Sale Receipts.....	103
11.4	Raised Grain Sales	107
11.5	Raised Hay Sales	108
11.6	Raised Market Livestock Sales.....	109
12	Reports.....	110
12.1	QuickReport.....	112
12.2	Profit and Loss Standard.....	113
12.3	Profit & Loss Detail	114
12.4	Balance Sheet	115
12.5	Balance Sheet Prev Year Comparison.....	116
12.6	Customer Balance Detail	117
12.7	Vendor Balance Detail	117
13	Chart of Accounts	118
13.1	Farm Income Accounts	118
13.2	Farm Expense Accounts.....	120
13.3	Non-Farm Income.....	122
13.4	Non-Farm Expense	122
	Homework Assignment.....	123

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 a reference to QuickBooks Desktop Pro. The 2019 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 8-9 years.

Although there may be some crossover, proceed with caution if using 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

1.2.1 WHY QUICKBOOKS DESKTOP PRO?

QuickBooks is a powerful and flexible double-entry accounting program that is marketed towards small businesses. If we are honest, it may not be the best accounting software on the market, but does dominate the small business accounting market. Because it is widely used (and known by tax preparers) it is a popular option for farm and ranch accounting.

Some of the advantages of using QuickBooks:

- It is flexible, allowing you to accomplish most tasks you will want
- 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 \$150-200
 - 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

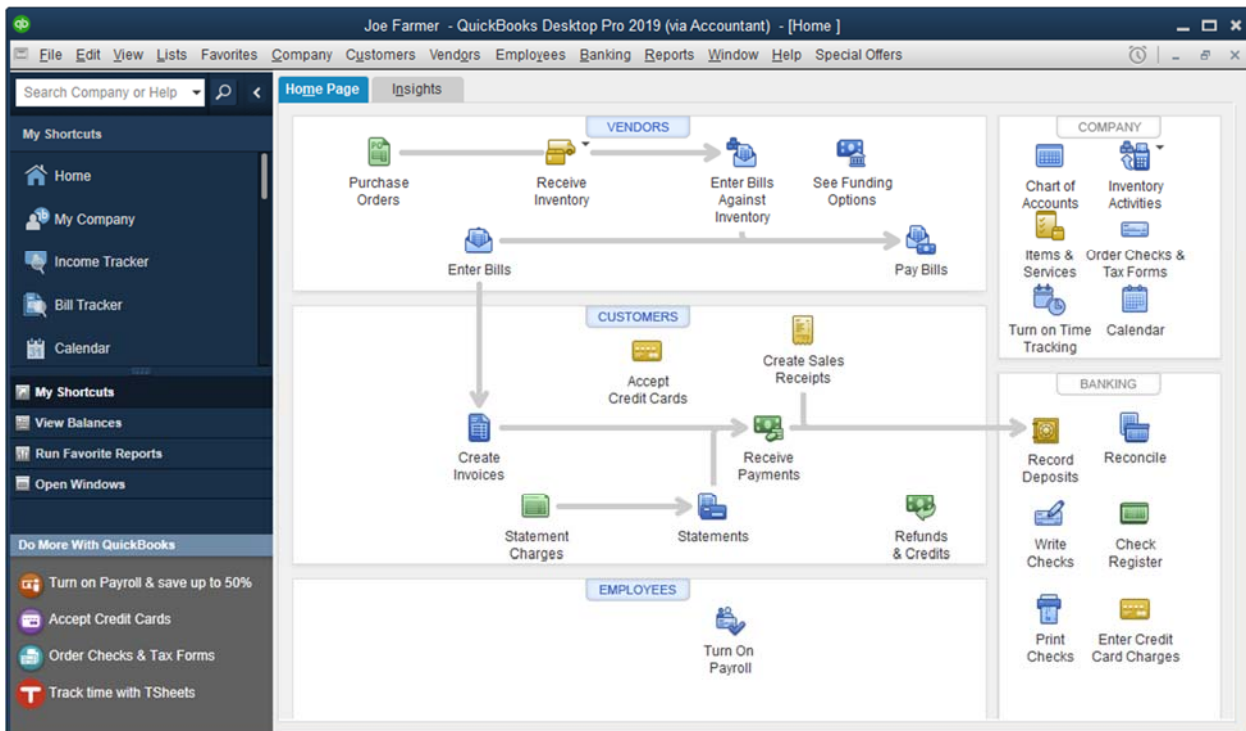
- Calculating non-farm cost of goods sold (COGS)
- Payroll – If you pay annually (~\$200-300)
- Tracking inventory

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. Manual adjustments will be needed if you use FIFO for resale livestock
 - It does not handle both quantity and weight
- If you record income and expense when you receive a bank statement and don't use features like invoicing, 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) does not always listen to feedback from their customers. Instead, they tend to decide what new features customers are added, sometimes decreasing usability of the program
- QuickBooks CANNOT create a market value balance sheet!! Attempting to force it to do so can have potentially serious tax consequences!

1.2.2 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*.



1.2.3 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 use a preconfigured 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 vegetables, 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 available income and expense accounts on page 118.

To display inactive accounts in QuickBooks, in the chart of accounts window check the box in front of *Include Inactive*. 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.

NAME	TYPE	BALANCE TOTAL	ATTACH
• Farm Income	Income		
• 01100 • Beef, Raised	Income		
• 01110 • Beef Feeder Steers, Raised	Income		
• 01120 • Beef Feeder Heifers, Raised	Income		
• 01130 • Beef Young Bulls, Raised	Income		
• 01140 • Beef Young Heifers, Raised	Income		
• 01200 • Dairy, Raised	Income		
• 01220 • Dairy Calves, Raised	Income		
• 01230 • Dairy Young Bulls, Raised	Income		
• 01240 • Dairy Young Heifers, Raised	Income		
• 01250 • Dairy Feeders, Raised	Income		
• 01300 • Sheep, Raised	Income		
• 01310 • Feeder Lambs, Raised	Income		
• 01320 • Market Lambs, Raised	Income		
• 01330 • Young Rams, Raised	Income		
• 01340 • Young Ewes, Raised	Income		
• 01400 • Swine, Raised	Income		
• 01410 • Feeder Pigs, Raised	Income		
• 01420 • Market Hogs, Raised	Income		
• 01430 • Young Boars, Raised	Income		

Account Activities Reports Attach ☒ Include inactive

1.2.4 ITEMS

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

1.2.4.1 SERVICE ITEMS

As the name implies, service items are used to detail invoices or sales receipts where services were 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.

1.2.4.2 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, a farm or ranch that uses the first-in-first-out method will 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.

1.2.4.3 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.

1.2.5 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 can allocate seed expense to corn, soybeans, and wheat or allocate a repair bill to a specific piece of equipment.

Using classes is optional. You might use classes if you are interested in more detailed information about your operation in order to make management decisions.

1.2.6 CUSTOMERS

Customers are those individuals or companies that buy your products.

1.2.7 VENDORS

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

1.2.8 KEYBOARD SHORTCUTS

For some, moving back and forth from the keyboard to the mouse slows down data entry and gets in the way of getting work done. For those people, 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

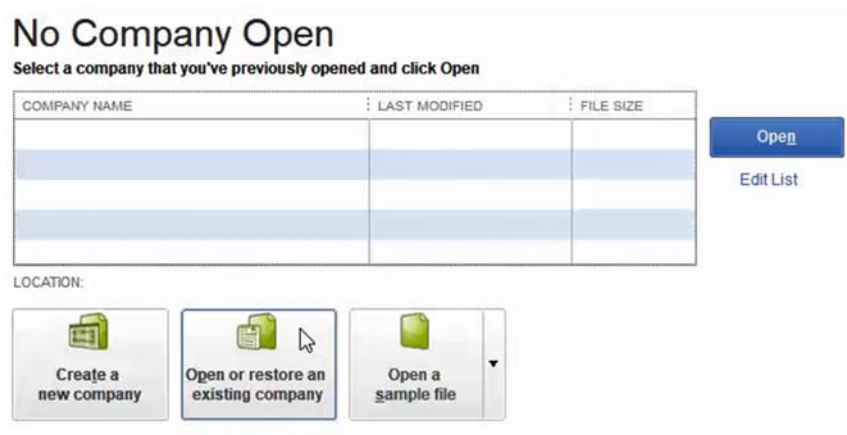
2.1 ABOUT COMPANY FILES

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. If you operate as a sole proprietor, you *do not* need a separate QuickBooks company files if you have both a business checking account and a personal checking account.

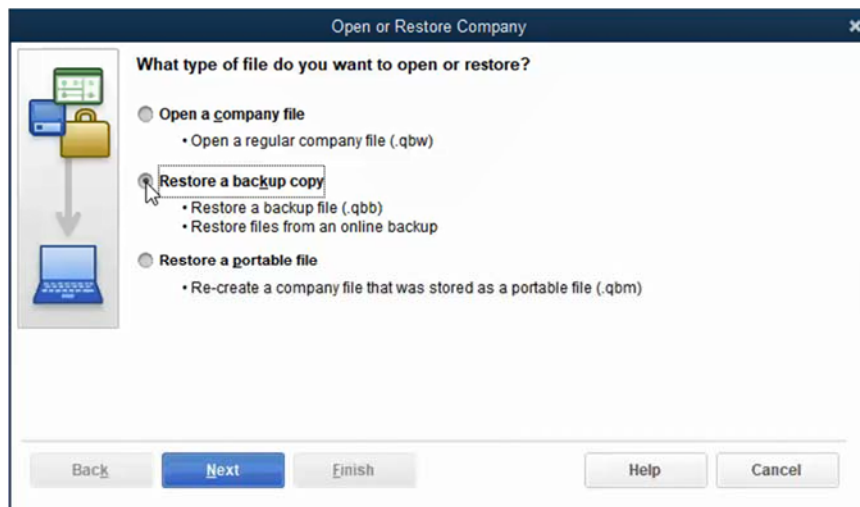
You should NOT combine entities into a single company file! If you have a corporation or partnership, set up that entity's books in a different company file from your personal records. A general rule of thumb is that you will need one company file for each tax return filed (1040, 1065, 1120S, 1120, or 1041).

2.2 RESTORE A BACKUP COMPANY FILE

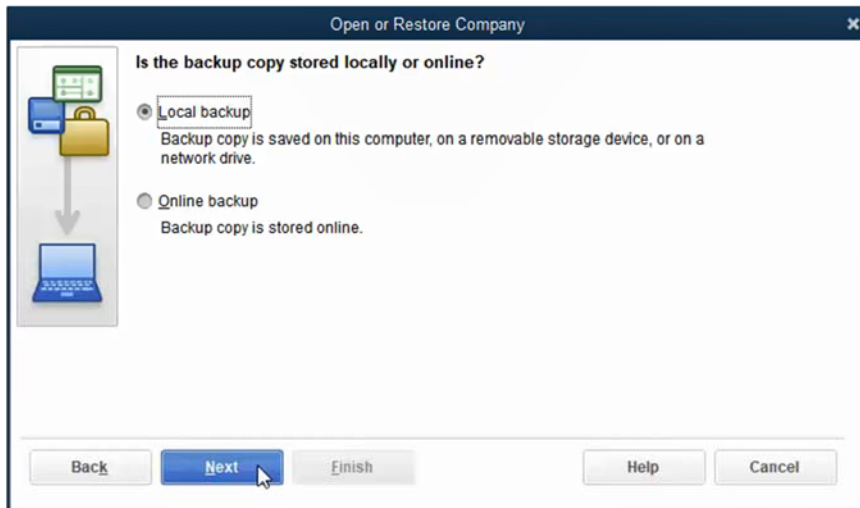
1. In the *No Company Open* window, click *Open or restore an existing company* or select *File>Open or Restore Company*.



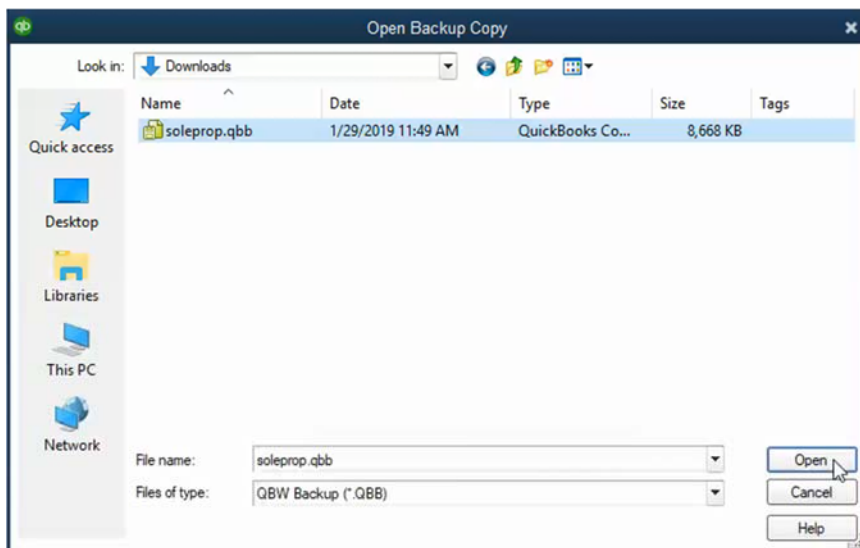
2. Select *Restore a backup copy* and click *Next*.



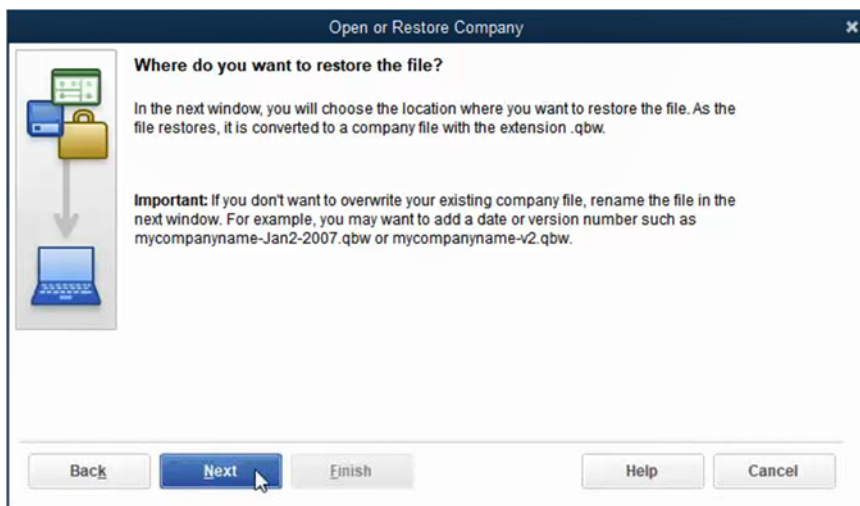
3. Select *Local backup* and click *Next*.



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

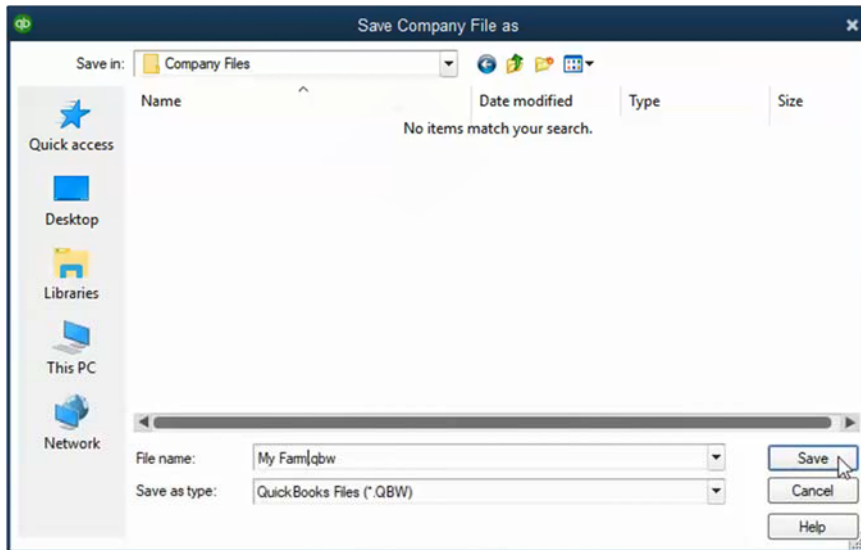


5. Click *Next*.

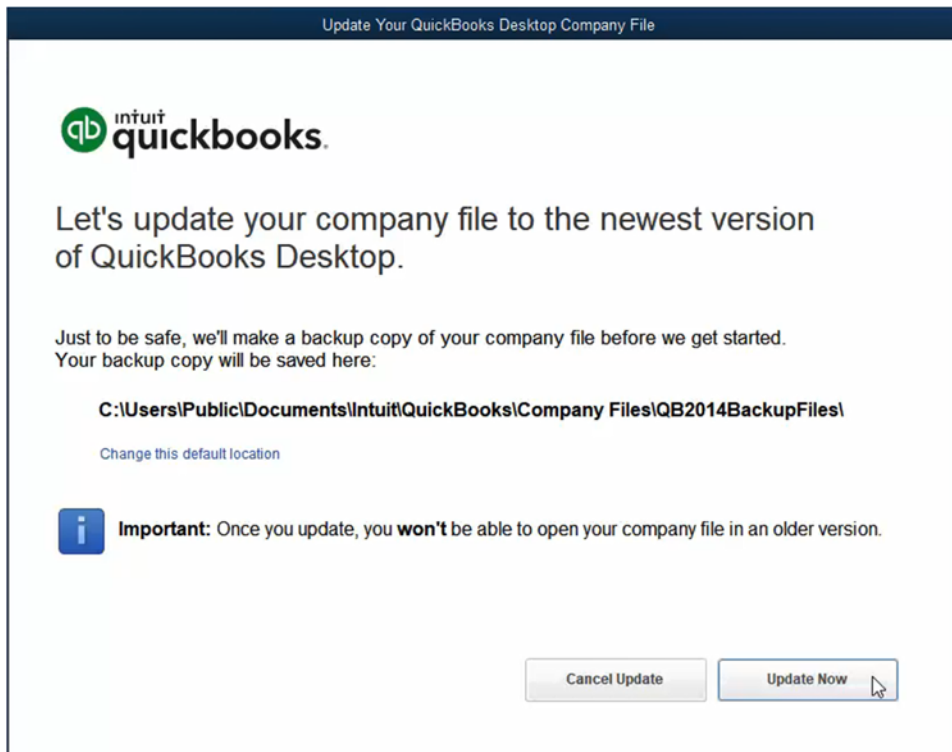


6. Navigate to a location where you would like to save the company file. Make sure to personalize the name of the QBW file. The default location that QuickBooks uses to save a file can be difficult to find later. The default location is usually:

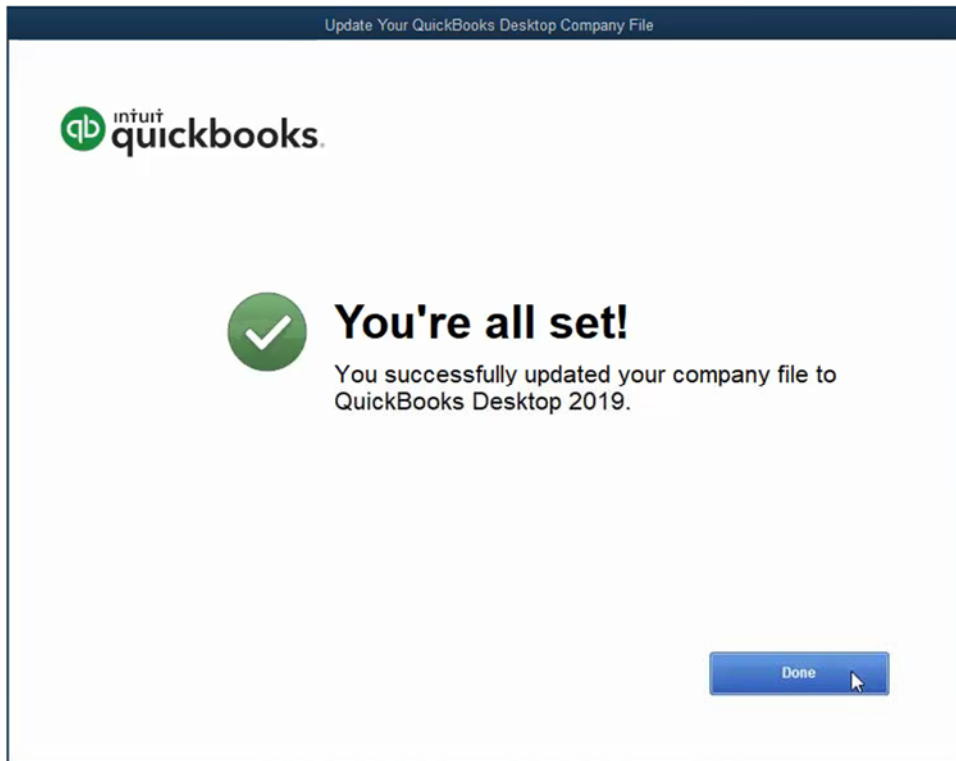
C:\users\public\public documents\intuit\quickbooks\company files\



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



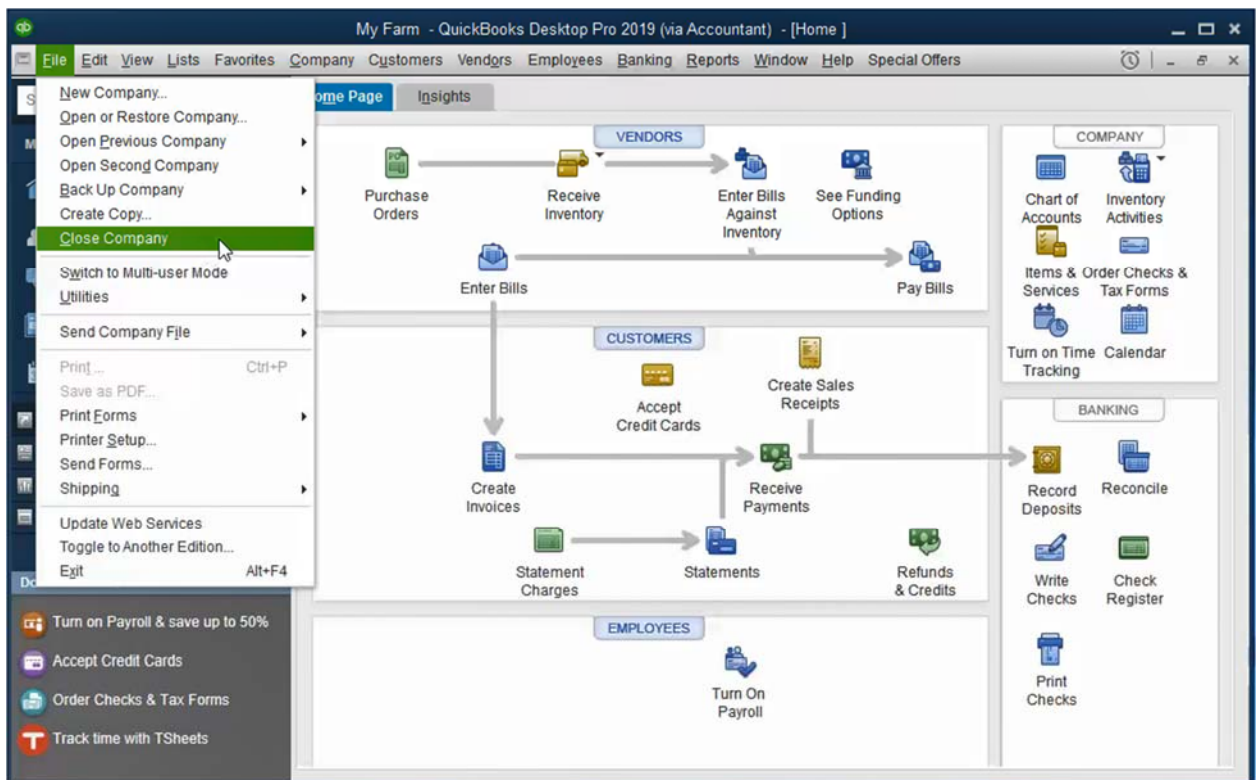
- Once the update is finished click *Done*.



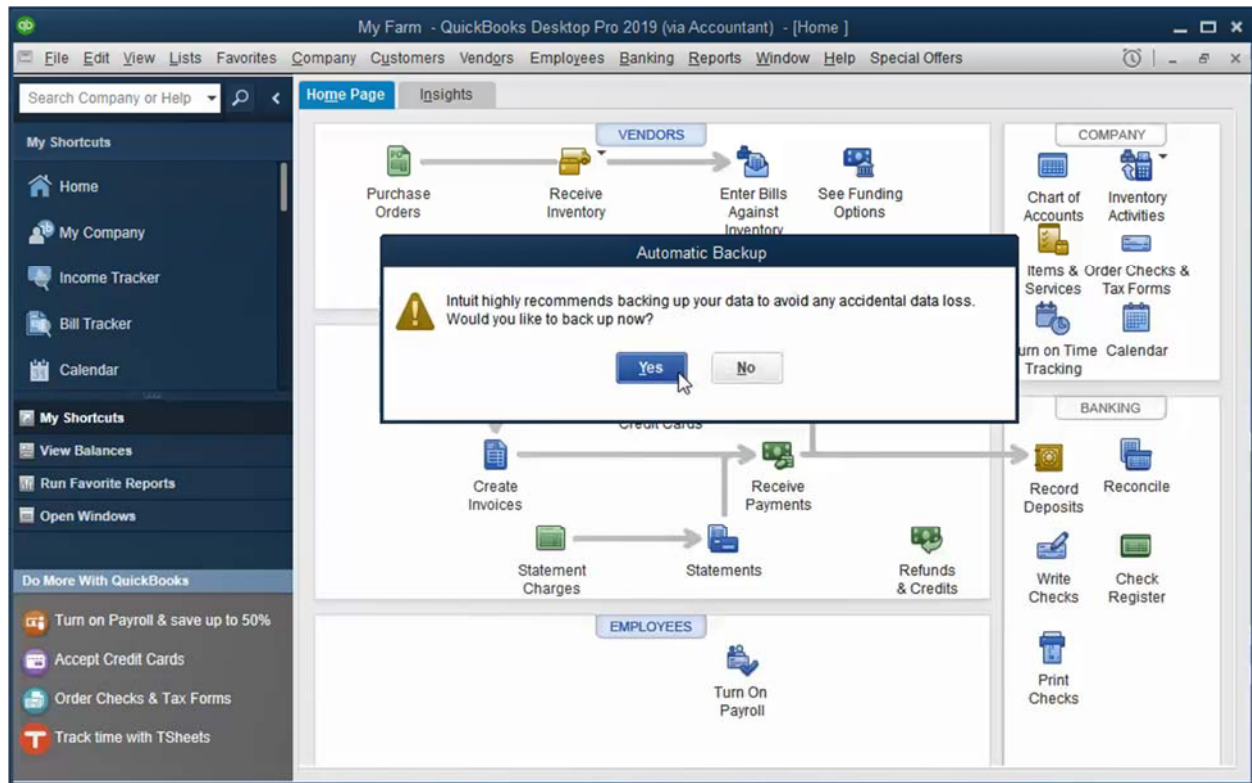
2.3 CLOSE A COMPANY FILE

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

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

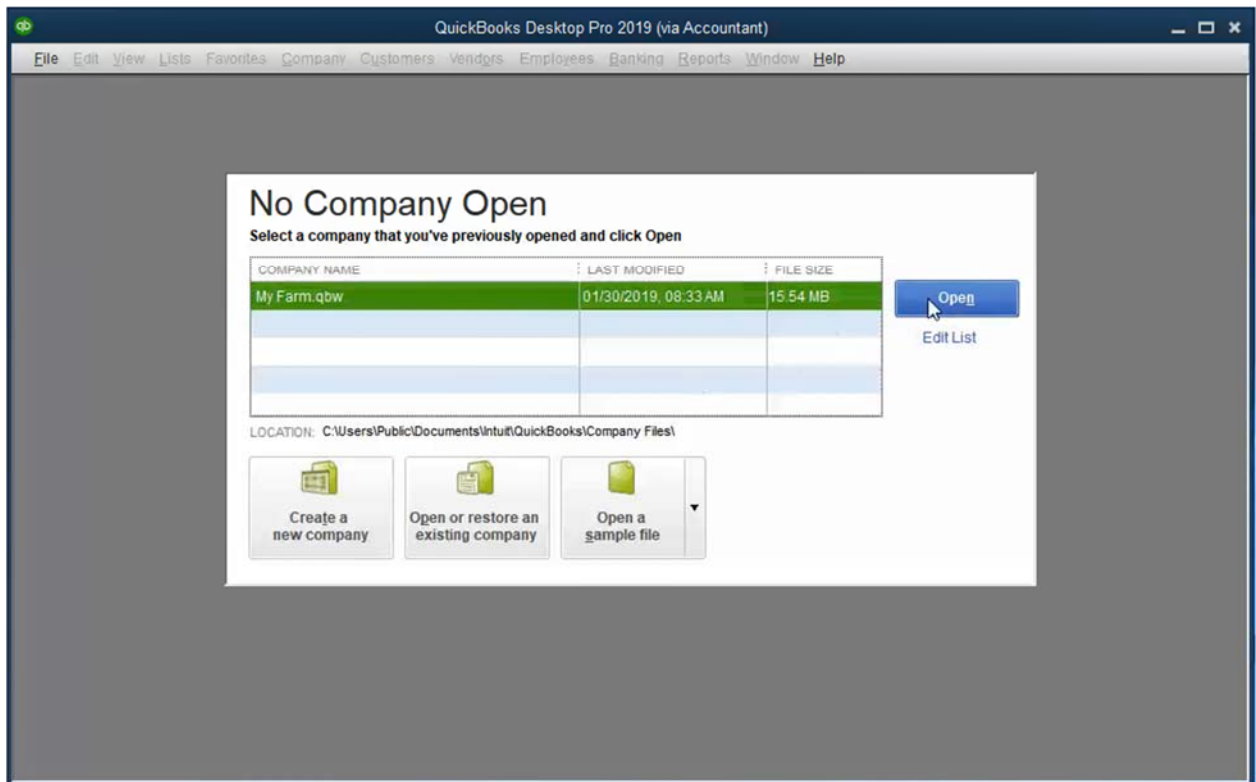


2. Occasionally, when closing, QuickBooks will ask if you want to save a backup. If you select *Yes*, QuickBooks will prompt you to save a backup. See *Backup a Company File* on page 13. If you select *No*, QuickBooks will close the company file.

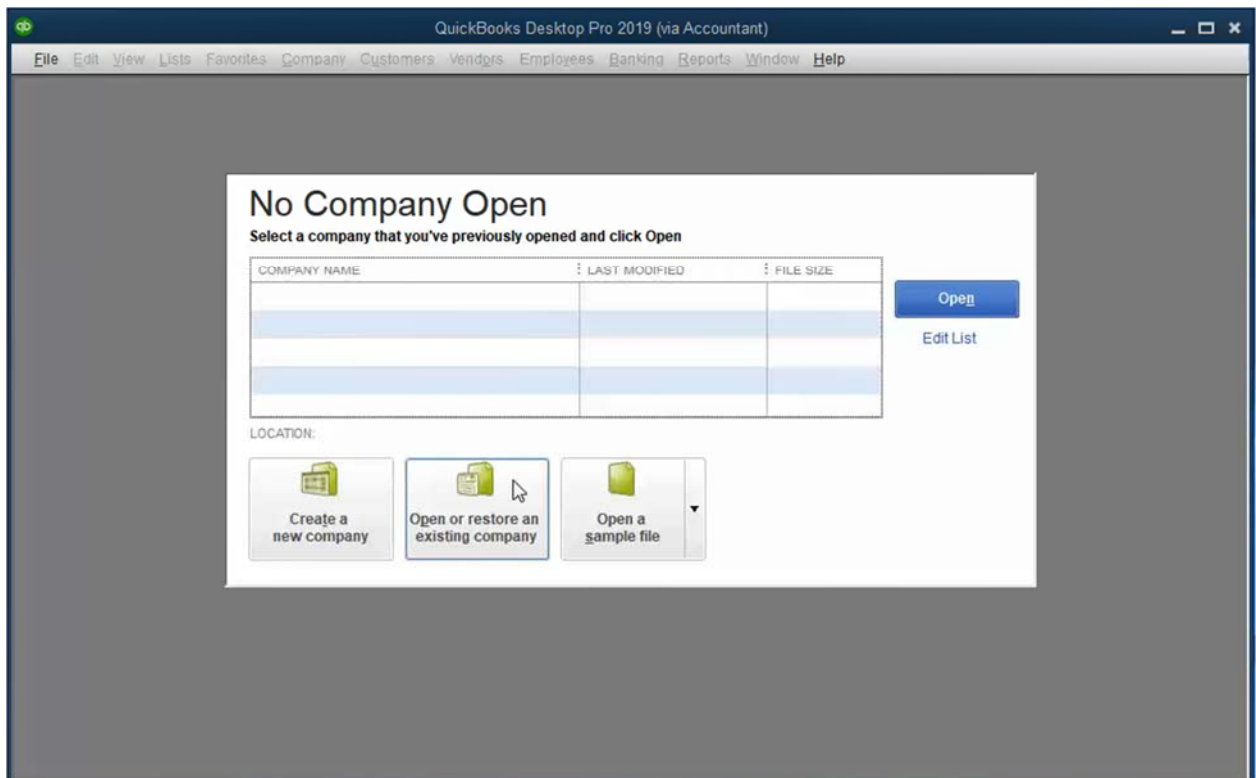


2.4 OPEN A COMPANY FILE

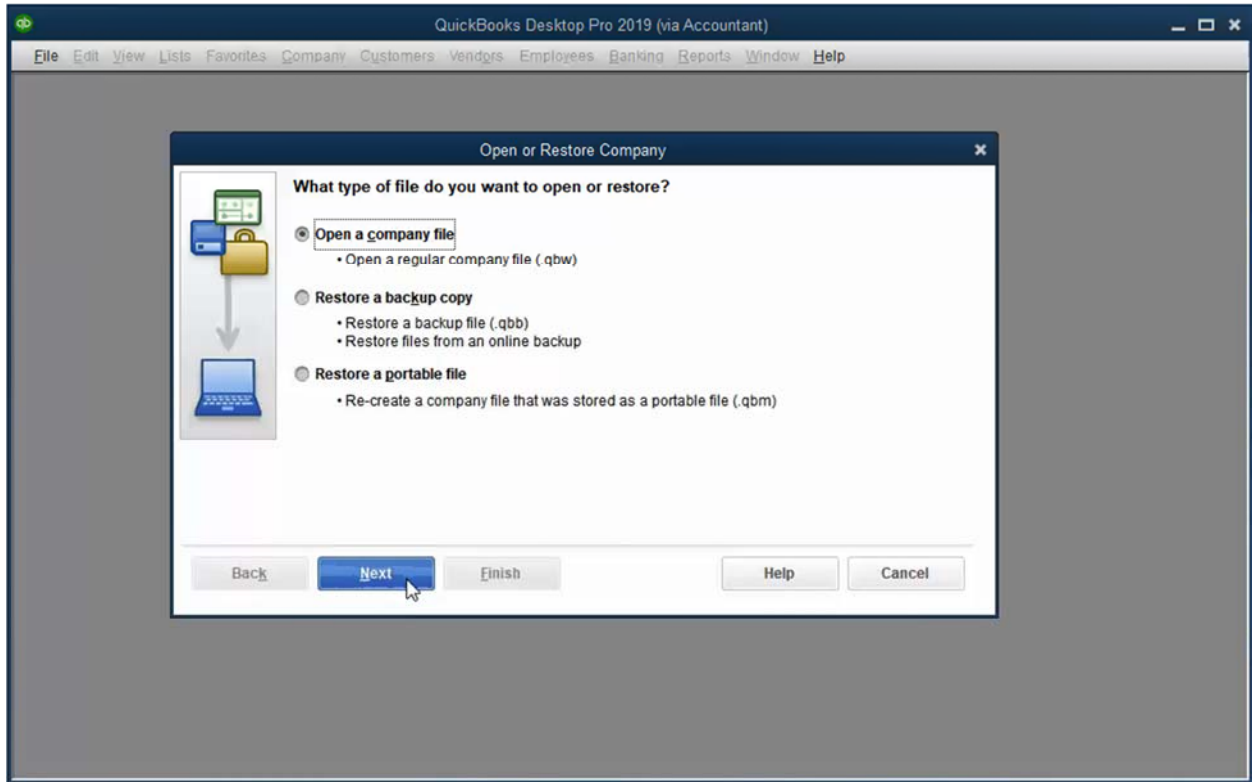
1. If the company file you want to open is in the previously opened list, select it and click *Open*.



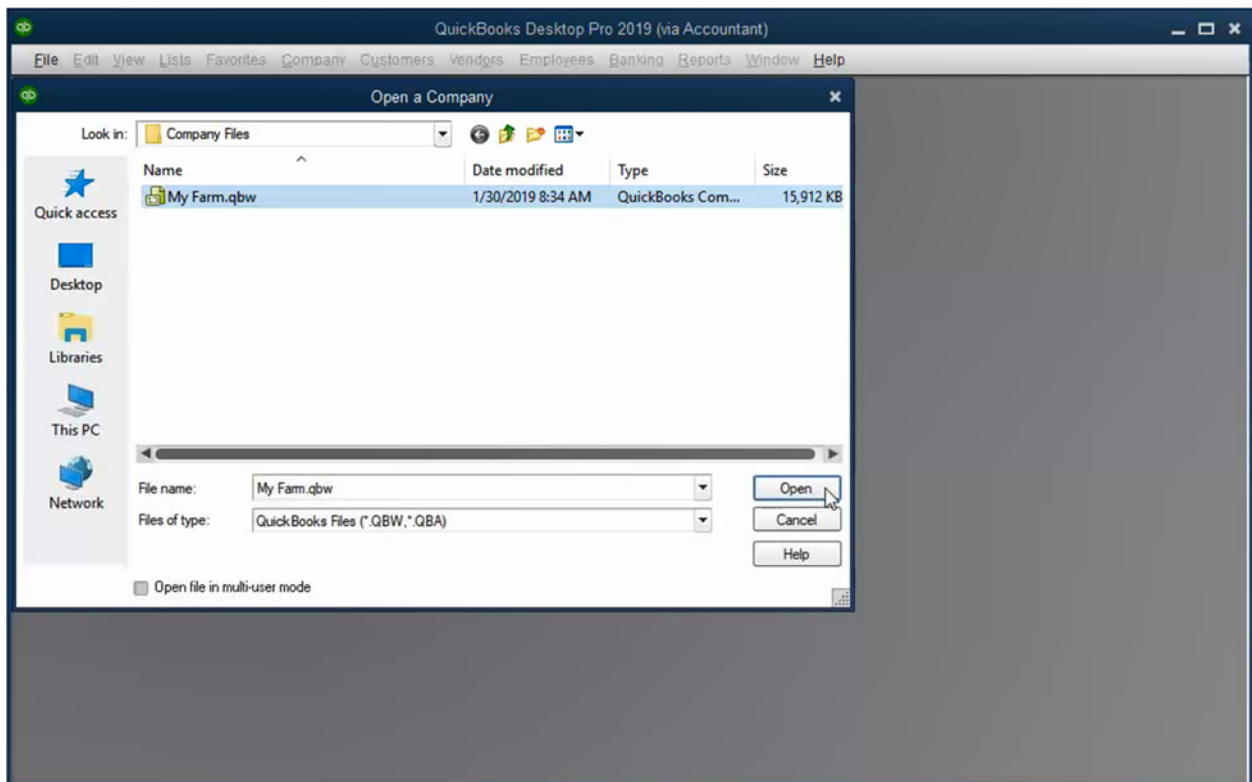
2. If the company file is not in the previously opened list, click *Open or restore an existing company*.



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



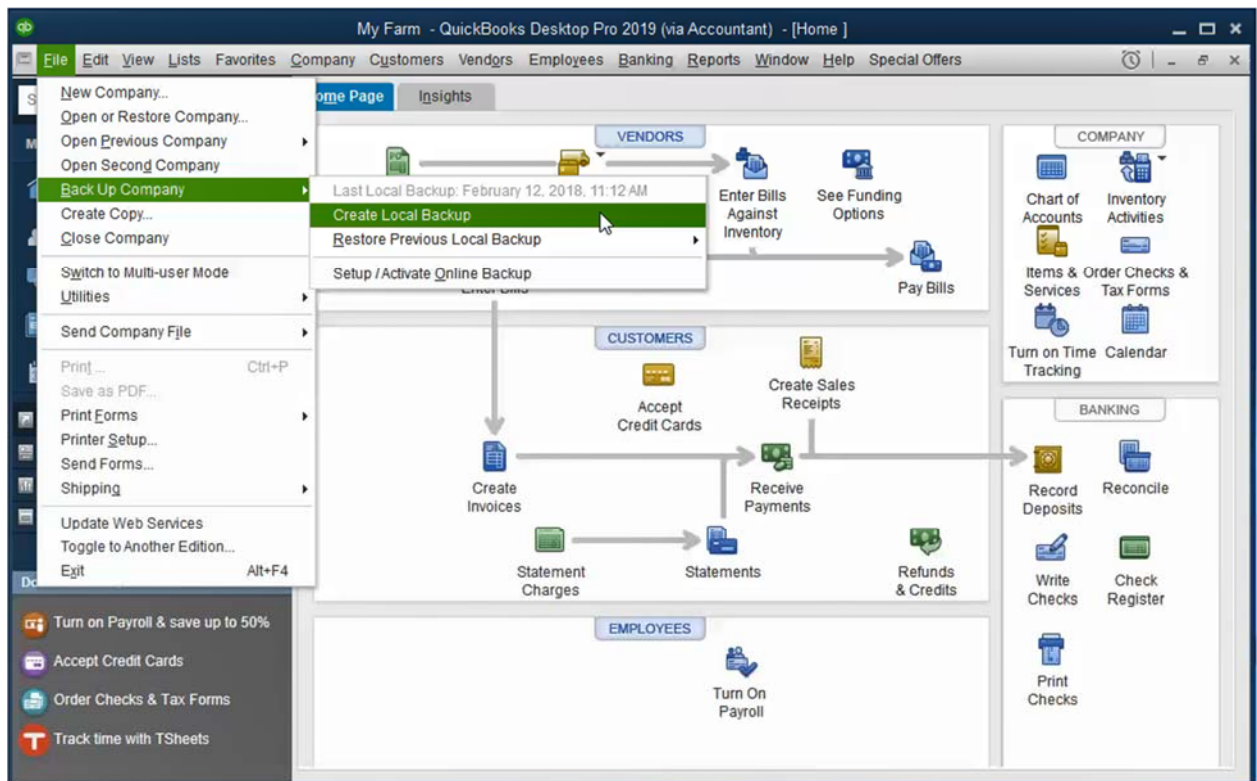
4. Browse to the company file. Select it and click *Open*. Company files have a file extension of QBW while backup files have a file extension of QBB.



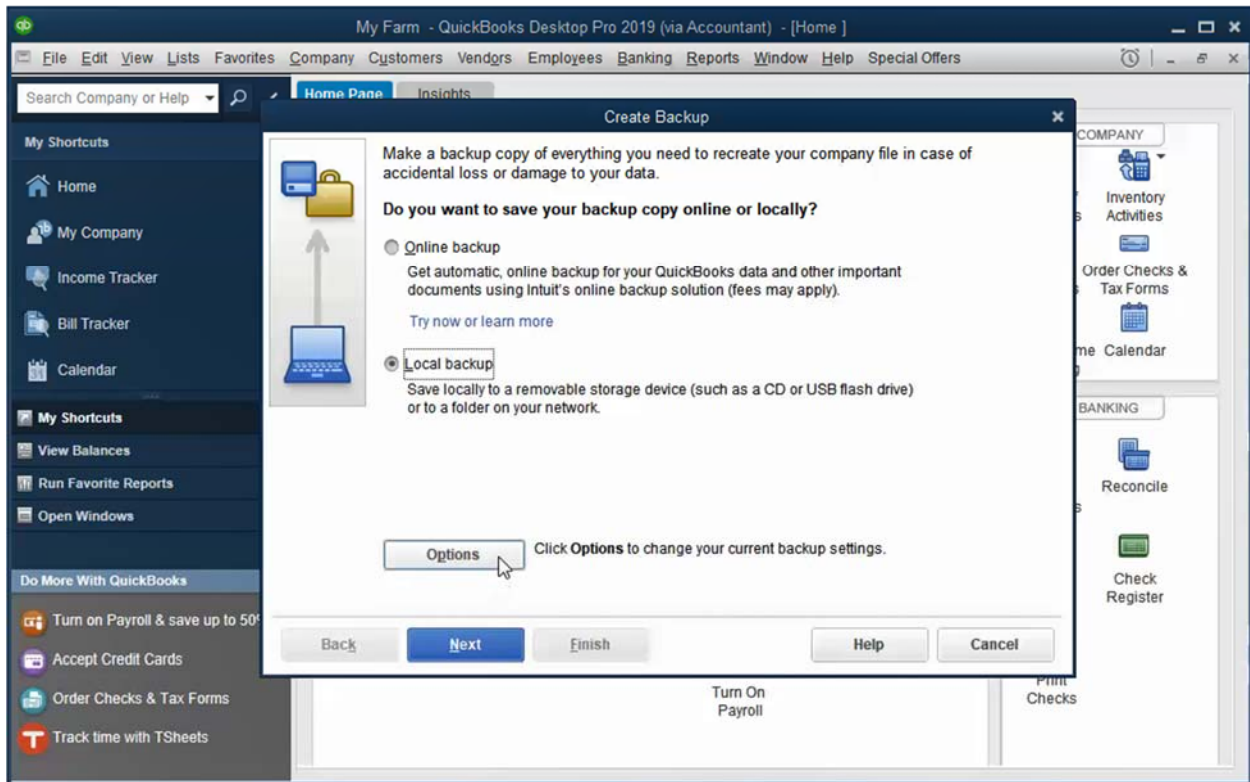
2.5 BACKUP A COMPANY FILE

A computer is a great tool to help manage your farm business. But, they can crash, sometimes catastrophically. When (not if) that happens, you will want a recent backup of QuickBooks along with your other important documents. To save yourself headaches, use multiple USB drives to backup your QuickBooks data. Use one drive to backup for a week while keeping another drive at an **offsite** location. Rotate back and forth between the drives to maintain a recent copy offsite.

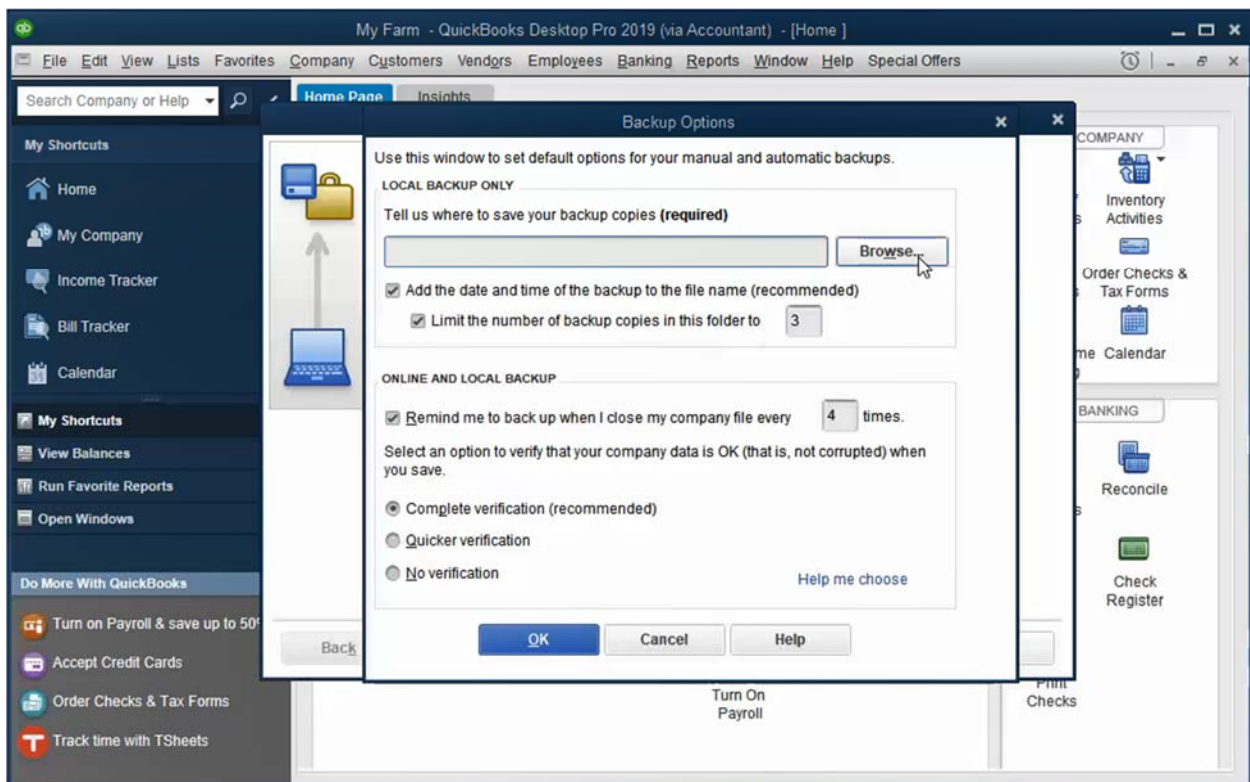
1. If you were prompted to create a backup when you closed a company file, skip to step 2. To manually start the backup process, select *File>Back Up Company>Create Local Backup*.



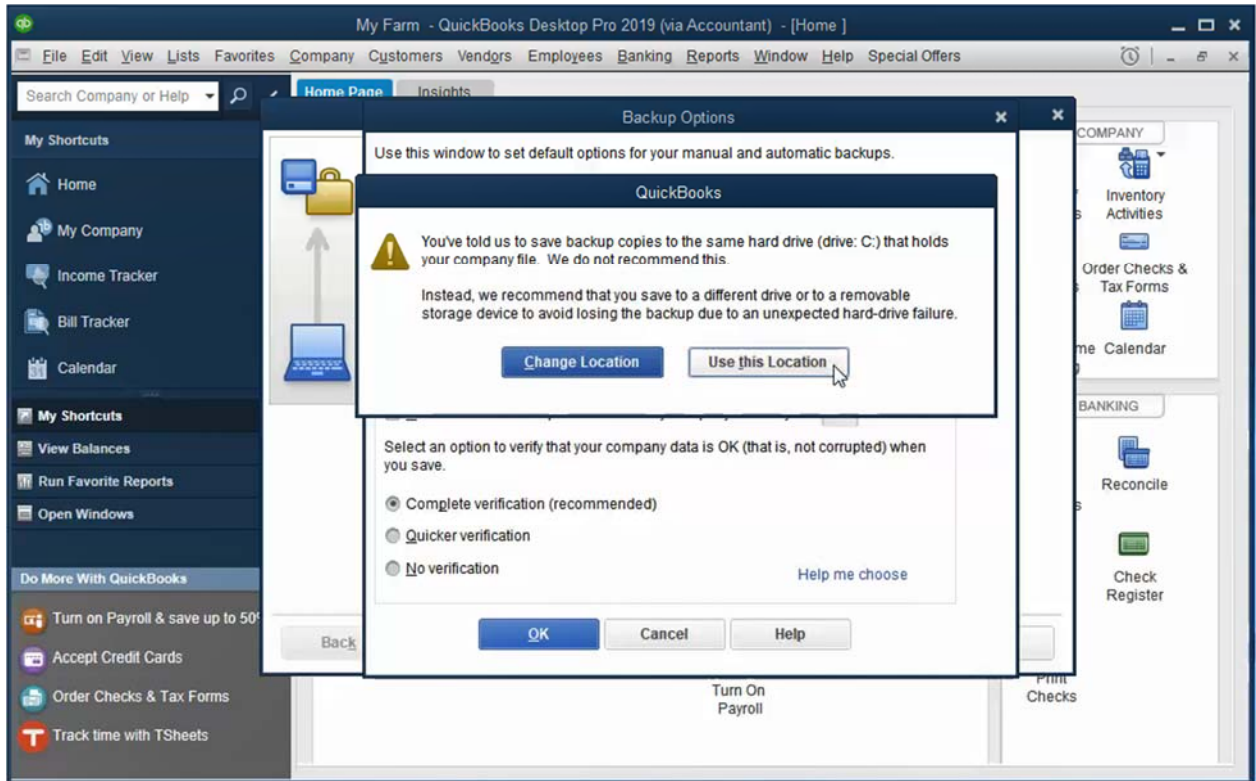
2. When the *Create Backup* window opens, select *Local backup* and click the *Options* button.



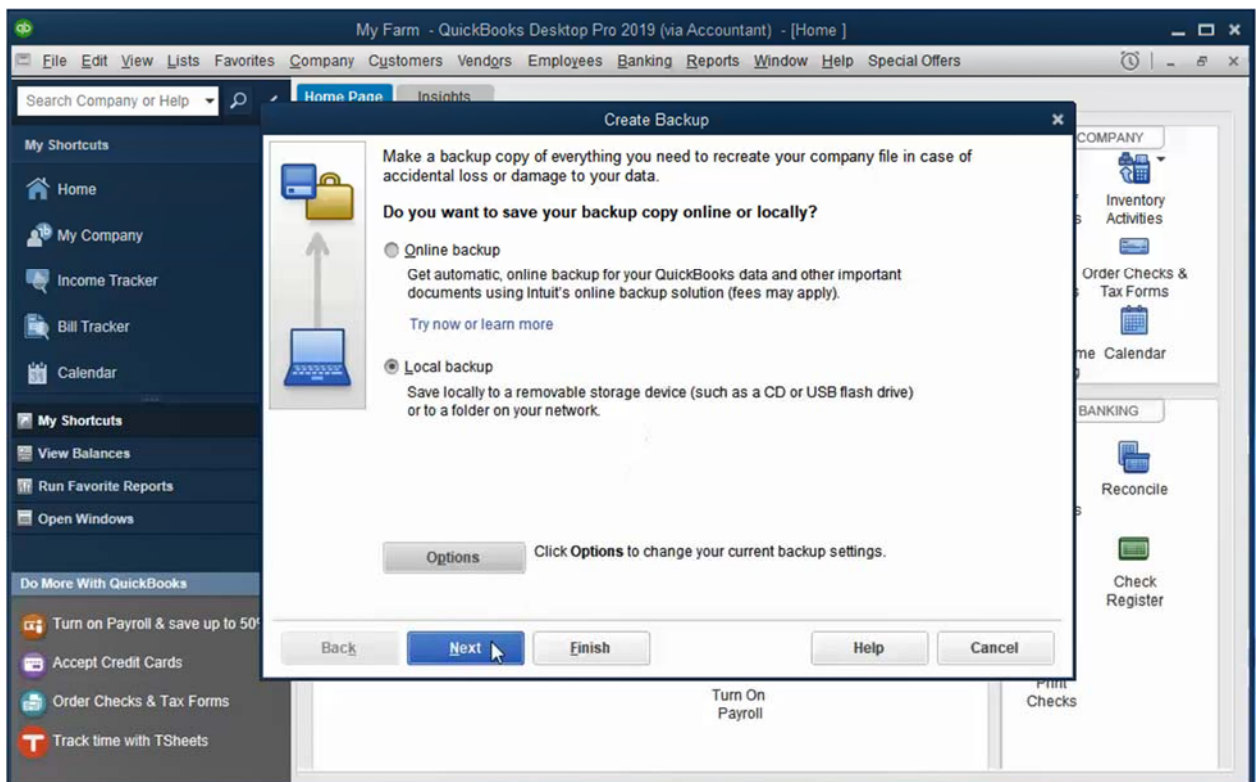
3. It is a good idea to check mark both “*Add the date and time....*” and “*Remind me to back up....*” Set reminder to less than 5 times. Navigate to your preferred backup location. Click *OK* to close *Browse for Folder*. Click *OK* to close the *Backup Options* window.



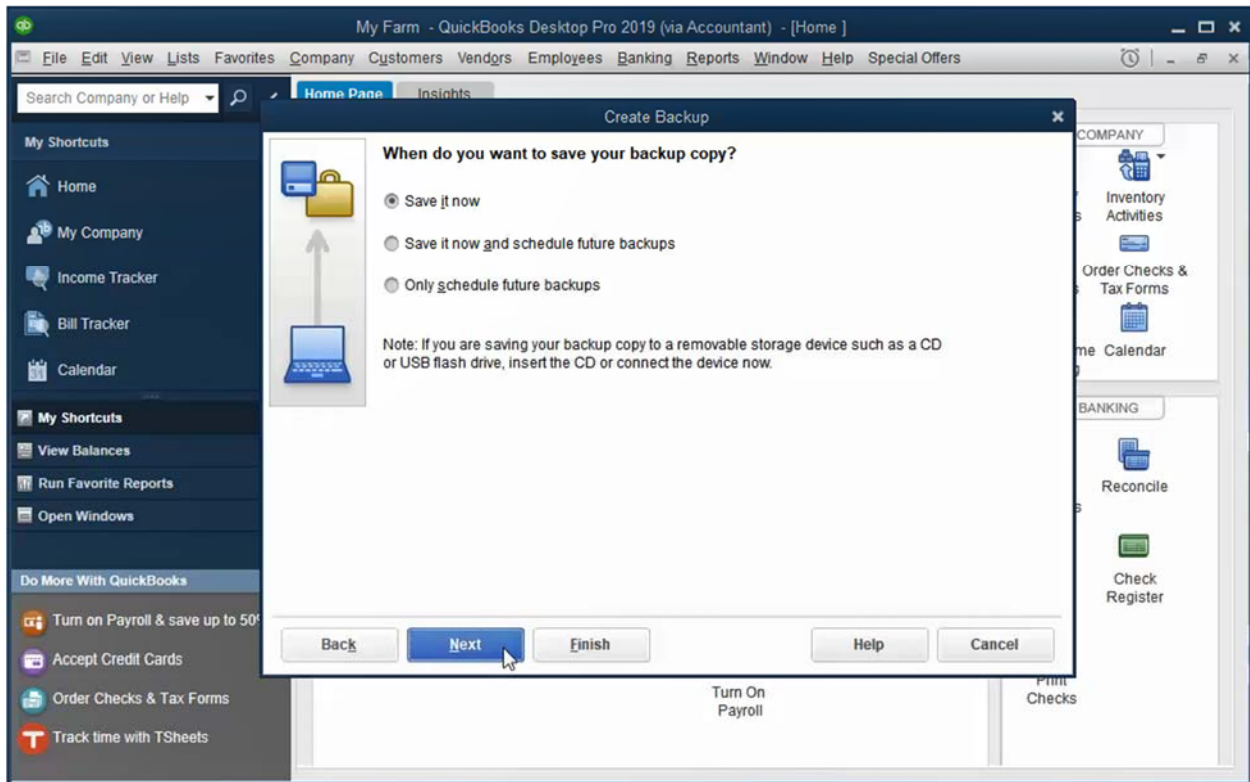
- If you selected a backup location on the same drive that QuickBooks is installed, you may see a warning message. Click *Use this Location*. You should not see this message if you selected an external hard drive or USB drive.



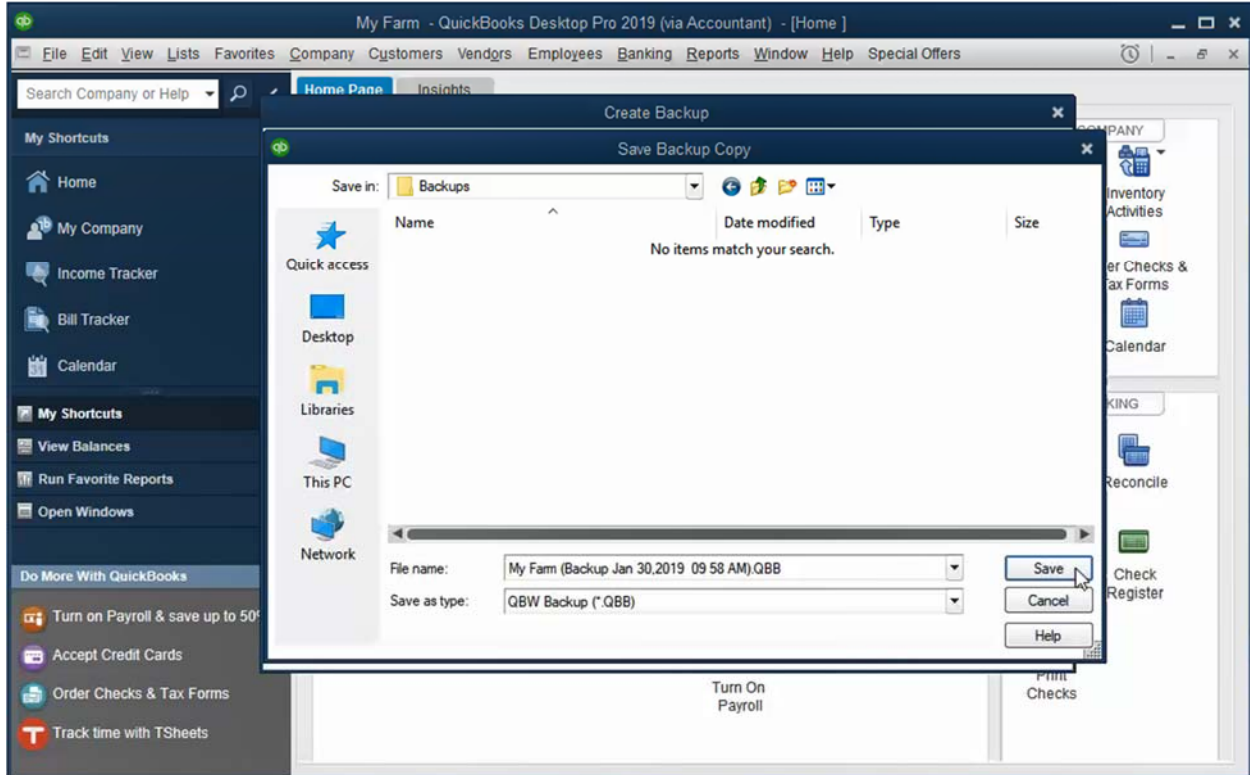
- Click *Next*.



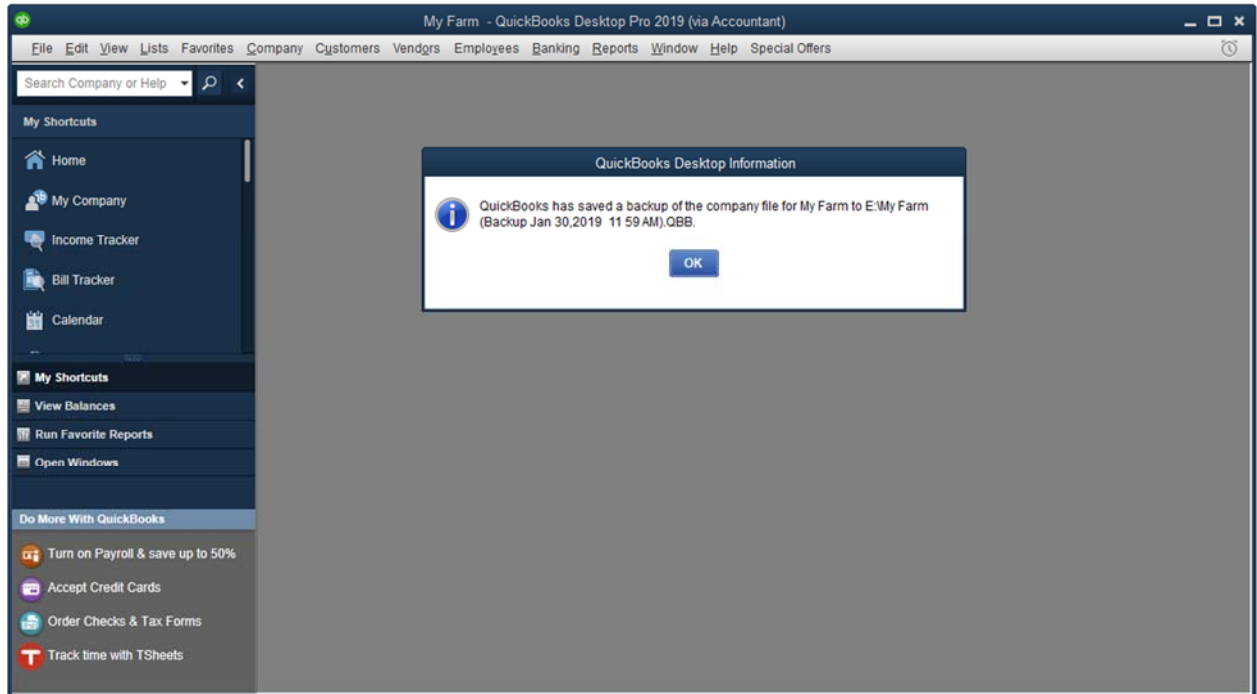
6. Select *Save it now* and click *Next*.



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



8. Click *OK*.



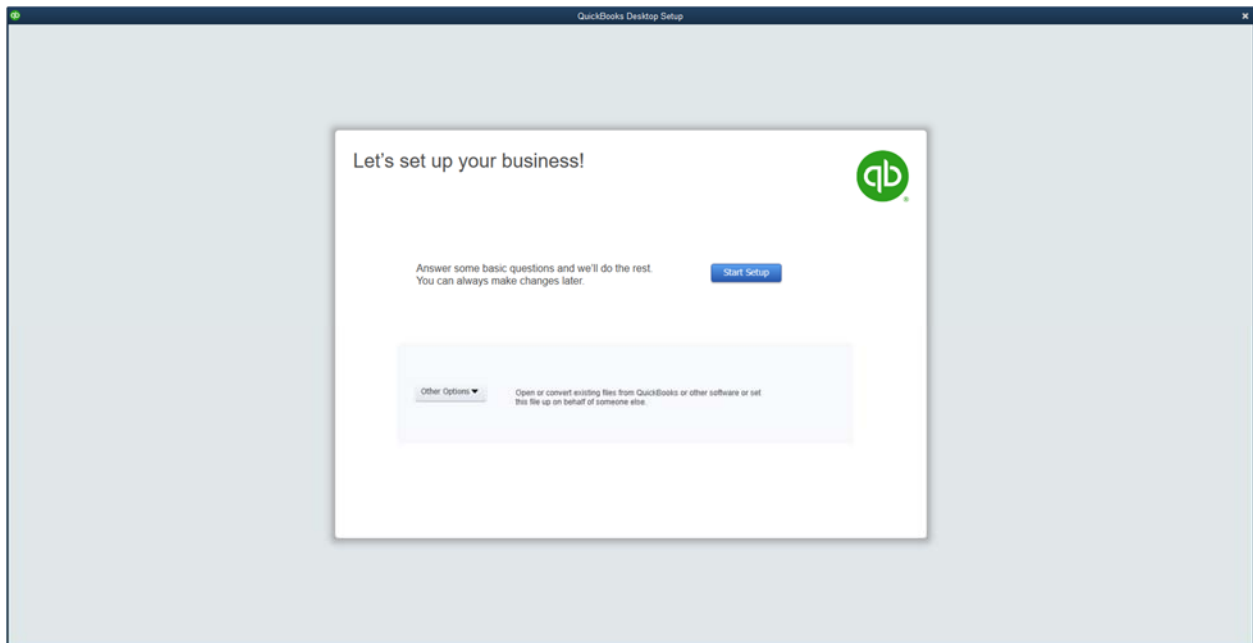
3 QUICKBOOKS SETUP

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 24.

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, add financial information (bank account, loan, and patronage balances), and 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 2020.

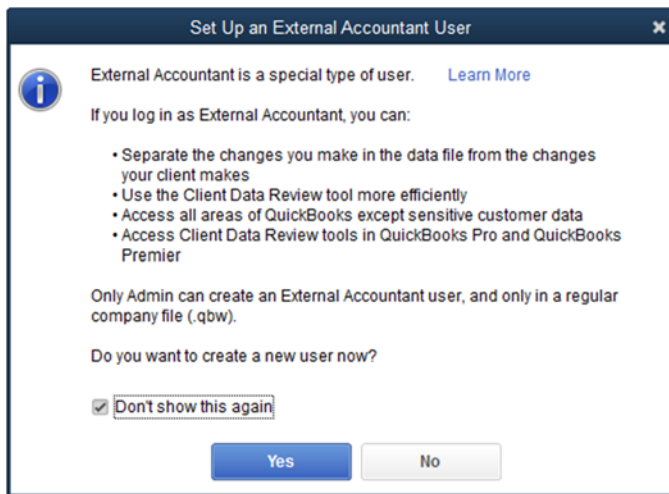
1. When you first open a fresh installation of QuickBooks, you may see a QuickBooks Desktop Setup window. Close the window. We will use a different method to get started.



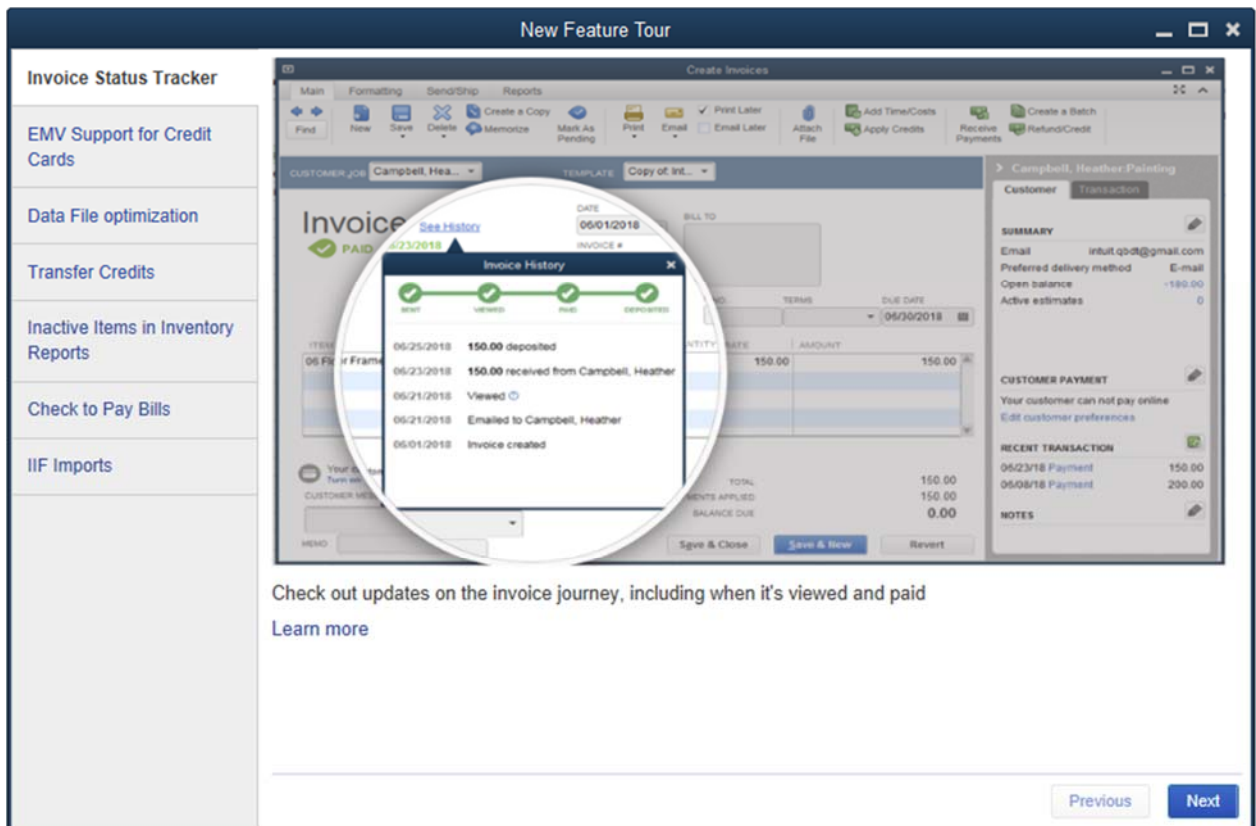
2. Using the link below, download and save the QuickBooks backup file to your computer.

www.farmersguidetoqb.com/qbsetup/kfmatemplate.qbb

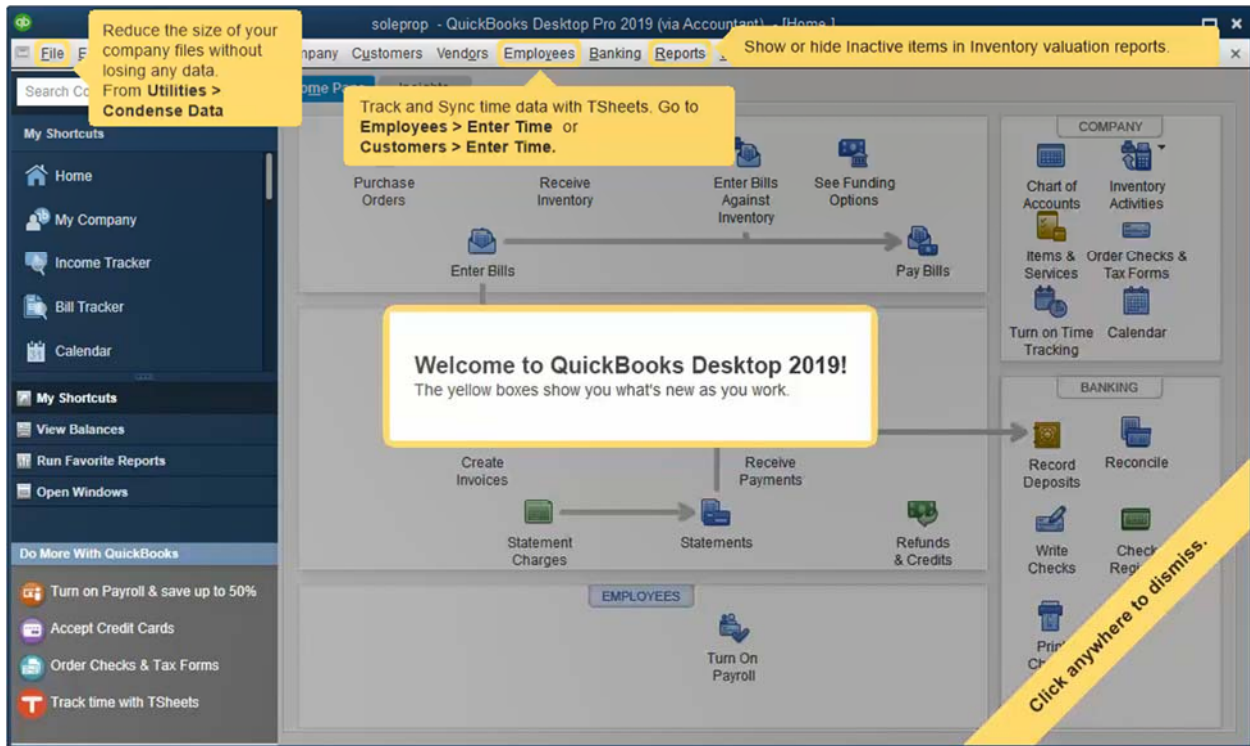
- Restore the backup file. See section 2.2 (*Restore a Backup Company File*) on page 6. When you have finished restoring return here and continue with step 4.
- If you see a *Set Up an External Accountant User* window, checkmark *Don't show this again* and click *No*.



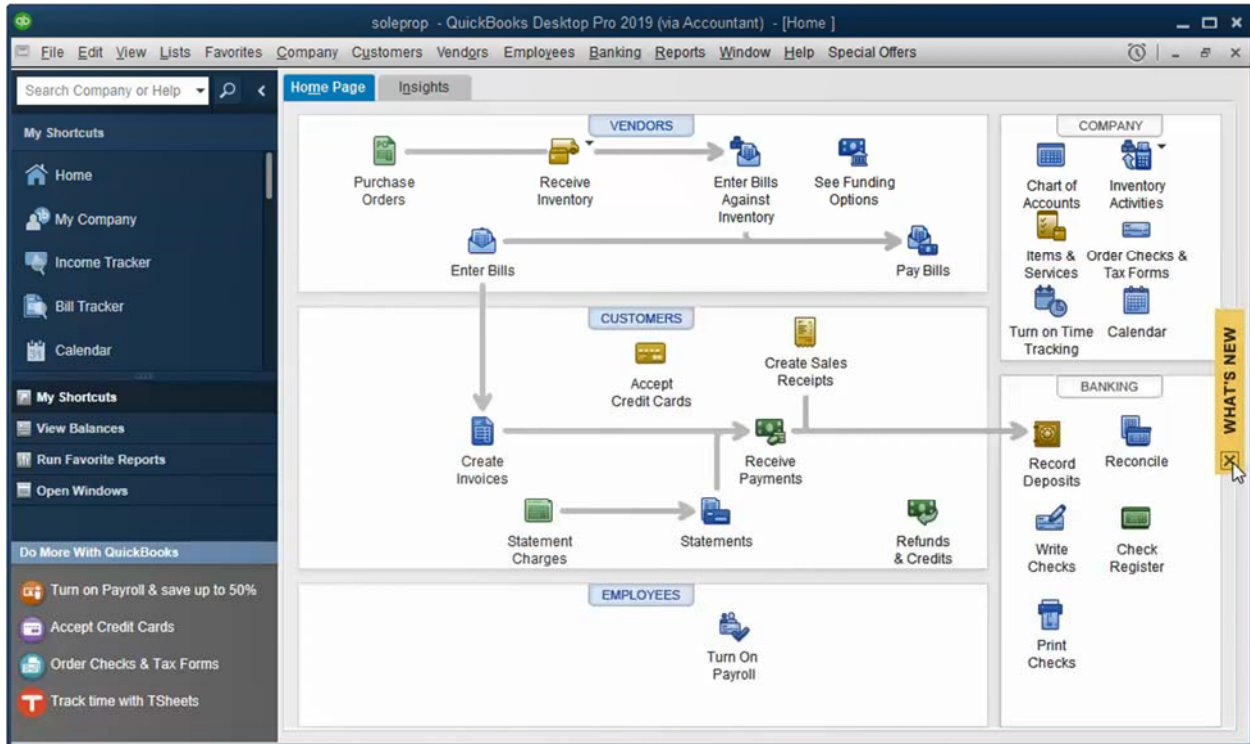
- If you see a New Features window, close it



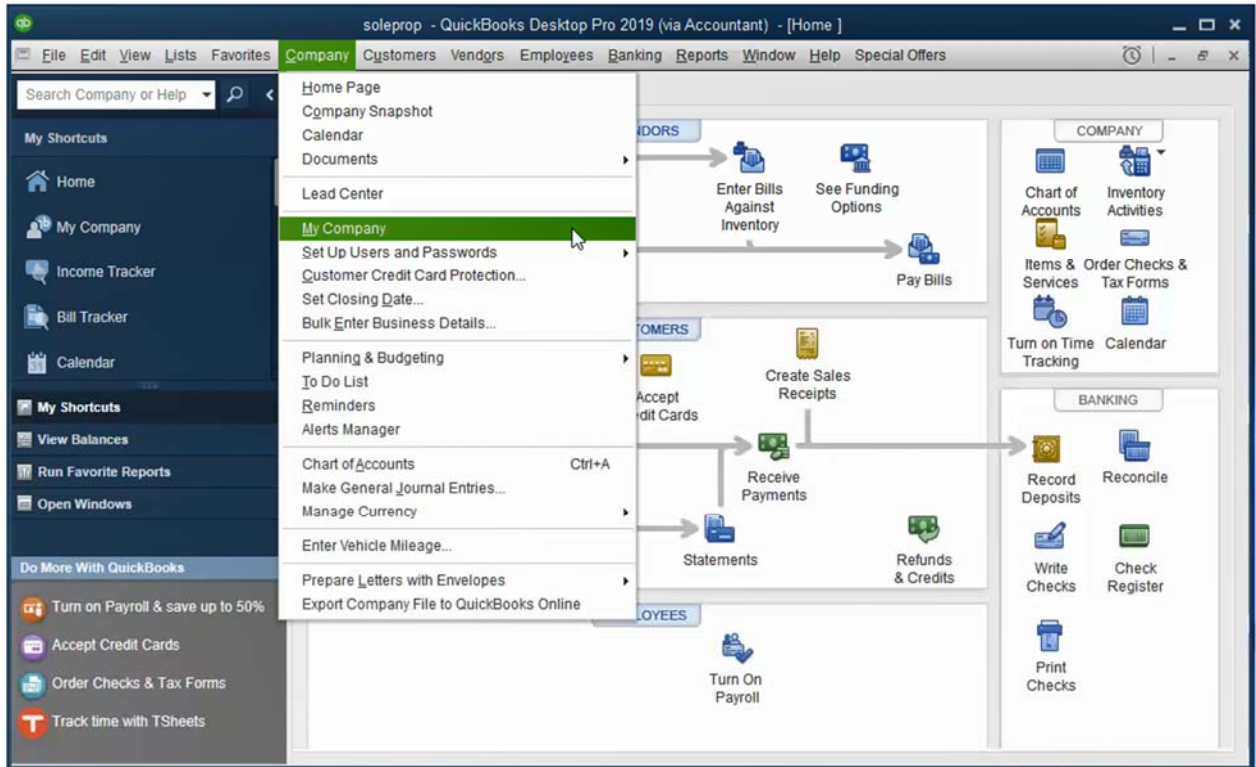
6. You may see yellow new feature boxes, which are meant to be helpful hints to get you started with QuickBooks. Click anywhere on the Home screen to dismiss the Welcome box.



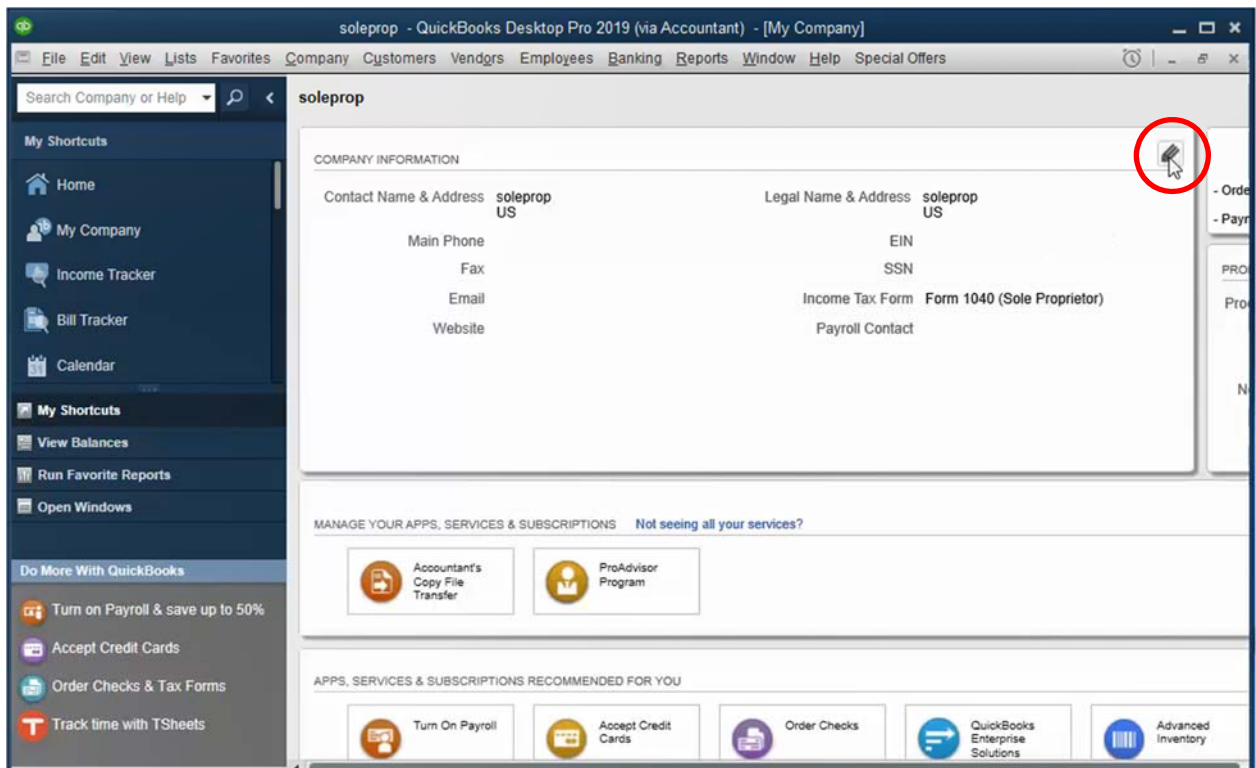
7. Click the X under *What's New* to dismiss the yellow boxes.



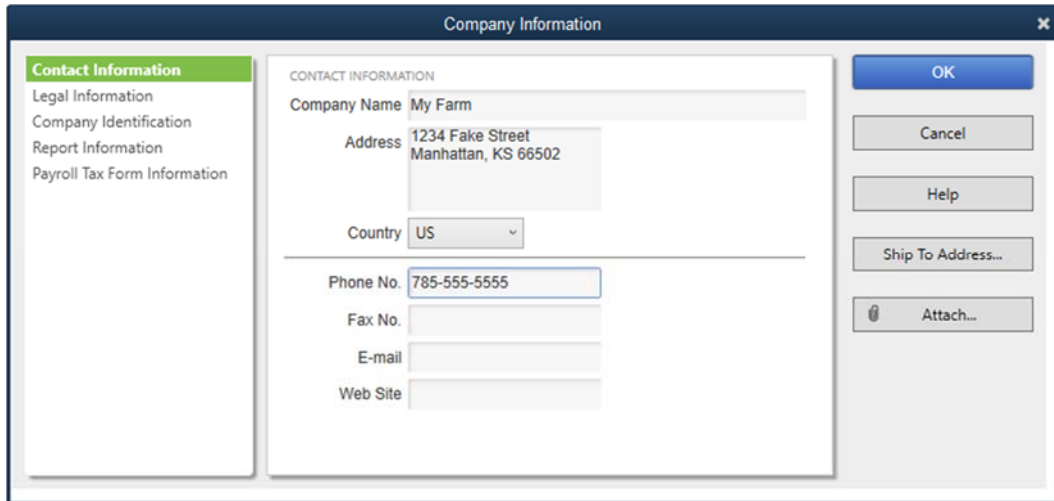
8. Select the *Company* menu and click on *My Company*.



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

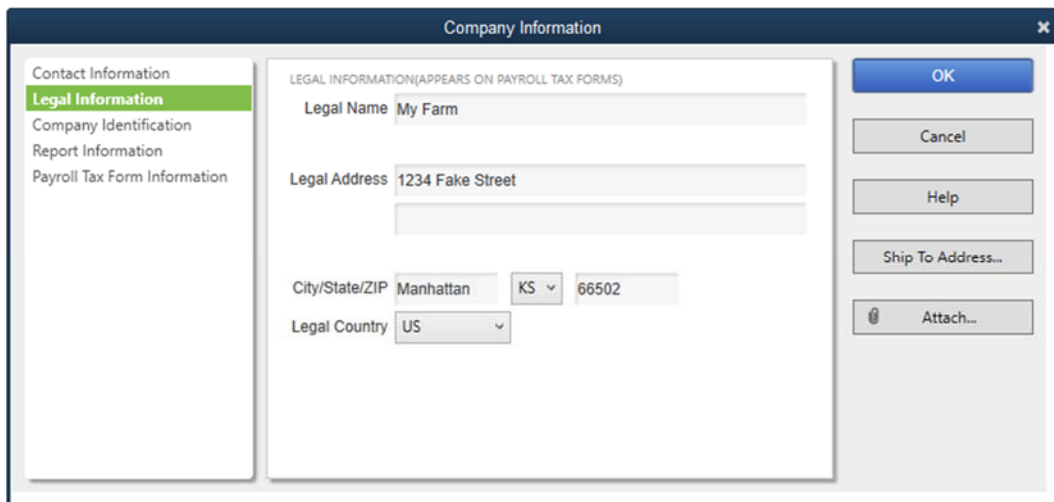


10. Change the *Company Name* to your name or your farm name. The name entered here will be displayed in the information bar across the top of QuickBooks. Enter your address and phone number to display them on invoices and sales receipts.



The screenshot shows the 'Company Information' window with the 'Contact Information' tab selected. The left sidebar lists 'Contact Information', 'Legal Information', 'Company Identification', 'Report Information', and 'Payroll Tax Form Information'. The main area is titled 'CONTACT INFORMATION' and contains the following fields: 'Company Name' (My Farm), 'Address' (1234 Fake Street, Manhattan, KS 66502), 'Country' (US), 'Phone No.' (785-555-5555), 'Fax No.', 'E-mail', and 'Web Site'. On the right, there are buttons for 'OK', 'Cancel', 'Help', 'Ship To Address...', and '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.



The screenshot shows the 'Company Information' window with the 'Legal Information' tab selected. The left sidebar lists 'Contact Information', 'Legal Information', 'Company Identification', 'Report Information', and 'Payroll Tax Form Information'. The main area is titled 'LEGAL INFORMATION (APPEARS ON PAYROLL TAX FORMS)' and contains the following fields: 'Legal Name' (My Farm), 'Legal Address' (1234 Fake Street), 'City/State/ZIP' (Manhattan, KS, 66502), and 'Legal Country' (US). On the right, there are buttons for 'OK', 'Cancel', 'Help', 'Ship To Address...', and 'Attach...'.

12. Click on *Company Identification* in the menu on the left. Enter your EIN or SSN if desired. This is not required. Caution: entering an EIN or SSN will trigger QuickBooks Sensitive Data Protection (see page 24) and will require a password to open.

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. Select the appropriate *Income Tax Form Used* according to the structure of your farm business. Consult your tax advisor if you need help with this selection.

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.

16. Optional: Modify your chart of accounts to include the appropriate Equity type accounts for your business. See page 3 for information on viewing hidden accounts. Consult with your tax advisor to determine the Equity type accounts that should be made active.

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 set up, 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.

3.2.1 IMPORT IIF FILES

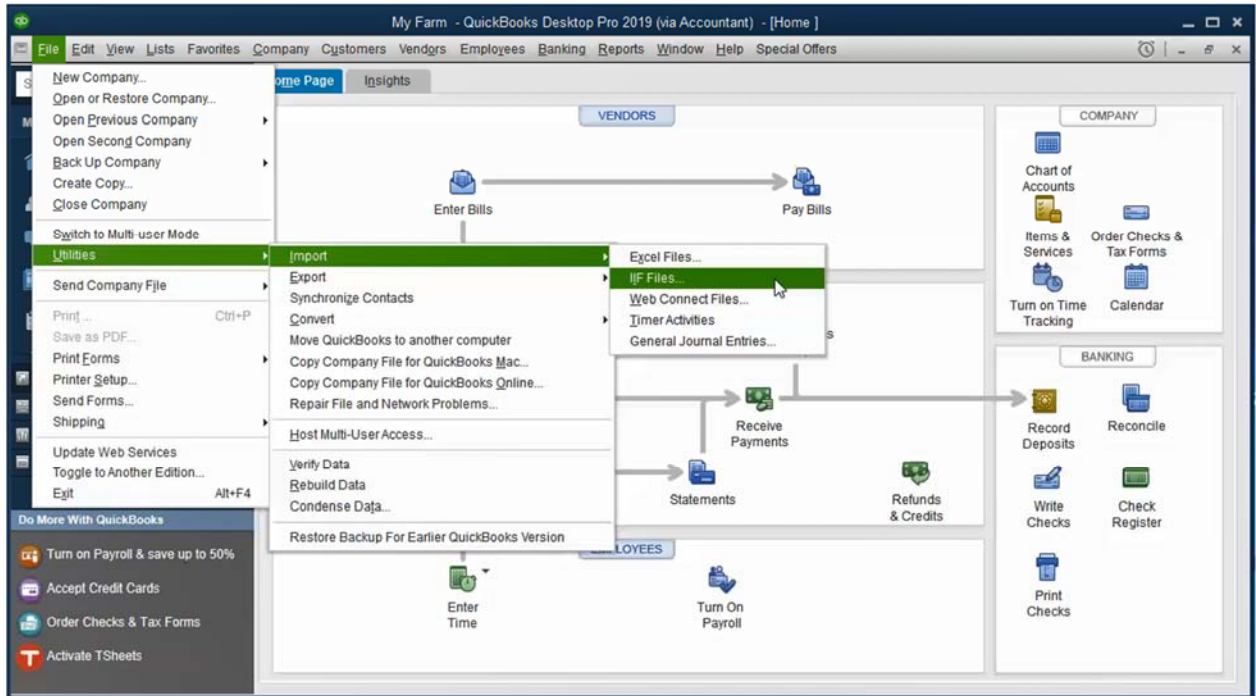
1. Using one of the links below, download and save the IIF files to your computer.

www.farmersguidetoqb.com/qbsetup/kfmachartofaccounts.iif

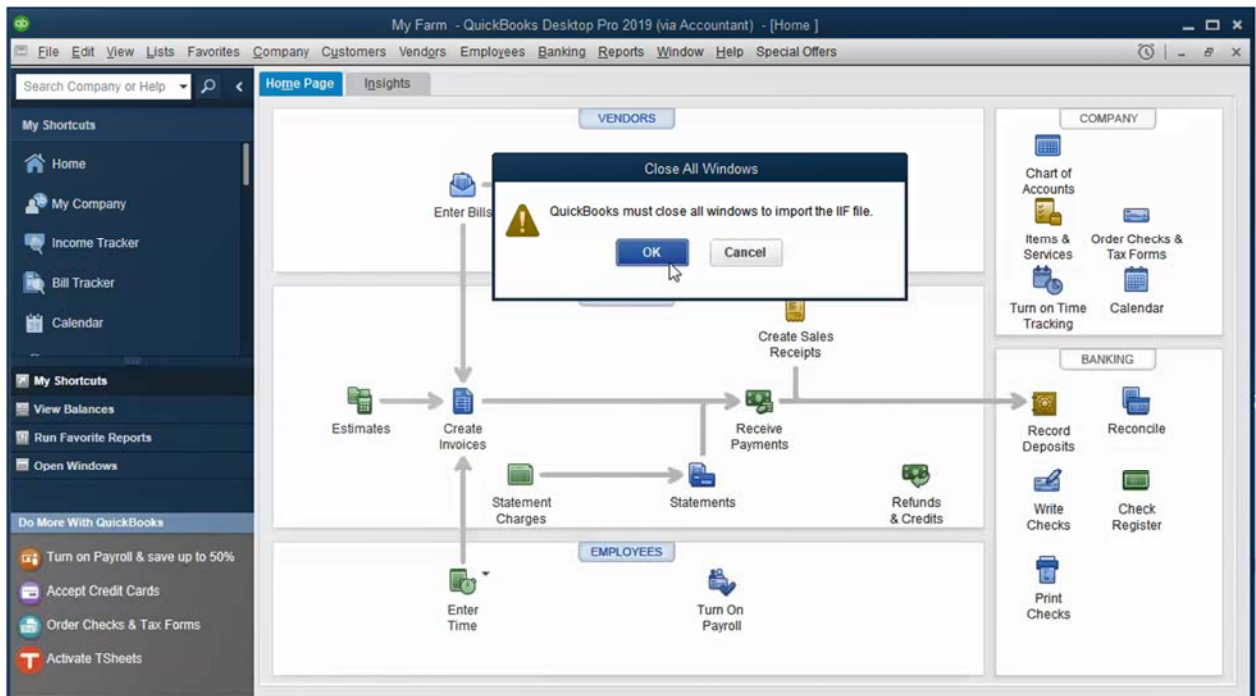
www.farmersguidetoqb.com/qbsetup/kfmaclassList.iif

www.farmersguidetoqb.com/qbsetup/kfmaitemlist.iif

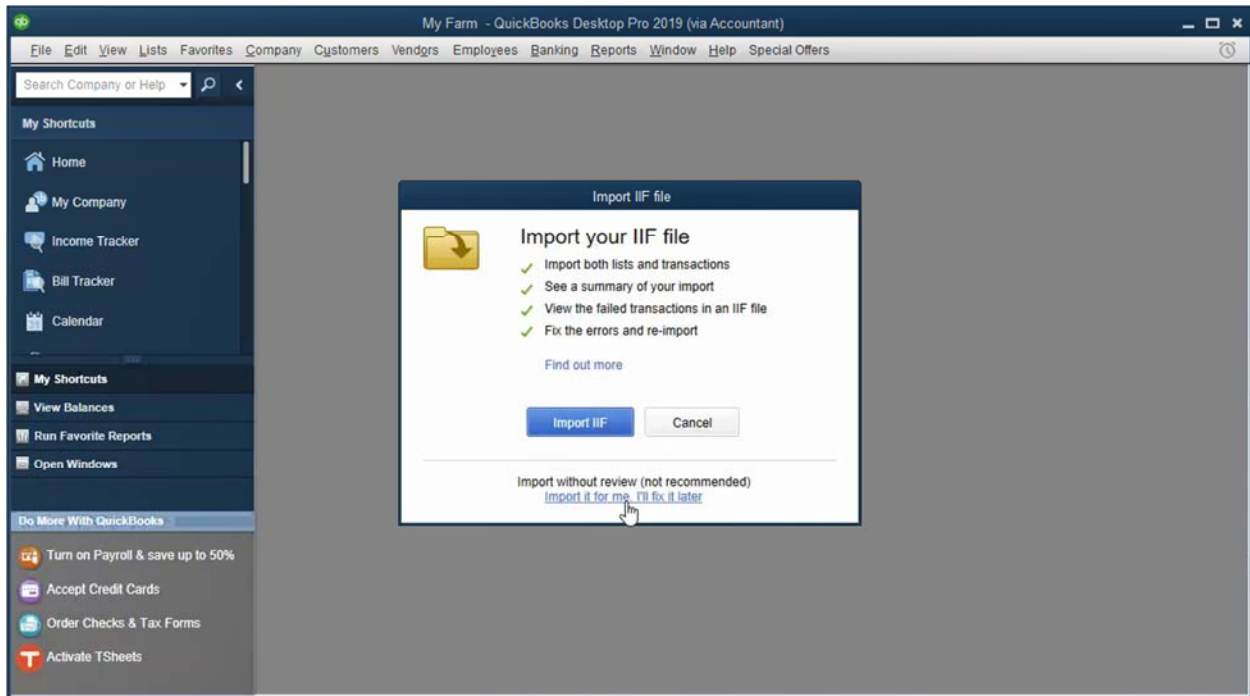
2. In the *File* menu, select *Utilities>Import>IIF Files...*



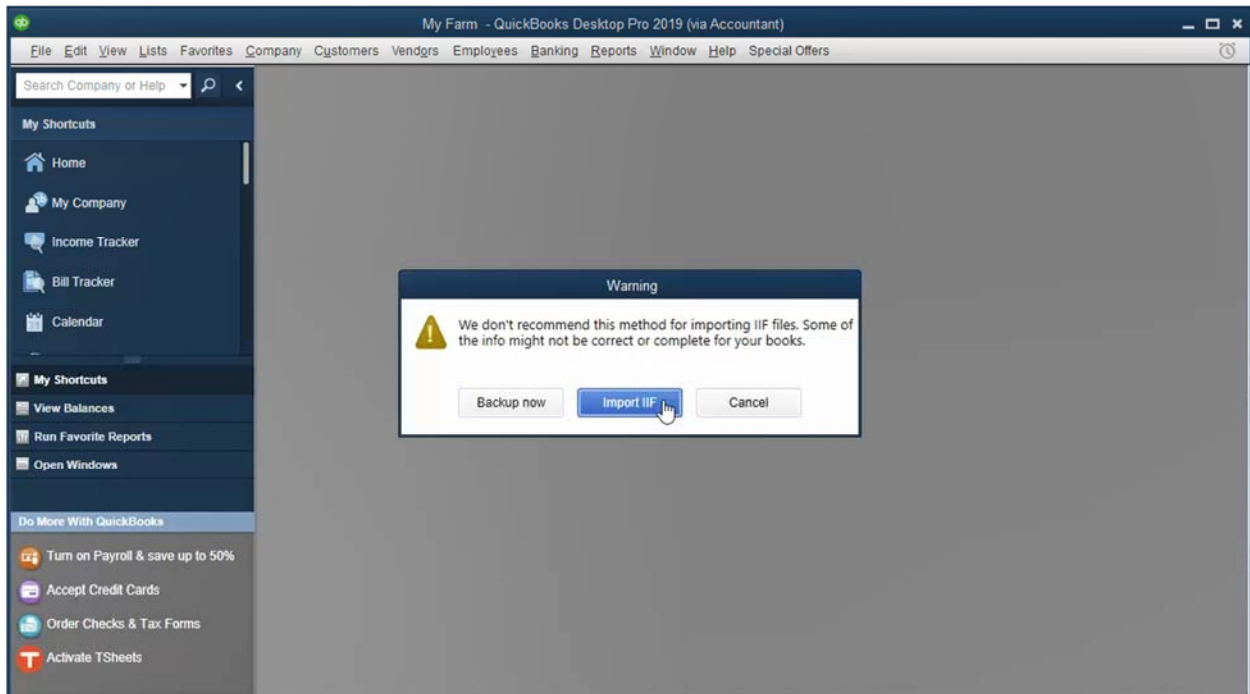
3. Click *OK*



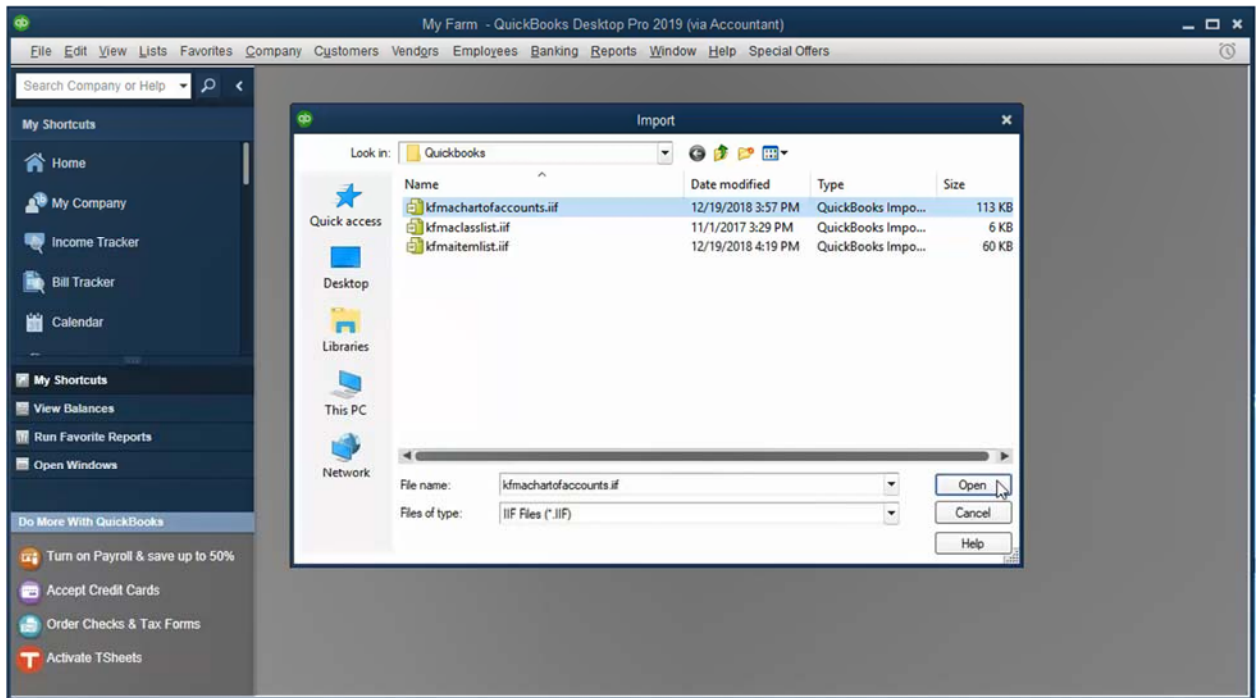
4. The IIF file contains several hidden accounts which QuickBooks does not always import correctly. At the bottom of the Import IIF File window, select *Import it for me. I'll fix it later*



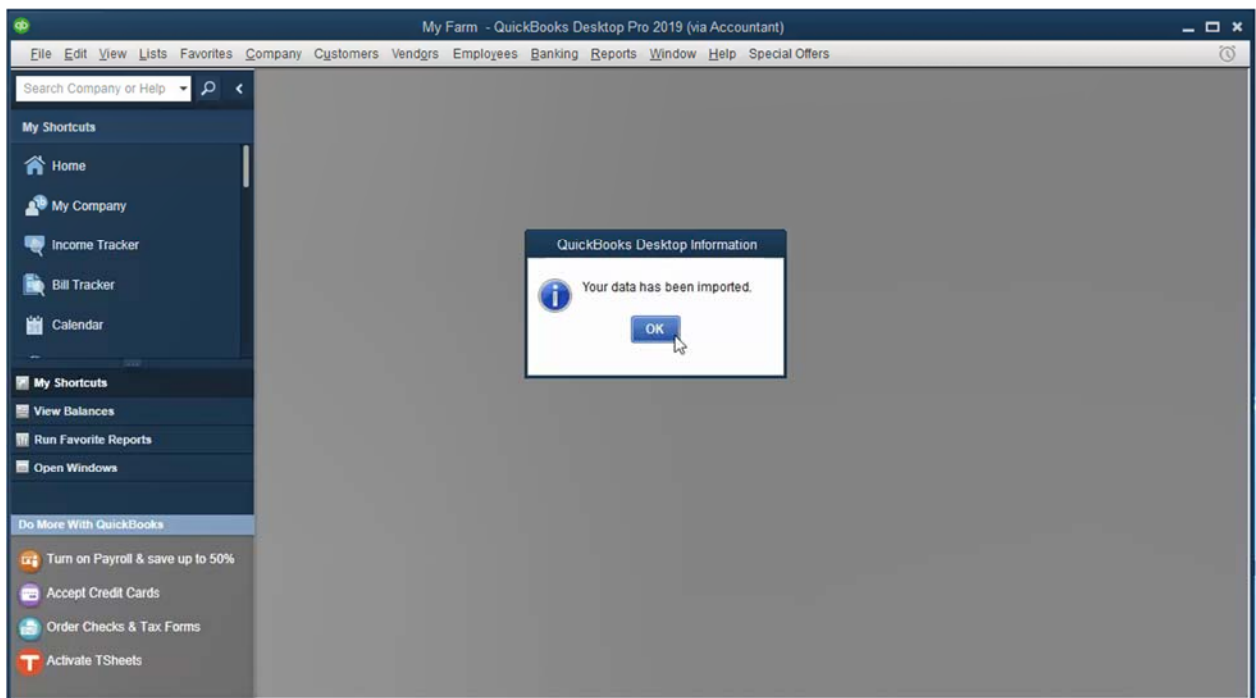
5. Click *Import IIF*



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



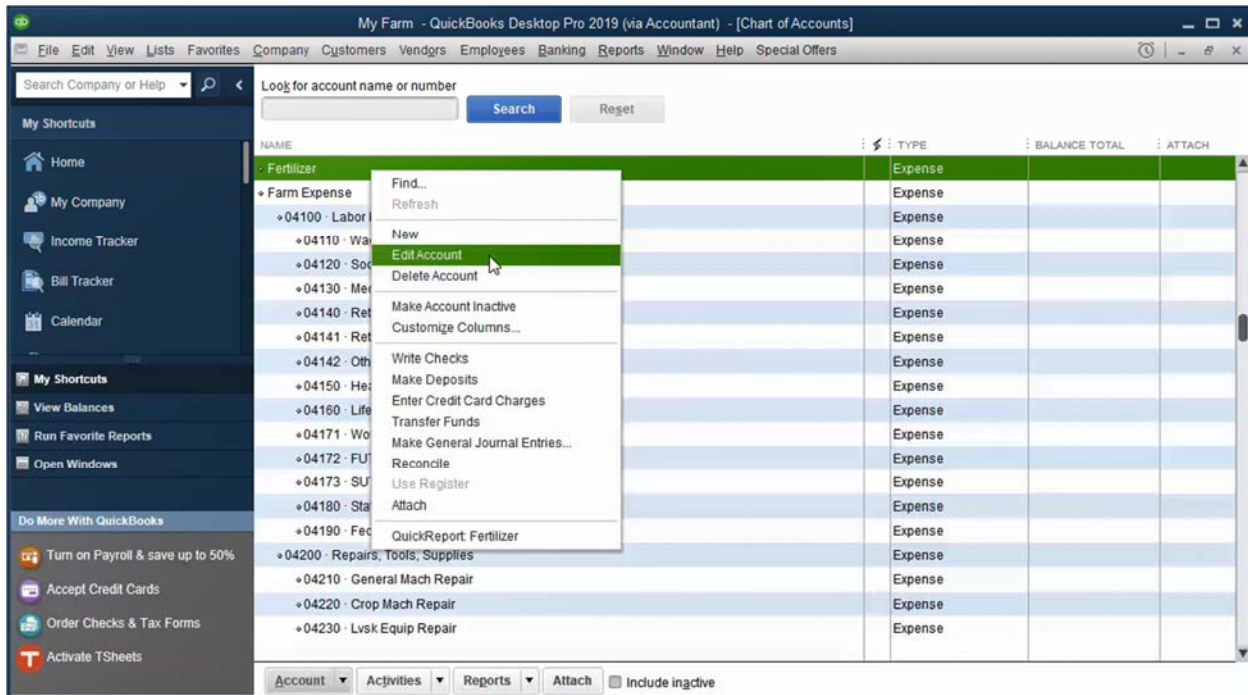
7. Click *OK*.



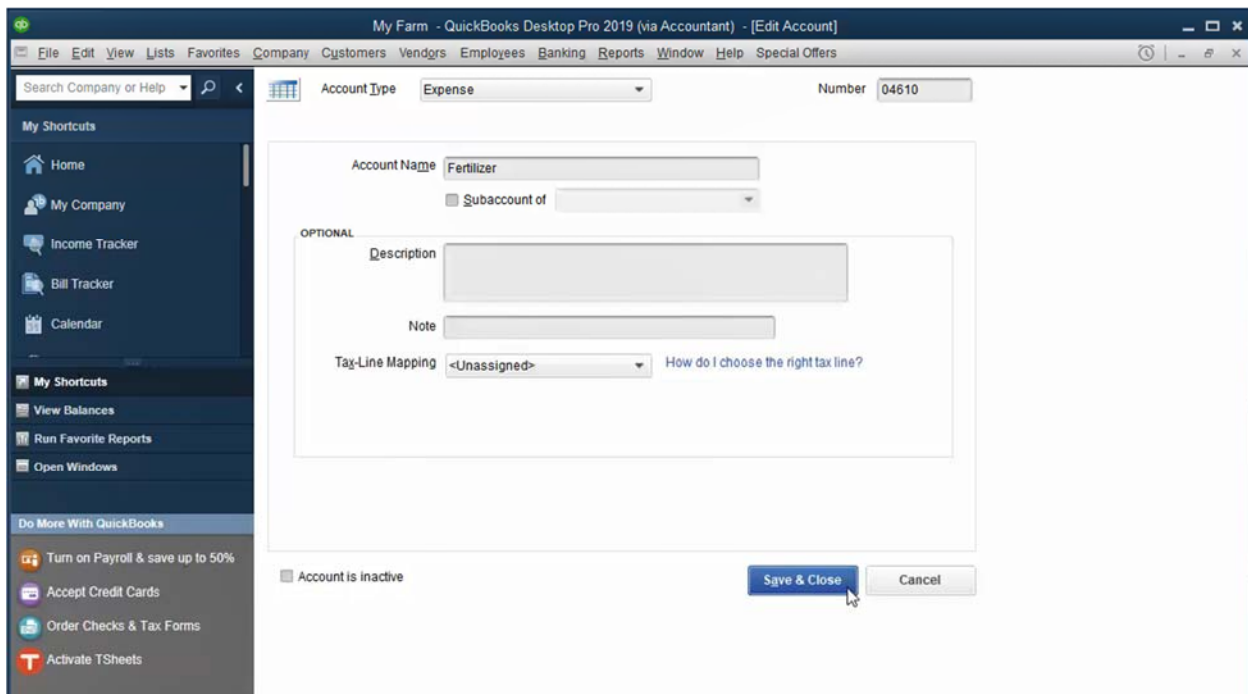
3.2.2 MERGE EXISTING ACCOUNTS WITH NEW

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.

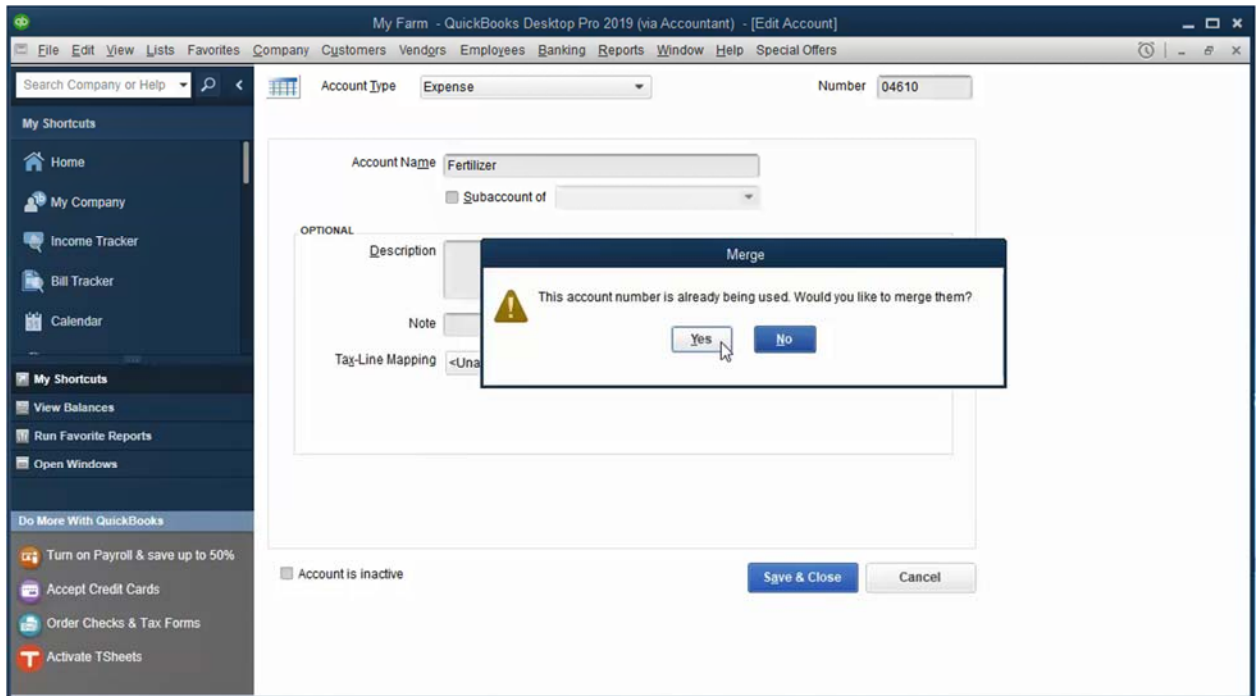
1. In the *Lists* menu, select *Chart of Accounts* (or use CTRL + A).
2. Right-click on the income or expense account that contains the transactions you wish to move. Click *Edit Account*.



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.

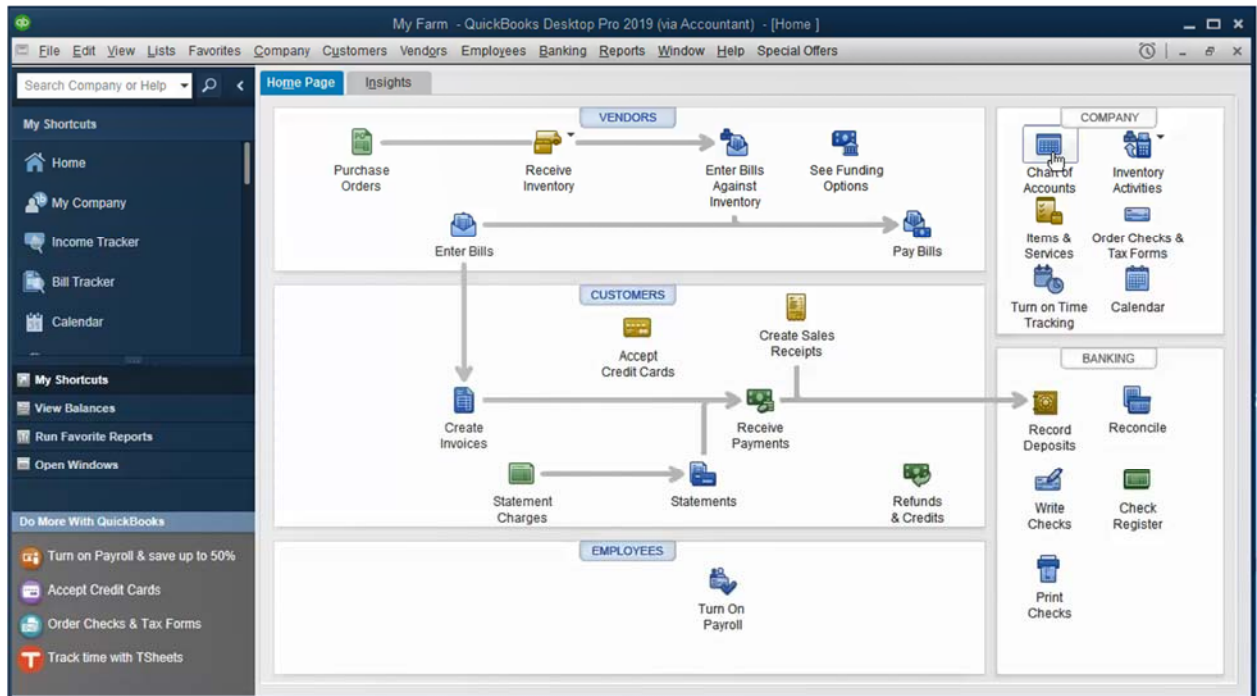
If you have entered an ID number or bank account in QuickBooks, the next time you open the company file, you will see a Sensitive Data Protection Setup window. Enter a *Password* and select a *Challenge Question* and answer. Click *OK*.

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

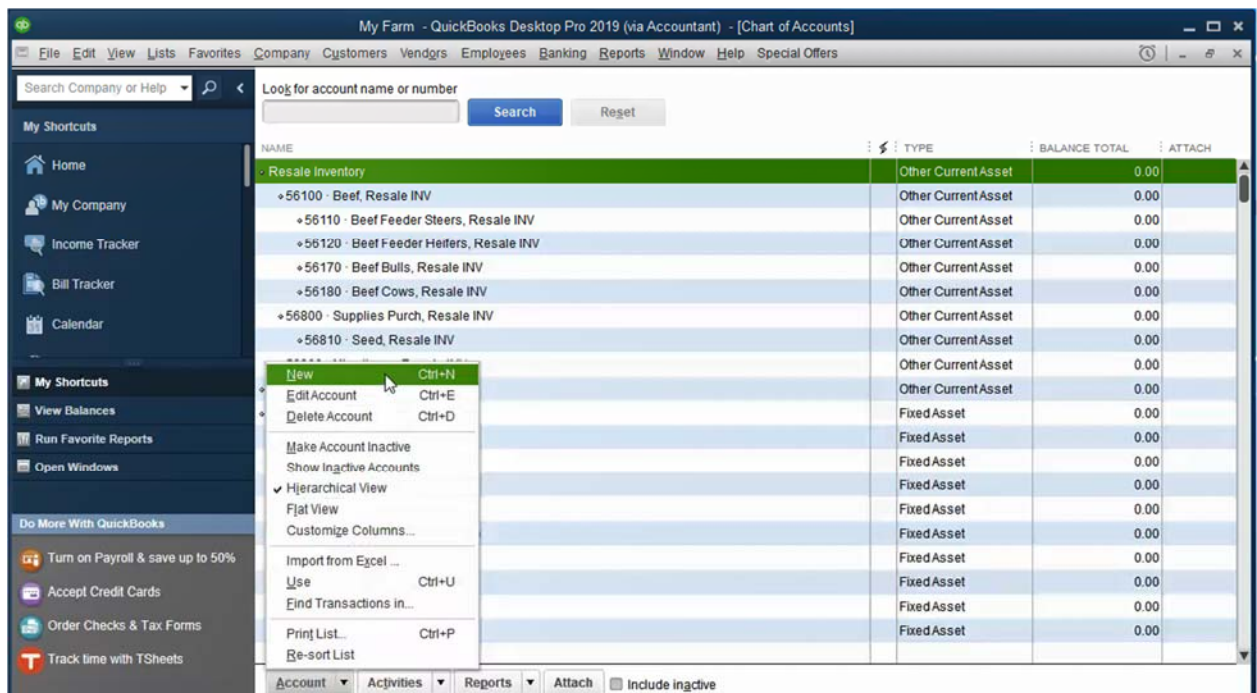
3.4 ADD ASSET ACCOUNTS

Now that your company file has been restored and personalized, it is time to start adding asset and liability accounts. Cash-based asset accounts are all added to QuickBooks in a similar manner. If you plan to use invoices and track accounts receivable, QuickBooks uses an internal A/R account. You do not need to do anything to add this account.

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

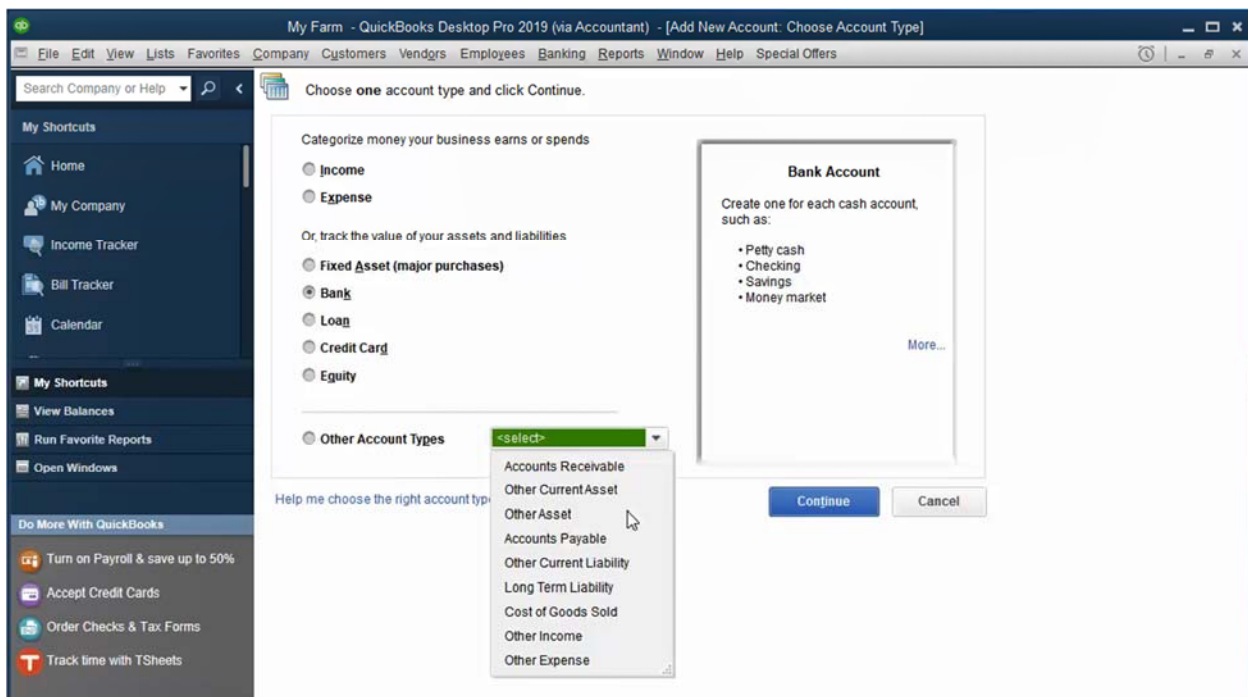


2. In the bottom left corner of the chart of accounts window, Click on *Account* and select *New*.



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



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, use two additional digits (shown as XX in the table above) in the account number. 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 Protection will be activated and you will be required to password protect the data file. For more information, see page 24.

If this account is brand new and 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*.

The screenshot shows the 'Add New Account' window in QuickBooks Desktop Pro 2019. The 'Account Type' is set to 'Bank' and the 'Number' is '5011 01'. The 'Account Name' field contains 'Very Big Bank - Farm Checking'. Below this, there are optional fields for 'Description', 'Bank Acct. No.', 'Routing Number', and 'Tax-Line Mapping'. The 'Enter Opening Balance...' button is highlighted with a mouse cursor. At the bottom, there are buttons for 'Save & Close', 'Save & New', and 'Cancel'.

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

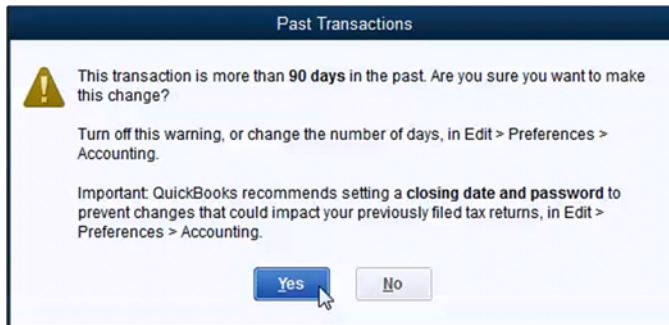
When adding a checking account (either farm or non-farm), savings account, money market account, or a CD, start with the first bank statement that **ends** in the first month of the tax year. Enter the beginning balance of this statement as the *Statement Ending Balance* and enter the **day before** the beginning date of the statement as *Statement Ending Date*. For example, if your statements run from the 16th of the month to the 15th, start working with the statement that ends 1/15/19. Enter the beginning balance of this statement as the *Statement Ending Balance* and enter 12/15/18 as the *Statement Ending Date*.

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

Click *OK*.

The screenshot shows the 'Enter Opening Balance: Bank Account' dialog box. It contains the following text: 'Enter the ending date and balance from the last bank statement you received before your QuickBooks start date.' Below this, there is an 'Attention' icon and text: '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'. The 'Statement Ending Balance' field is set to '5,000.00' and the 'Statement Ending Date' field is set to '12/31/18'. At the bottom, there are buttons for 'OK', 'Cancel', and 'Help'. The 'OK' button is highlighted with a mouse cursor.

6. Click *Save & Close* save and to return 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.

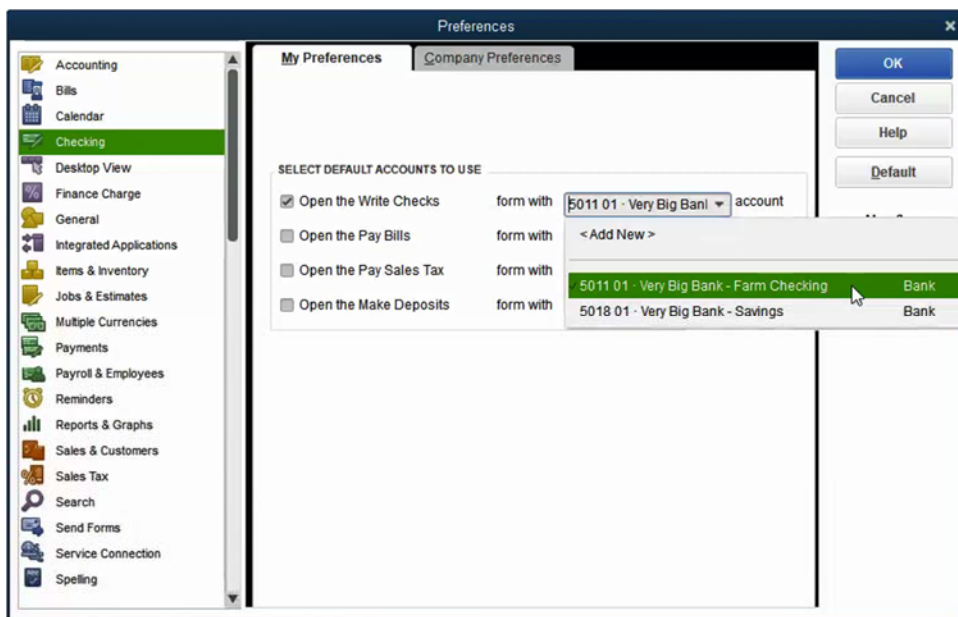


8. QuickBooks may ask if you would like to setup online services. Online banking services are not covered in this manual. Select *No* to continue without online banking services.



9. If you selected *Save & New* in step 6, repeat steps 3-8 for each checking, savings, money market, or CD.
10. Go to the *Edit* menu and select *Preferences*
11. On the left side of the Preferences window, select *Checking*.

12. On the *My Preferences* tab, you can select the default bank account for checks, bills, and deposits. Choose the account that you will use most often for these transactions.



13. Below is an example of account numbering with multiple savings accounts.

Account Type: Bank Number: 5018 01

Account Name: Very Big Bank - Savings Select from Examples

☐ Subaccount of

OPTIONAL Description

Account Type: Bank Number: 5018 02

Account Name: Very Big Bank - Money Market Select from Examples

☐ Subaccount of

OPTIONAL Description

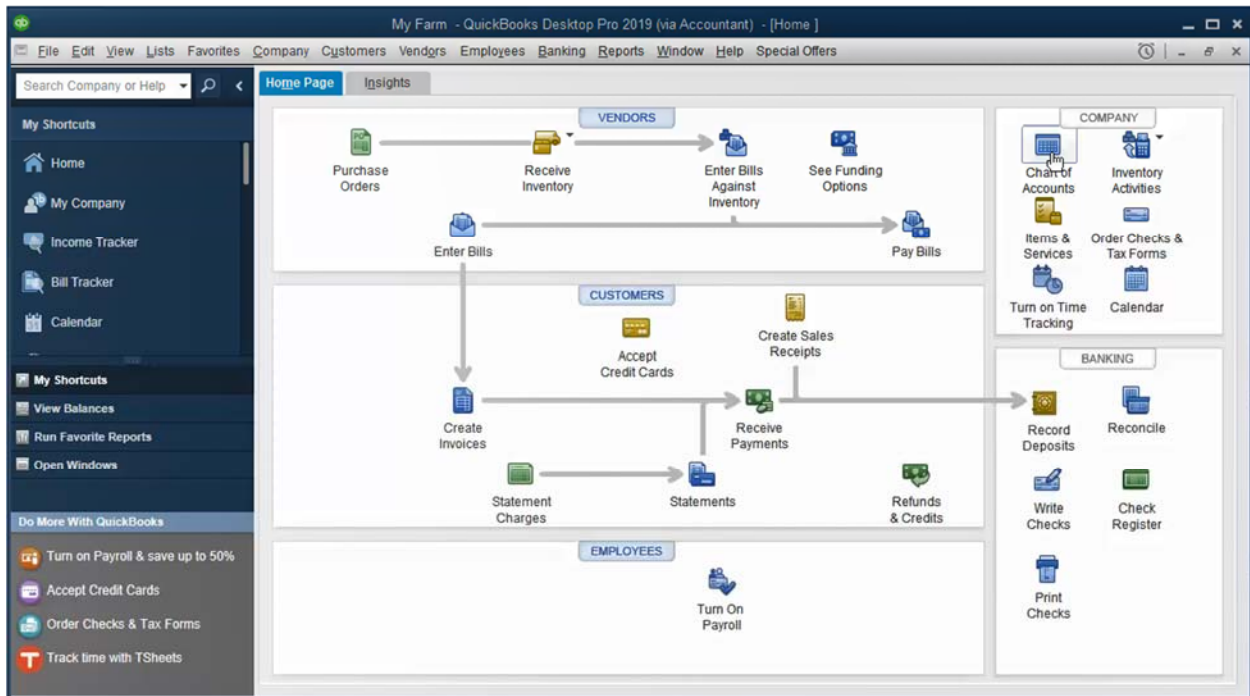
3.5 ADD LIABILITY ACCOUNTS

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.

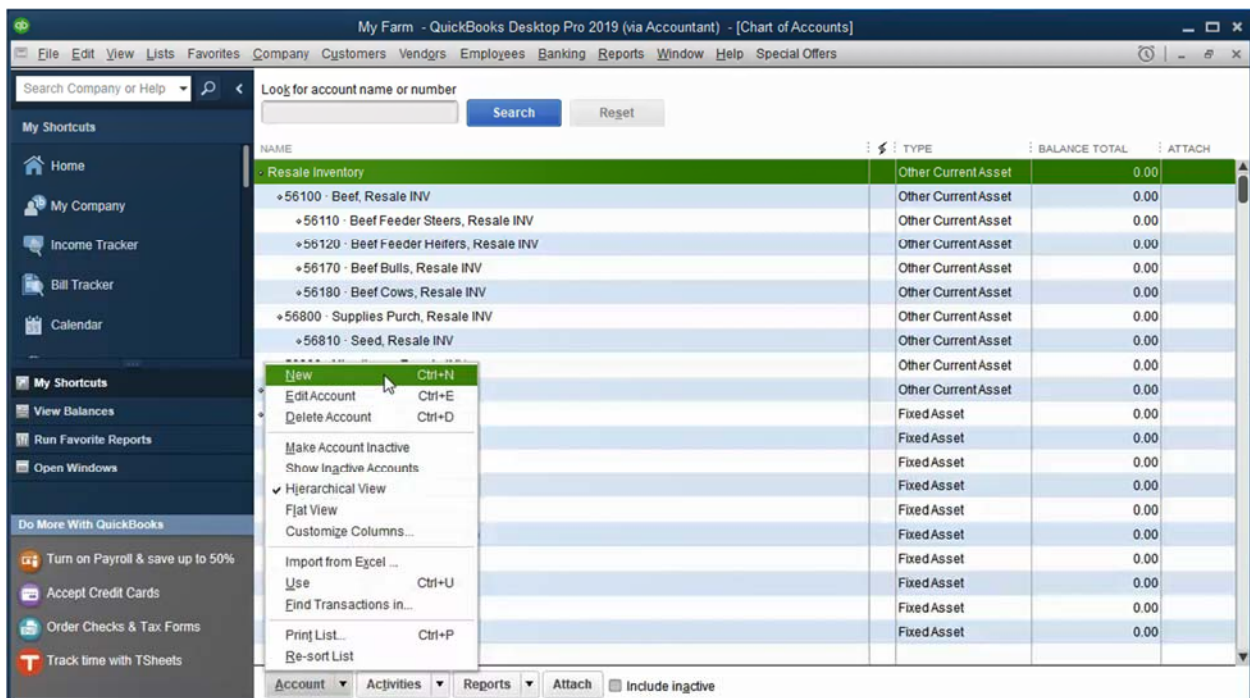
If you plan to use bills and track accounts payable, QuickBooks uses an internal A/P account. You do not need to do anything to add this account.

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 to maintain consistency.

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

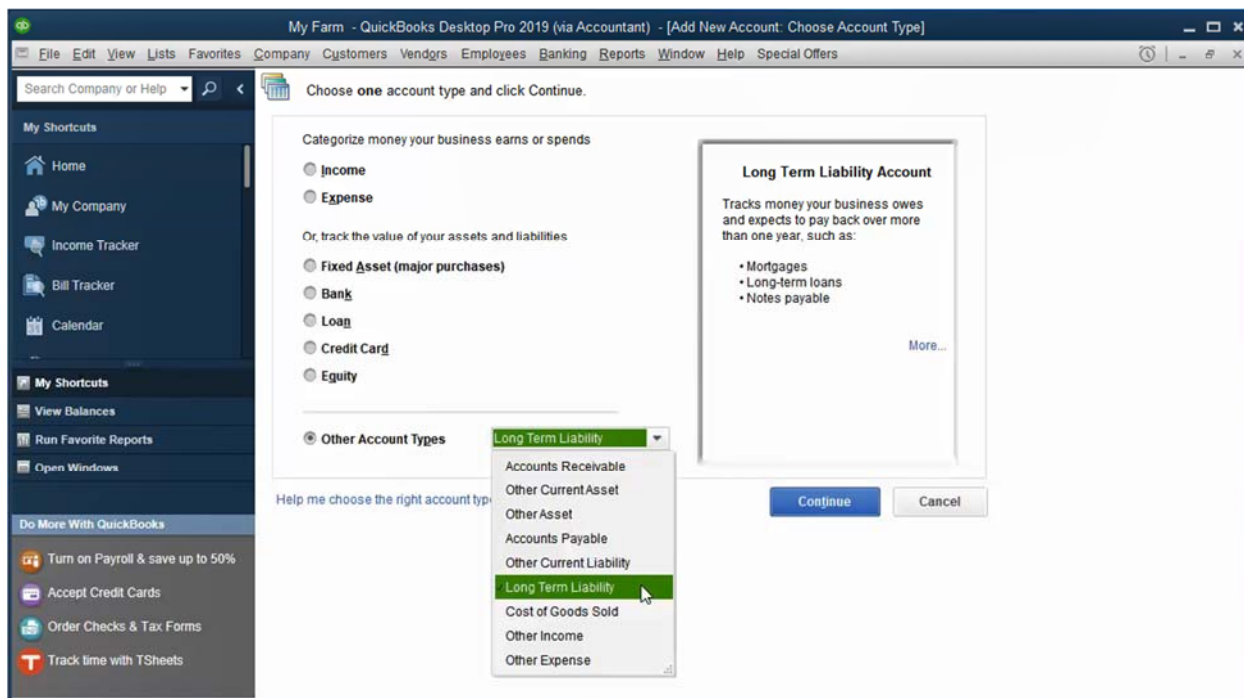


2. In the bottom left corner of the chart of accounts window, Click on *Account* and select *New*.



3. 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 XX
Credit Card	Credit Card	1021 XX
Loan from Partner/Shareholder	Long Term Liability	1026 XX
Equipment or Breeding Livestock Loan	Long Term Liability	1027 XX
Farm Real Estate Loan	Long Term Liability	1028 XX
Non-Farm Loan	Long Term Liability	1101 XX



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, use two additional digits (shown as XX in the table above) in the account number. 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 - QuickBooks Desktop Pro 2019 (via Accountant) - [Add New Account]

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

Search Company or Help

Account Type: Long Term Liability Number: 1027 01

Account Name: JD Financial - JD S670 Combine Select from Examples

Subaccount of: [Dropdown]

OPTIONAL

Description: 5 years @ 3.375% @ 33,104.68 annual payment

Account No.: [Text Box]

Tax-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: 12/31/18

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?

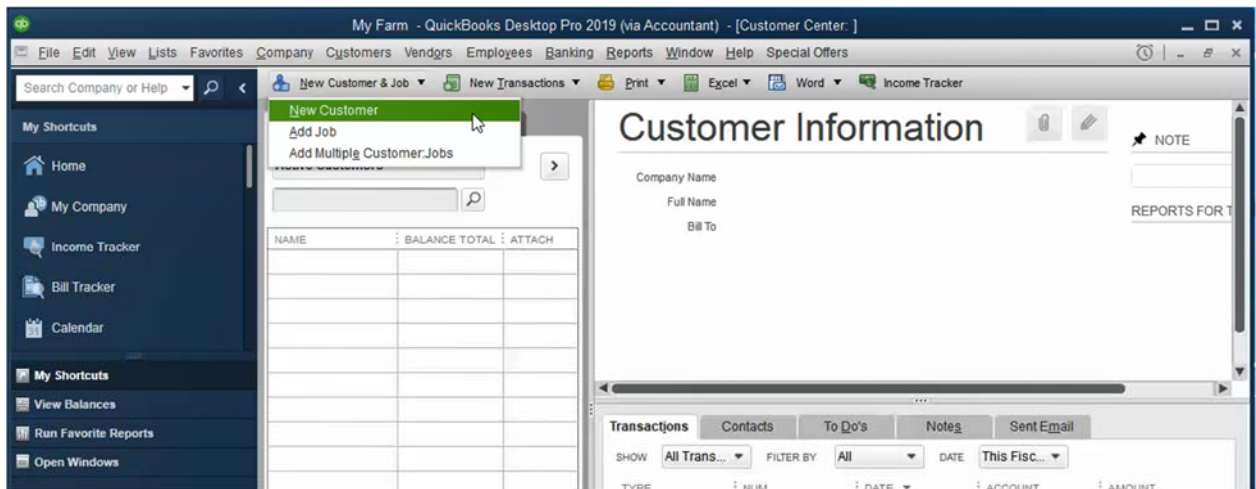
Turn off this warning, or change the number of days, in Edit > Preferences > Accounting.

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

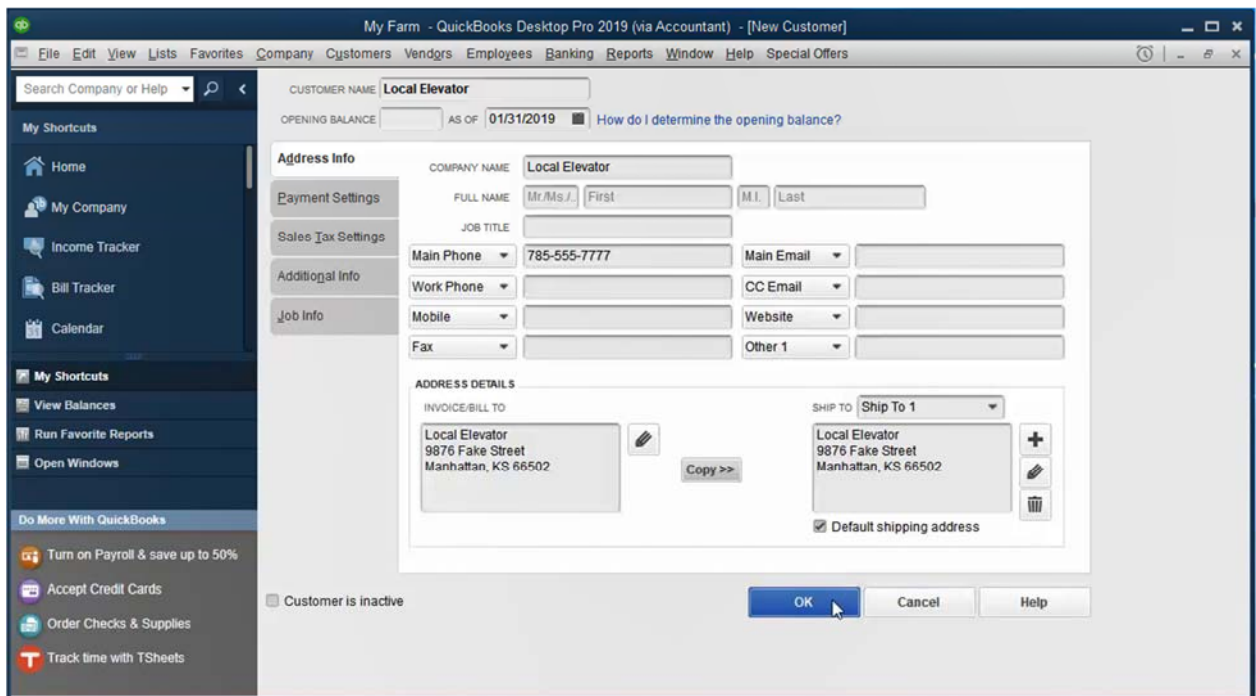
Yes No

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*.



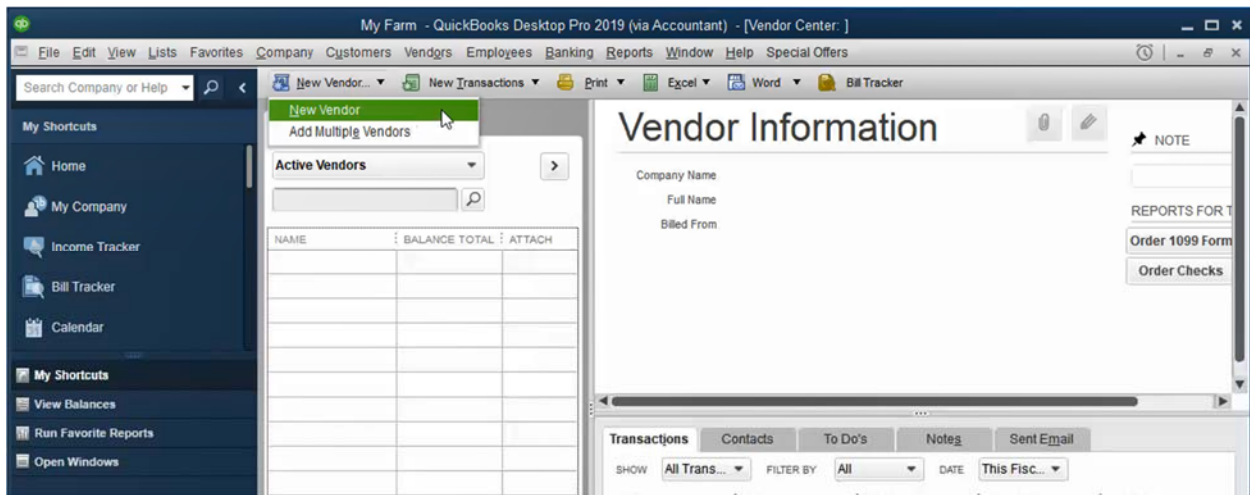
If you have a list of customers (in MS Excel) from a previous accounting program, you can use the *Add Multiple Customers:Jobs* tool to import customers and speed up the entry process.

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.

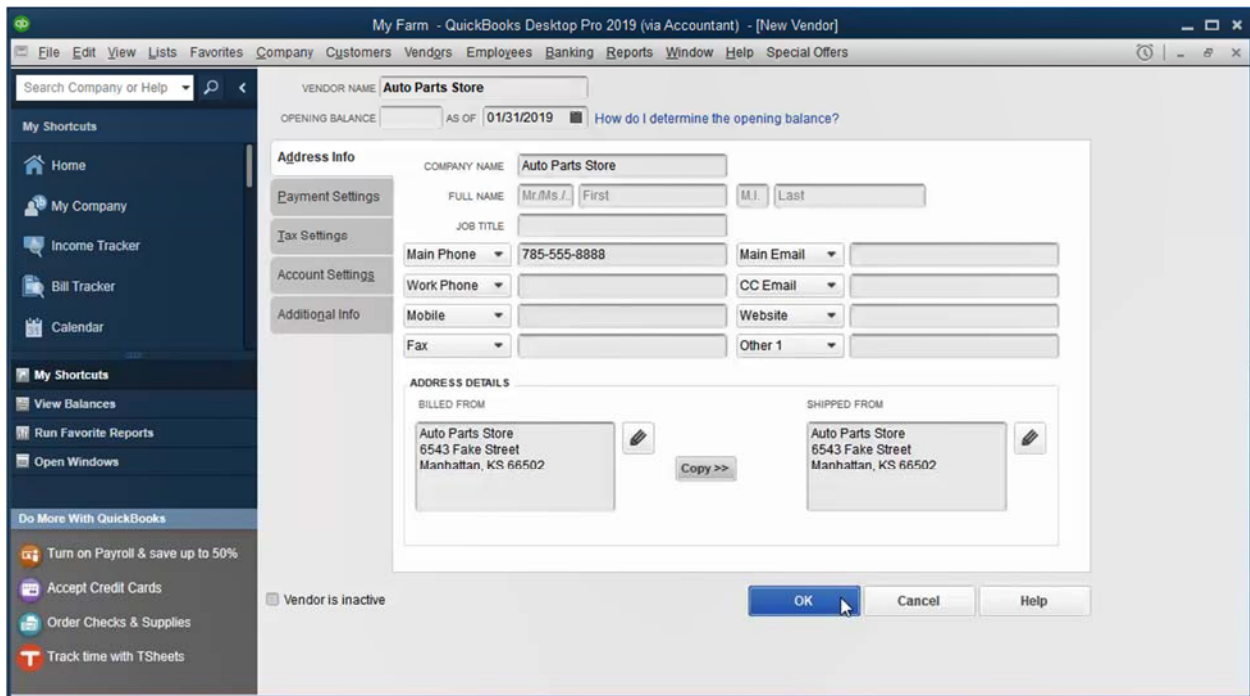
A shortcut method to add customers is also available. See page 45.

3.7 ADD VENDORS

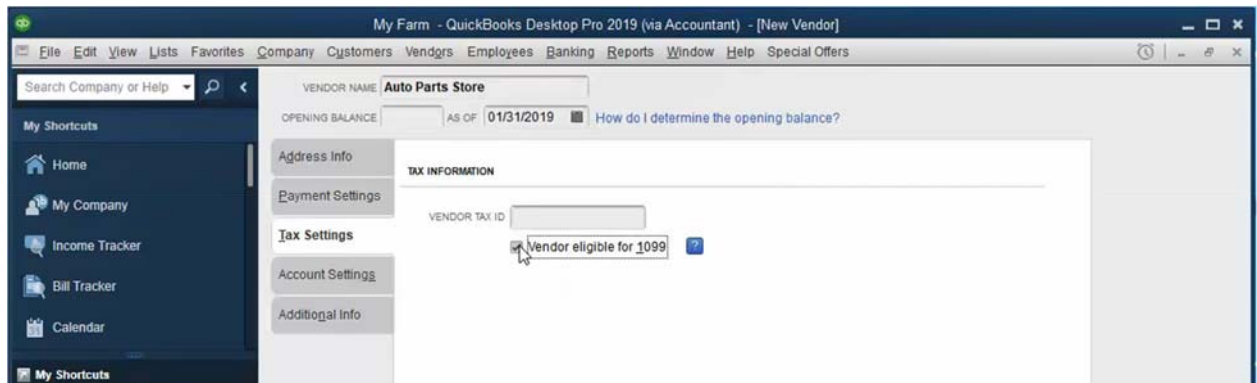
1. Select the *Customers* menu and click on *Customer Center*.
2. In the *Vendor Center*, click the *New Vendor* button and select *New Vendor*.



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.



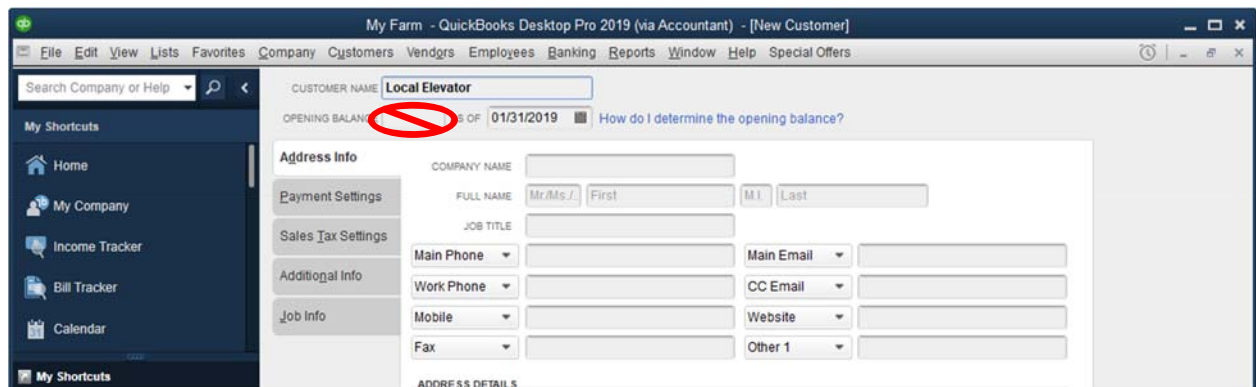
- Click *OK*.

A shortcut method to add vendors is also available. See page 56.

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.

My Farm - QuickBooks Desktop Pro 2019 (via Accountant) - [New Vendor]

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

VENDOR NAME **Auto Parts Store**

OPENING BALANCE ☒ OF 01/31/2019 [How do I determine the opening balance?](#)

Address Info

COMPANY NAME

FULL NAME Mr./Ms./ M.I. Last

JOB TITLE

Main Phone Work Phone Mobile Fax

Main Email CC Email Website Other 1

ADDRESS DETAILS

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.

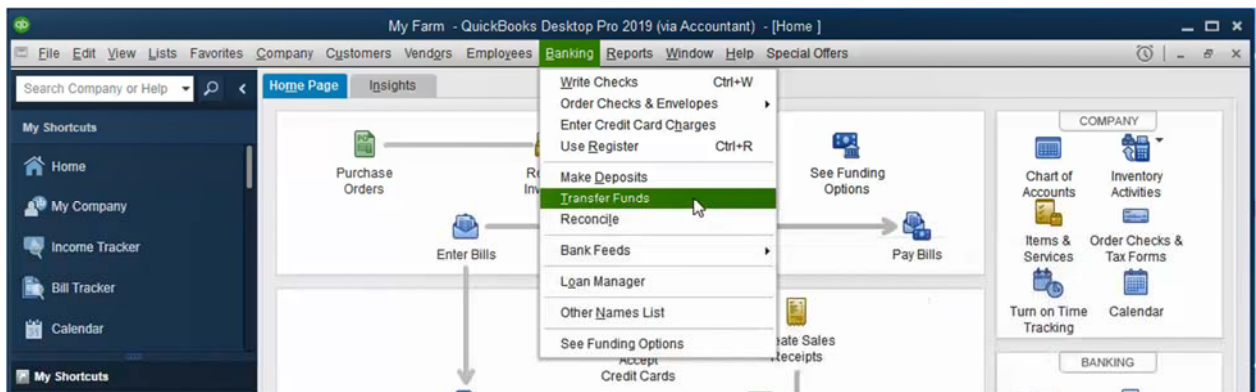
Failure to follow this process correctly will make it difficult to determine who owes you money and could have unintended tax consequences. **It is extremely important that you follow the flow chart on the Home Screen to prevent errors!**

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

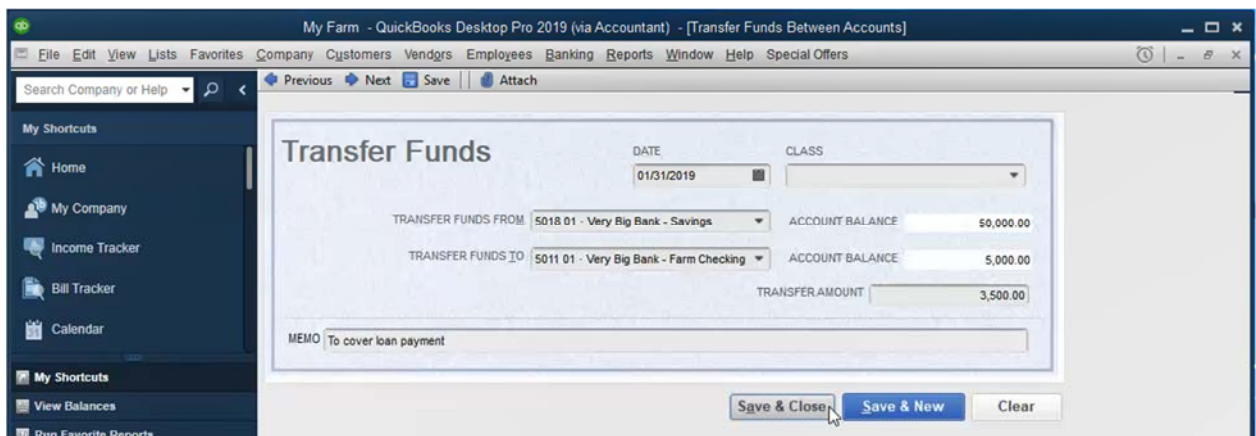
4.1 TRANSFERS BETWEEN ACCOUNTS

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 should you use? The preferred method depends on what you would like to accomplish.

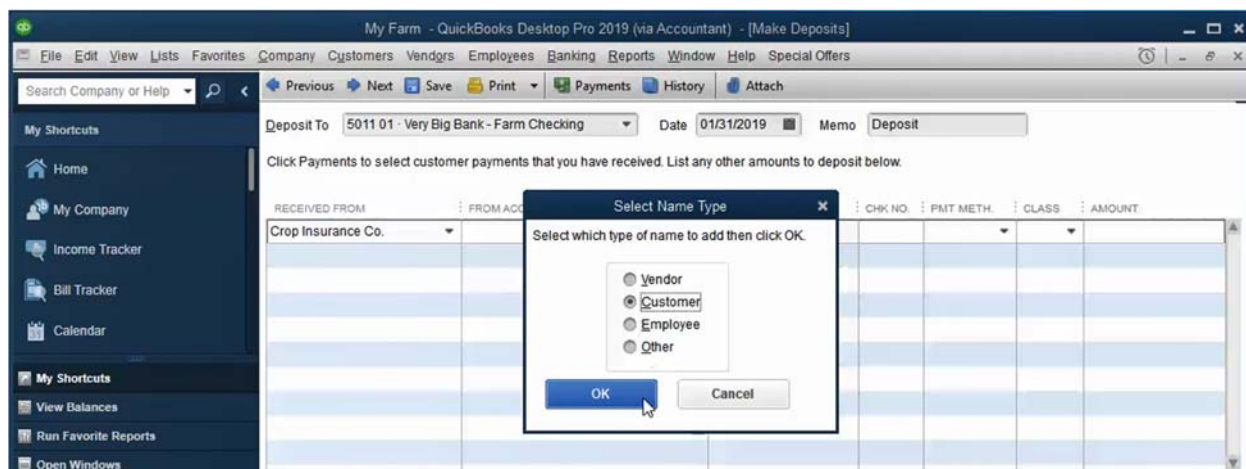
- The Make Deposits window is the most direct way of recording income as it only requires one step. If you are not tracking inventory of commodities, most of your income transactions should be recorded this way. You can also enter a transaction directly in the Check Register as a shortcut to using Make 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. See page 103 for more information on using sales receipts with inventory.
- 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. See page 81 for more information on invoicing.

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



4.4 RAISED GRAIN SALES

If you are keeping an inventory of raised products, see page 107 for a transaction that affects inventory. This transaction *will not* change inventory on hand.

RECEIVED FROM	FROM ACCOUNT	MEMO	CHK NO.	PM...	CLASS	AMOUNT
Local Elevator	Farm Income:01700 - Grain:01720 - Corn	^5000@3@^			2019:19 Corn	15,000.00
Local Elevator	Farm Expense:05300 - Misc Crop Expense:05330 - Storage	Storage			2019:19 Corn	-525.00
Local Elevator	Farm Income:01700 - Grain:01720 - Corn	Moisture discount			2019:19 Corn	-300.00
Local Elevator	Farm Expense:05300 - Misc Crop Expense	Checkoff			2019:19 Corn	-50.00
Deposit Subtotal						14,125.00
Deposit Total						14,125.00

When entering a grain sale transaction, you have two options; enter the net sale amount or enter the gross sale with deductions for storage, grain tax/checkoff, or discounts (for moisture, protein, foreign material, etc). Either way, the net deposit amount will be the same. The example shown above is the second option.

If you choose the second option, enter premiums as a positive number and any deductions as a negative number. Use the codes below to detail the discounts:

Storage	05330
Grain tax/checkoff	05300
Premium/Discount	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"

4.5 RAISED HAY SALES

If you are keeping an inventory of raised products, see page 108 for a transaction that affects inventory. This transaction *will not* change inventory on hand.

[illegible]

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:

$$^{\wedge}units@dollars\ per\ unit@total\ weight^{\wedge}$$

Example: 75 tons, \$80.00 per ton, 150,000 total pounds

^75@80.00@150000^

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

4.6 RAISED MARKET LIVESTOCK SALE

If you are keeping an inventory of raised products, see page 109 for a transaction that affects inventory. This transaction *will not* change inventory on hand.

RECEIVED FROM	FROM ACCOUNT	MEMO	CHK NO.	P...	CLASS	AMOUNT
Sale Barn	Farm Income:01100 - Beef, Raised:01110 - Beef Feeder Steers, R...	^25@1.30@13750^			2019:19 Beef Cows	17,875.00
Sale Barn	Farm Income:01100 - Beef, Raised:01120 - Beef Feeder Heifers, ...	^20@1.20@10000^			2019:19 Beef Cows	12,000.00
Sale Barn	Farm Expense:05100 - Misc Livestock Expense:05130 - Commis...	Commission			2019:19 Beef Cows	-597.50
Sale Barn	Farm Expense:04900 - Vet-Medicine-Drugs:04910 - Vet Services	Vet			2019:19 Beef Cows	-72.00
Sale Barn	Farm Expense:05100 - Misc Livestock Expense:05110 - Marketing...	Checkoff			2019:19 Beef Cows	-45.00
Sale Barn	Farm Expense:05100 - Misc Livestock Expense:05170 - Livestock...	Insurance			2019:19 Beef Cows	-67.50
Deposit Subtotal						29,093.00
Deposit Total						29,093.00

Like a grain sale, when entering a market livestock sale, you have two options; enter the net sale amount or enter the gross sale with deductions for commission, checkoff, vet, feed, insurance, etc. Either way, the net deposit amount will be the same. The example shown above is the second option.

If you choose the second option, enter any deductions as a negative number. Use the codes below to detail the discounts:

Commissions	05130
Yardage	05130
Insurance	05170
Veterinary	04910
Feed	04450
Checkoff	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: 25 steers, 550 pounds each, \$1.30 per pound

^25@1.30@13750^

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

4.7 LANDLORD REFUNDS

4.7.1 INVOICE

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

My Farm - QuickBooks Desktop Pro 2019 (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

My Shortcuts

View Balances

Run Favorite Reports

Open Windows

Do More With QuickBooks

Turn on Payroll & save up to 40%

Accept Credit Cards

Order Checks & Supplies

Track time with TSheets

Customer: Landlord CLASS: Intuit Produ...

Invoice

DATE: 10/15/2019 INVOICE #:

BILL TO: Landlord 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	5.55		888.00
		on wheat ground			

TOTAL: 888.00

PAYMENTS APPLIED: 0.00

BALANCE DUE: 888.00

Save & Close Save & New Clear

Warning: Your customer can't pay this invoice online. Turn on

CUSTOMER MESSAGE:

MEMO:

SUMMARY

Preferred delivery method

Open balance

CUSTOMER PAYMENT

Your customer can not pay online

Edit customer preferences

RECENT TRANSACTION

NOTES

If you see a Warning message that the item is associated with an expense account, check *Do not display this message in the future* and click *OK*.

Warning

This item is associated with an expense account. Do you want to continue?

☒ Do not display this message in the future

OK Cancel

Follow the steps in sections 8.2 and 8.3 on page 83 and 88 to document receipt of the payment and to record the deposit in a bank account.

4.7.2 MAKE DEPOSITS

If you will not use QuickBooks to invoice a landlord, record receipt of the payment using *Record Deposits* on the Home screen. To accurately reflect your total input cost, select an expense account for the refund rather than an income account.

My Farm - QuickBooks Desktop Pro 2019 (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

My Shortcuts

View Balances

Run Favorite Reports

Open Windows

Do More With QuickBooks

Turn on Payroll & save up to 40%

Accept Credit Cards

Order Checks & Supplies

Track time with TSheets

Deposit To: 5011 01 - Very Big Bank - Farm Checking Date: 04/30/2019 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.	P...	CLASS	AMOUNT
Landlord	Farm Expense:04500 - Seeds-Crop Insurance:04510 - Seed And ...	1/3 seed			2019:19 Corn	2,000.00
Landlord	Farm Expense:05800 - Herbicide-Insecticide:05810 - Herbicide	1/3 chemical			2019:19 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:

Deposit Total: 2,500.00

Save & Close Save & New Clear

4.8 LOAN PROCEEDS

You must have a loan set up in your chart of accounts before you can receive proceeds from it. See page 35 to add a liability account. Record deposits from a loan using *Record Deposits*.

My Farm - QuickBooks Desktop Pro 2019 (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

My Shortcuts

View Balances

Run Favorite Reports

Open Windows

Do More With QuickBooks

Turn on Payroll & save up to 40%

Accept Credit Cards

Order Checks & Supplies

Track time with TSheets

Deposit To: 5011 01 - Very Big Bank - Farm Checking Date: 02/01/2019 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.	P...	CLASS	AMOUNT
Very Big Bank	1021 01 - Very Big Bank - LOC					25,000.00
Deposit Subtotal						25,000.00

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: 25,000.00

Save & Close Save & New Clear

4.9 CROP INSURANCE PREMIUM WITHHELD

If premium is withheld from a crop insurance indemnity payment, enter the full indemnity payment as a positive amount. On an additional line, enter the premium withheld as a negative number. The net deposit should equal the amount of the check received.

My Farm - QuickBooks Desktop Pro 2019 (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, View Balances, Run Favorite Reports, Open Windows, Do More With QuickBooks: Turn on Payroll & save up to 40%, Accept Credit Cards, Order Checks & Supplies, Track time with TSheets

Deposit To: 5011 01 - Very Big Bank - Farm Checking Date: 11/15/2019 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.	P.	CLASS	AMOUNT
Crop Insurance Co.	Farm Income:03110 - Crop Insurance				2019:19 Soybeans	6,000.00
Crop Insurance Co.	Farm Expense:04500 - Seeds-Crop Insurance:04560 - Crop Insu...	Premium withheld				-2,000.00
Deposit Subtotal						4,000.00
Deposit Total						4,000.00

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:

Save & Close Save & New Clear

4.10 DEFERRED PATRONAGE

Before entering a deferred patronage transaction, you must have a Coop deferred patronage account (1068 XX) setup in your chart of accounts. See page 31 for more information.

STATEMENT OF PATRONAGE REFUND and EQUITY DISPOSITION

PATRONAGE YEAR ENDING: 2019 PATRON ID: 222-22-2222 NAME: My Farm 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	DEFERD 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

COOP DATE PREPARED: 4/10/2019

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. Using this method, the full patronage amount (the taxable amount) will be reflected on any profit and loss reports. The negative deferred

patronage amount will increase the balance of the patronage account on the balance sheet. The *Deposit Subtotal* should equal the cash portion of the patronage refund.

4.11 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

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		1000.00
				PPD COM STK	00.00		00.00
				DEFRRD PATR	10906.28	-698.78	10207.50
				PARTIC STOK	00.00		00.00
				PPD PARTIC	00.00		00.00
				DFR PARTIC	00.00		00.00
				P/U RETAIN	00.00		00.00
TOTALS REFUND: 0.00 - CASH: 698.78 =DISPOSITIONS: -698.78 + PREVIOUS BALANCE: 11,906.28 = NEW BALANCE: 11,207.50							

COOP DATE PREPARED: 4/10/2019 CHECK ATTACHED

DETACH HERE AND KEEP FOR YOUR RECORDS

By selecting a balance sheet account (1068 01 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.

[illegible]

4.12 CASH WITHHELD FROM DEPOSITS

If cash is withheld from a deposit, add an additional detail line (with a negative amount) to the deposit. Use a family living code for the withdrawal.

[illegible]

QuickBooks has built in a method to withhold cash from a deposit. At the bottom of the Make Deposits window is a *Cash back goes to* box. This method only allows you to select a balance sheet account. If you are interested in keeping track of family living expenses, do not use this built in method.

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 that you plan to print from QuickBooks. Printing checks from QuickBooks is a very handy feature. See page 59.

1. On the *Home Screen*, click on *Write Checks*.
2. Verify that the correct *Bank Account* is selected. 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 the check number (*NO.*), the *Date*, and select a vendor in the *Pay to the Order of* drop down.

If you are entering a debit card transaction, enter “EFT” or “Debit” in the *NO.* field.

My Farm - QuickBooks Desktop Pro 2019 (via Accountant) - [Write Checks - Very Big Bank - Farm Checking]

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

Search Company or Help

Main Reports

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

BANK ACCOUNT 5011 01 - Very Big Bank - Farm ... ENDING BALANCE 65,843.80

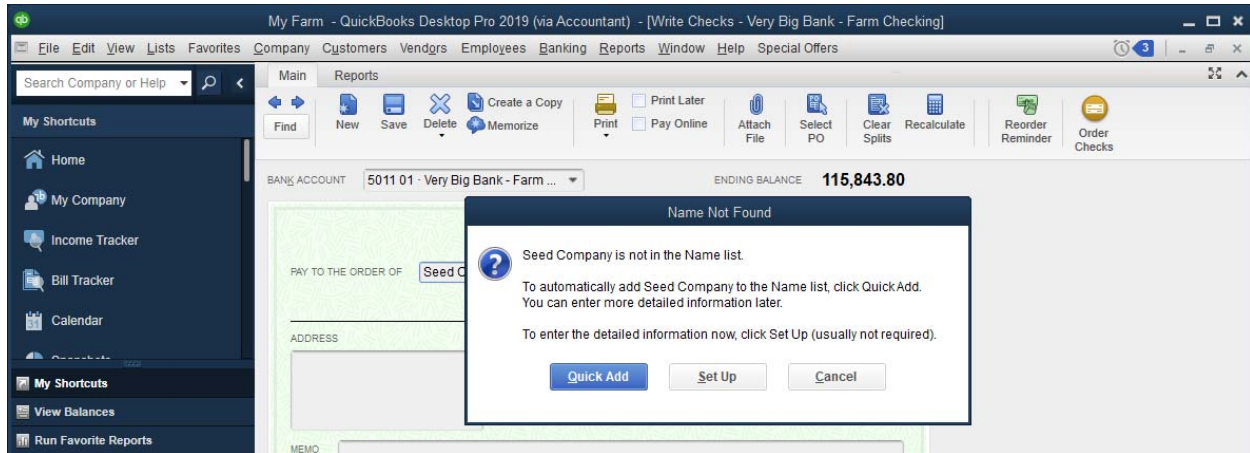
NO. 1101
DATE 10/15/2019
PAY TO THE ORDER OF Seed Company \$ 50,000.00
Fifty thousand and 00/100 ***** DOLLARS
ADDRESS Seed Company
MEMO

Expenses \$50,000.00 Items \$0.00

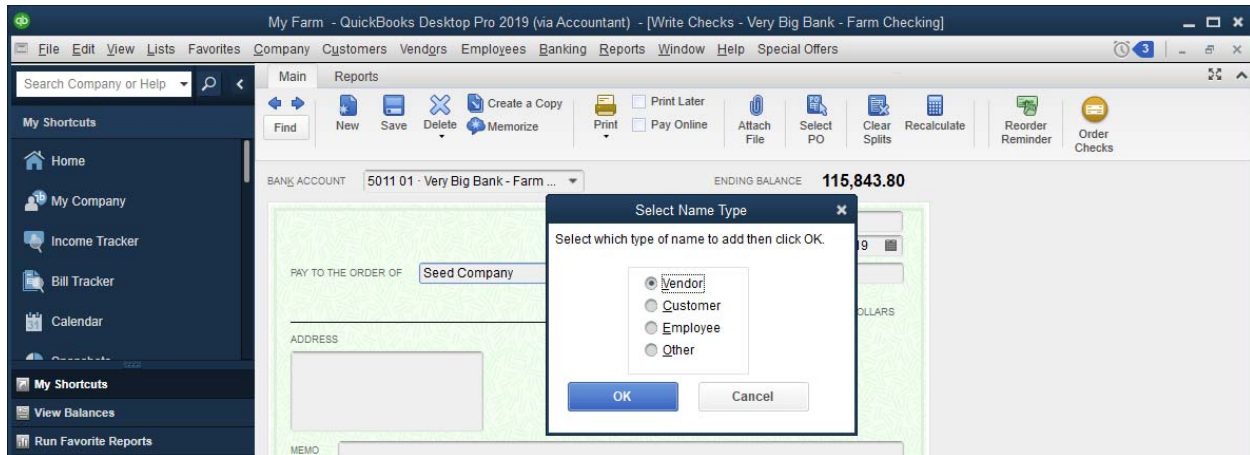
ACCOUNT	AMOUNT	MEMO	CUSTOMER:JOB	BILLA...	CLASS
Farm Expense:04500 - Seeds-Crop Insurance:04510 - ...	50,000.00				

Save & Close Save & New Revert

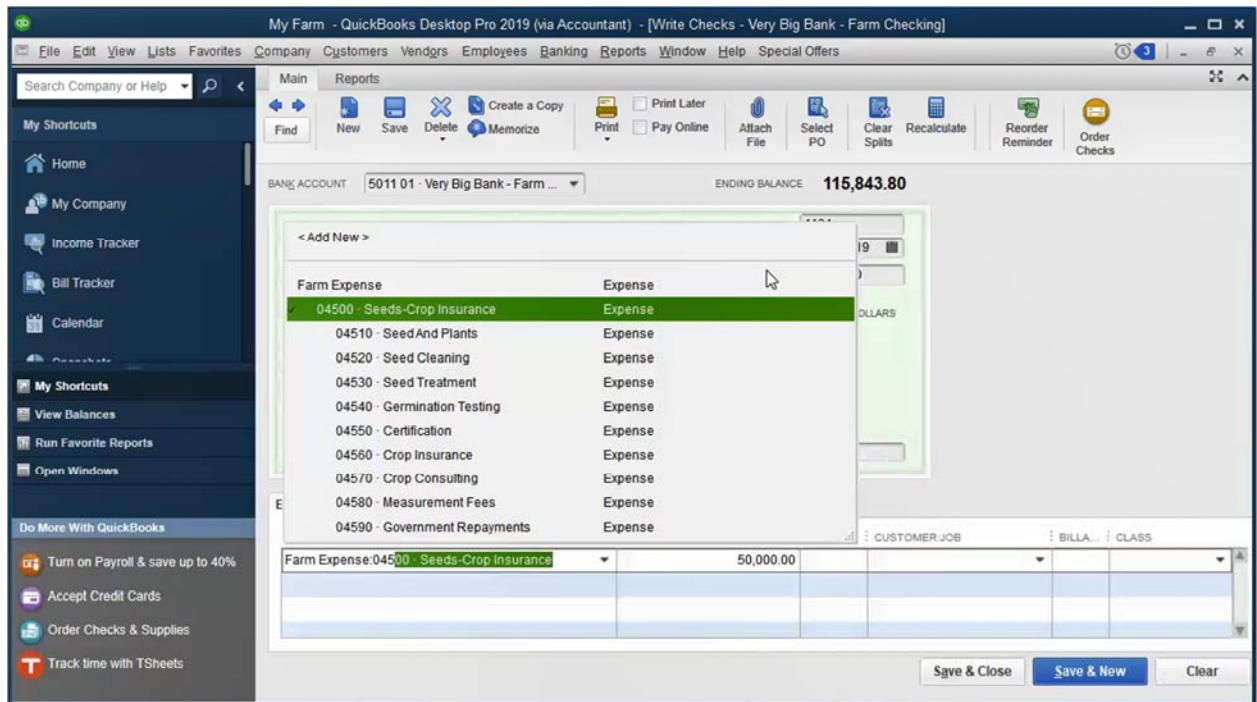
3. If you enter a name that is not in the vendor list, QuickBooks will display *Name Not Found*. Click *Set Up* to add detailed information about the vendor, including address, phone number, etc. To add the vendor quickly, without detail, click on *Quick Add*.



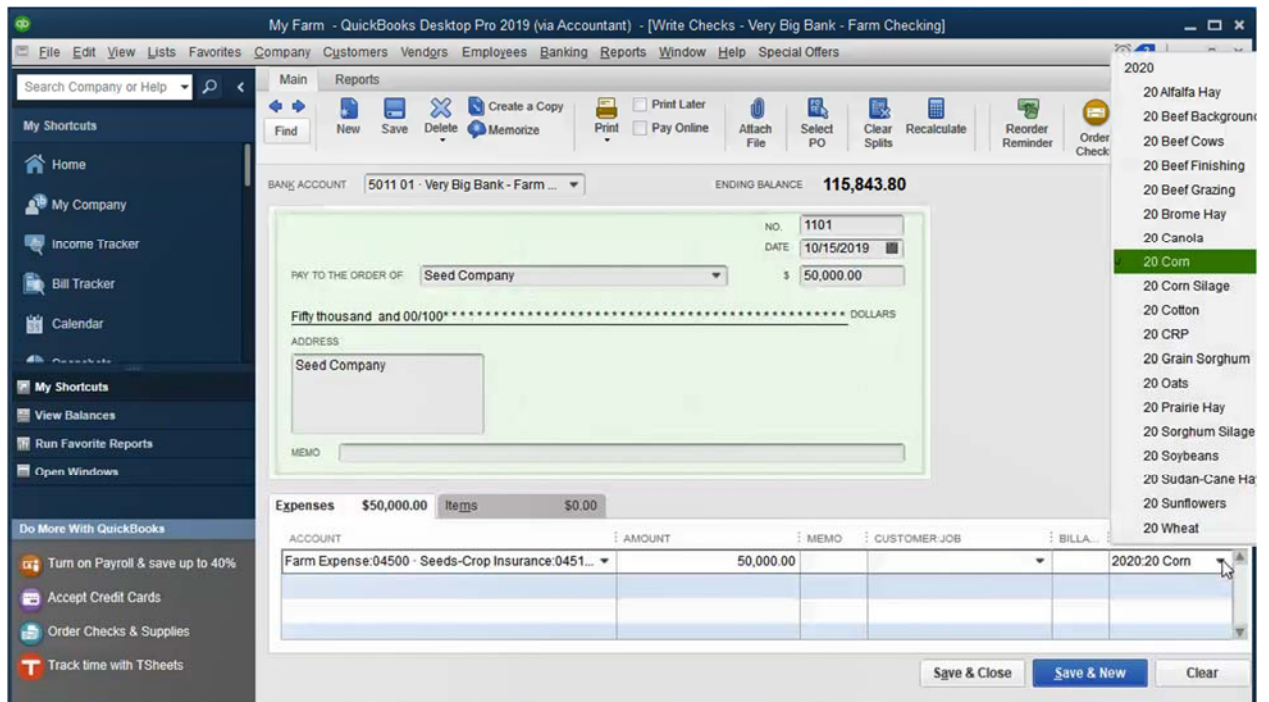
4. If you selected *Quick Add* in step 3, select *Vendor* and click *OK*.



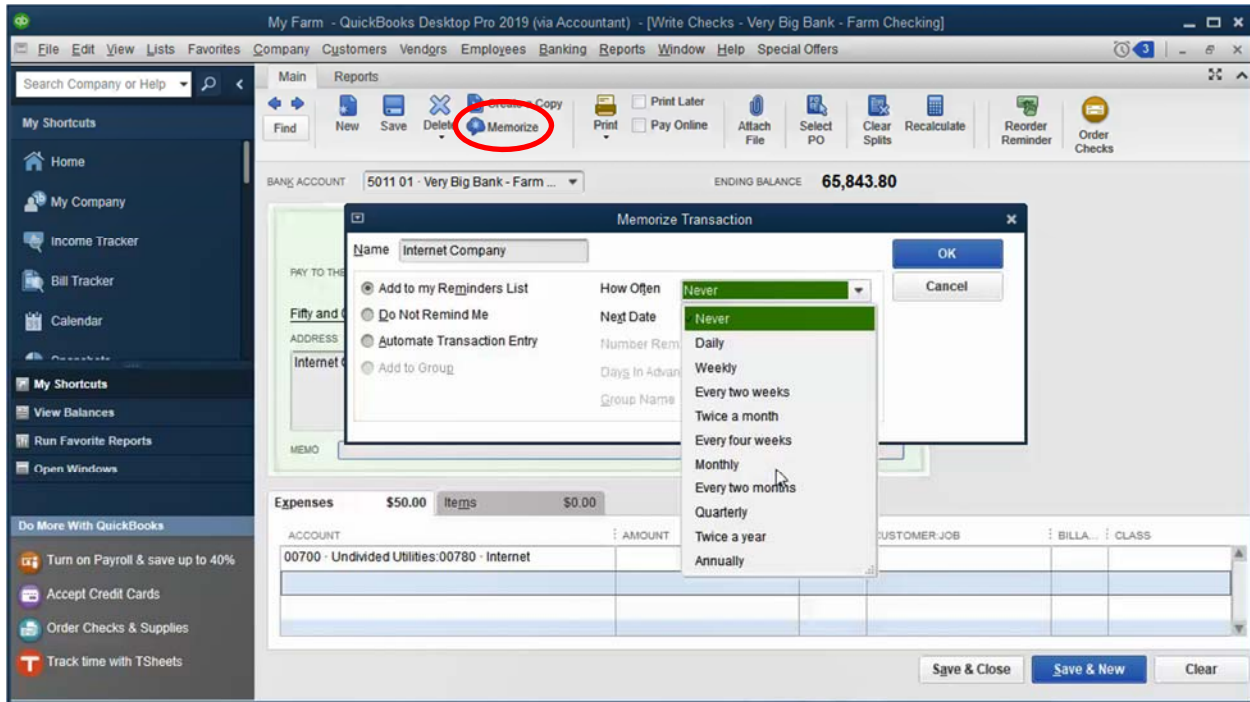
- Enter the *Amount* of the check and click in the first row of the *Account* column. Click on the down arrow to open a list of expense accounts or start typing the account number or account name.



- 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 yourself to enter the check or QuickBooks can automatically enter the transaction for you. Click on the *Memorize* button. Select a frequency and enter *Next Date*.

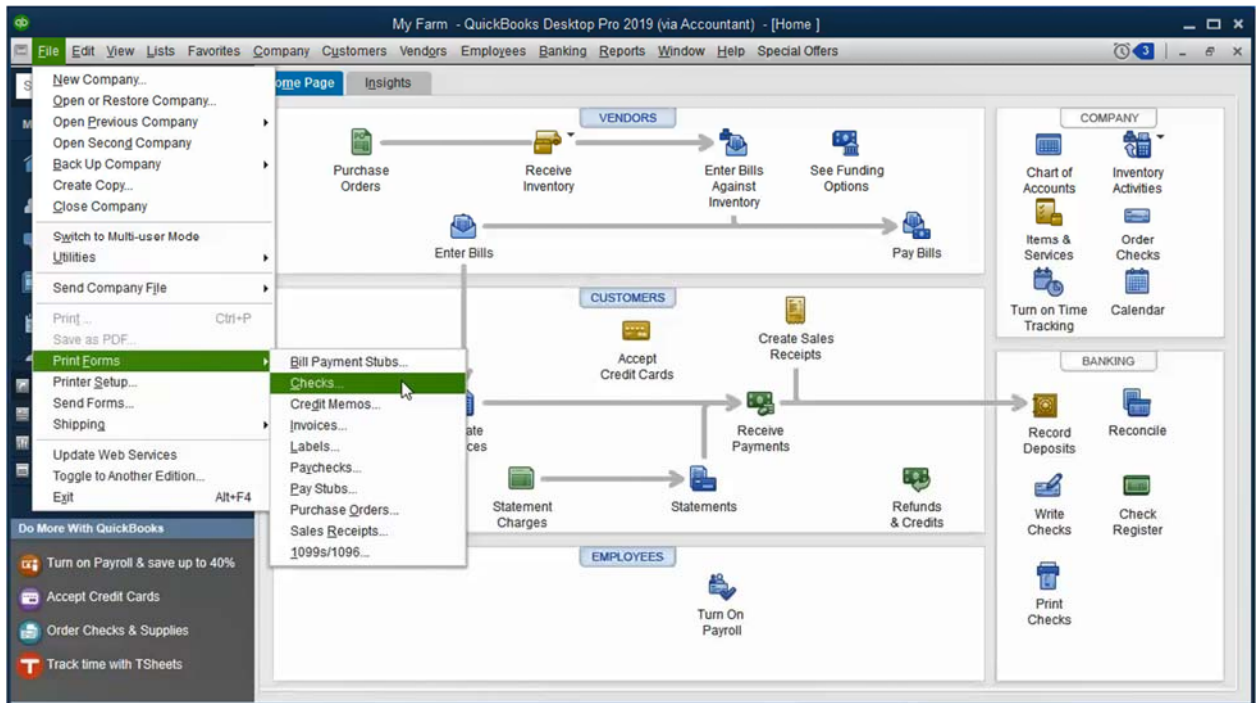


8. Click *Save & Close*.

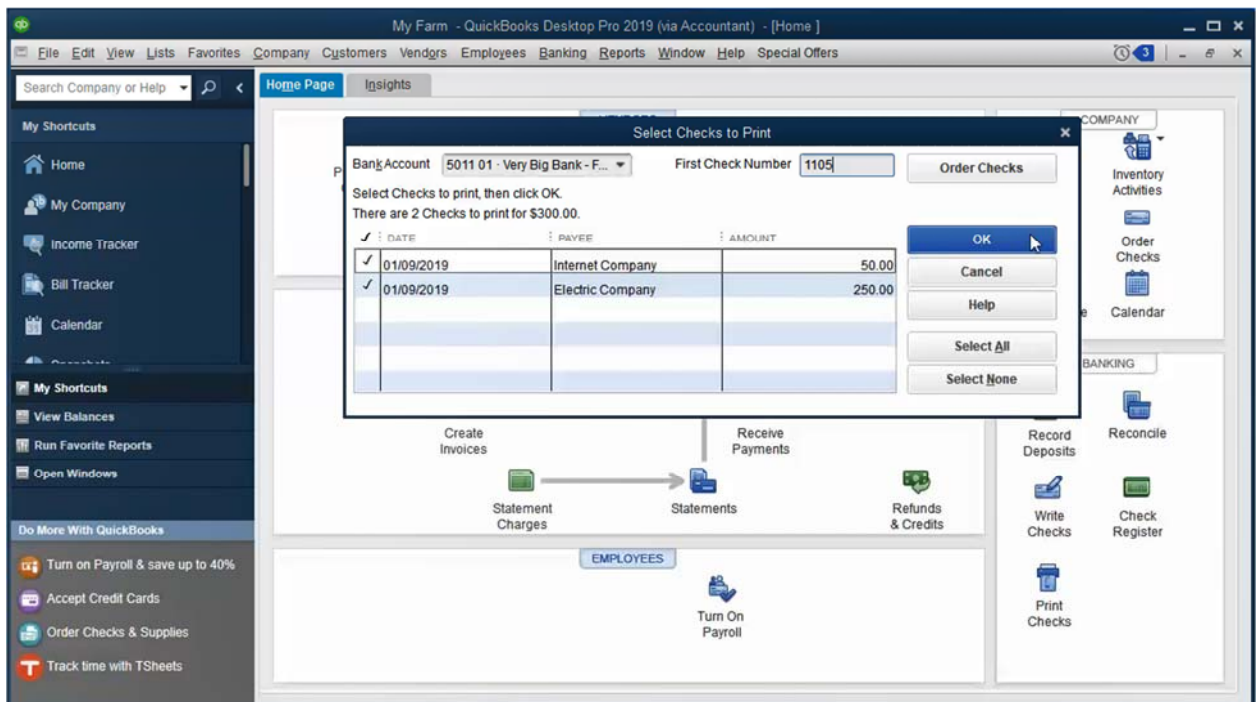
5.2 PRINT CHECKS

The Print Checks feature of QuickBooks allows you to enter a check and at the same time code or categorize the transaction, saving a step compared to hand-writing checks followed by entering the transactions in QuickBooks.

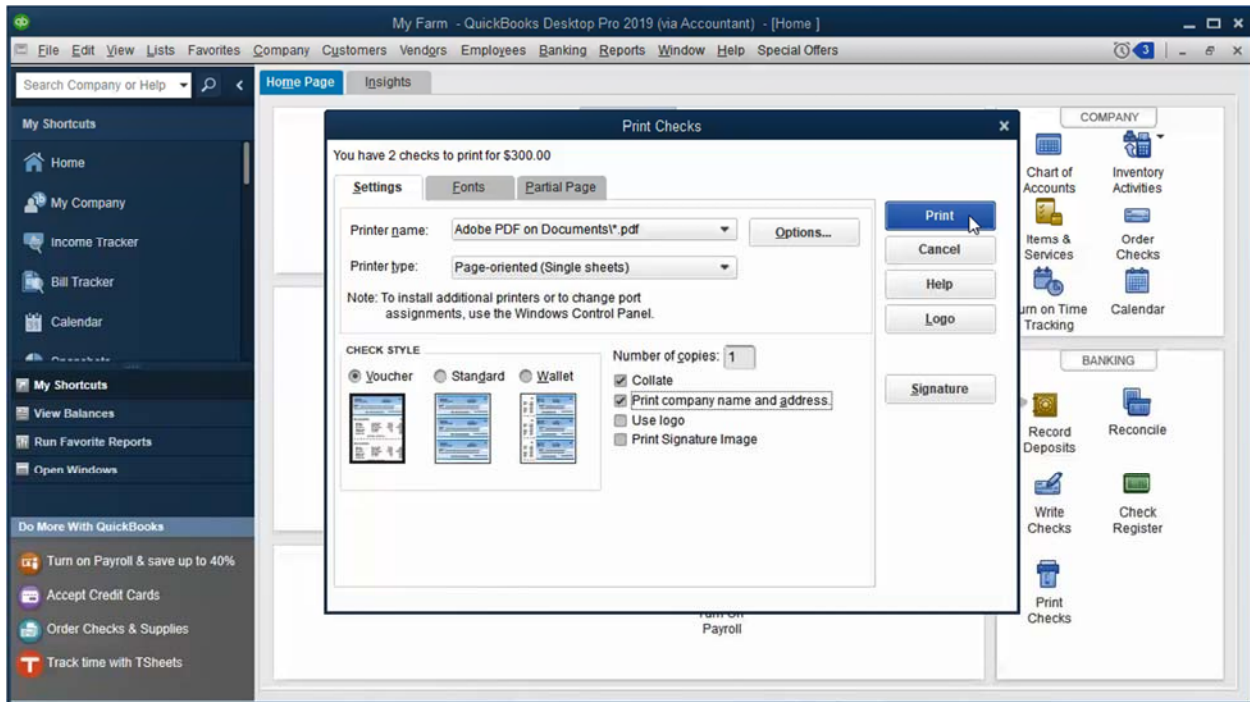
1. If you have marked checks or bill payments to *Print Later* and would like to print them, from the *File* menu select *Print Forms>Checks...*



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. However, if you spend a little time every day (or every few days) opening mail and entering bills in QuickBooks, the amount of time you spend writing checks and paying bills should be reduced.

If you are printing checks from QuickBooks, the process of sitting down and actually printing checks goes very quickly as you have entered bills ahead of time. If you also purchase windowed envelopes along with check stock, paying bills may almost be enjoyable.

Also, an accounts payable balance (which is created when entering a bill) will allow you to better project short term cash flow needs which can help you plan grain sales or estimate borrowing.

Another added benefit of using bills is that QuickBooks will remind you when a bill is due, decreasing the possibility of paying a bill late or forgetting 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.

5.3.1 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.

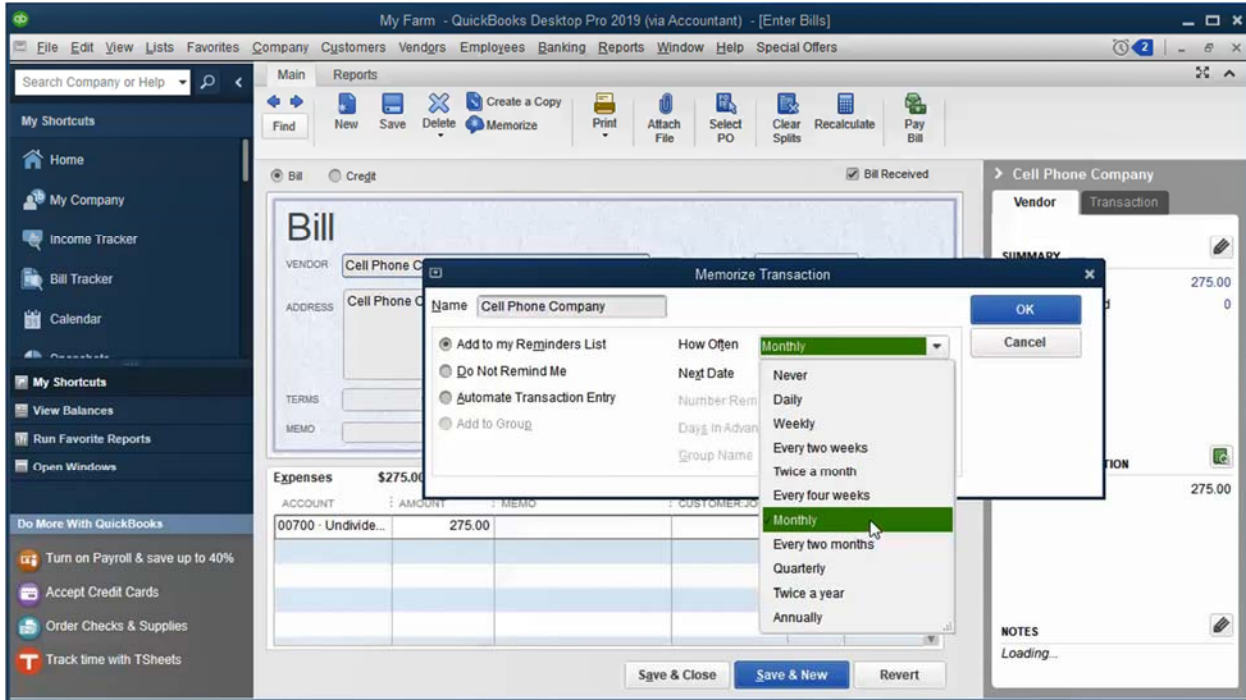
The screenshot displays the 'Enter Bills' window in QuickBooks Desktop Pro 2019. The main form is for a bill from 'Parts Store' dated 06/01/2019, with an amount due of 2,567.89 and a due date of 06/30/2019. The 'Expenses' tab is selected, showing a table with one line item: '04210 - General Mach Repair' for 2,567.89. The right sidebar shows a summary of the bill and a recent transaction section.

ACCOUNT	AMOUNT	MEMO	CUSTOMER JOB	BILLA	CLASS
04210 - General Mach Repair	2,567.89				

3. Click *Save & Close*.

5.3.2 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*.



5.3.3 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.

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.

5.3.4 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 - QuickBooks Desktop Pro 2019 (via Accountant) - [Pay Bills]

SELECT BILLS TO BE PAID

Show bills: ☐ Due on or before 07/08/2019 ☒ 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
06/18/2019	Coop			6,358.25	0.00	0.00	0.00
06/29/2019	Cell Phone Com...			275.00	0.00	0.00	275.00
06/30/2019	Parts Store			2,567.89	0.00	0.00	2,567.89
Totals				9,201.14	0.00	0.00	2,842.89

DISCOUNT & CREDIT INFORMATION FOR HIGHLIGHTED BILL

Vendor: Parts Store

Bill Ref. No.

Terms: Sugg. Discount: 0.00

Number of Credits: 1

Total Credits Available: 124.56

Set Credits

PAYMENT

Date: 06/28/2019

Method: Check

To be printed ☒ Assign check number ☐

Account: 5011 01 - Very Big Bank - Farm C...

Ending Balance: 62,700.91

Pay Selected Bills Cancel

3. When the *Discounts and Credits* window opens, available credits should be automatically applied. You can choose how much of each credit to apply by checking or unchecking in the far-left column and changing *Amt to Use*. Click *Done*.

My Farm - QuickBooks Desktop Pro 2019 (via Accountant) - [Pay Bills]

SELECT BILLS TO BE PAID

Show bills: ☐ Due on or before 07/08/2019 ☒ 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
06/18/2019	Coop			6,358.25	0.00	0.00	0.00
06/29/2019	Cell Phone Com...			275.00	0.00	0.00	275.00
06/30/2019	Parts Store			2,567.89	0.00	0.00	2,567.89
Totals				9,201.14	0.00	0.00	2,842.89

DISCOUNT & CREDIT INFORMATION FOR HIGHLIGHTED BILL

Vendor: Parts Store

Bill Ref. No.

Terms: Sugg. Discount: 0.00

Number of Credits: 1

Total Credits Available: 124.56

Set Credits

PAYMENT

Date: 06/28/2019

Method: Check

To be printed ☒ Assign check number ☐

Account: 5011 01 - Very Big Bank - Farm C...

Ending Balance: 62,700.91

Pay Selected Bills Cancel

Discount and Credits

BILL

Vendor: Parts Store

Ref. No.

Date: 06/01/2019

Amount Due: 2,567.89

Discount Used: 0.00

Original Amt.: 2,567.89

Credits Used: 124.56

Amt. To Pay: 2,443.33

Discount

Credits

DATE	REF. NO.	CREDIT AMT.	AMT. TO USE	CREDIT BALANCE
06/28/20...		124.56	124.56	0.00
Totals		124.56	124.56	0.00

Clear

Done Cancel Help

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

My Farm - QuickBooks Desktop Pro 2019 (via Accountant) - [Pay Bills]

SELECT BILLS TO BE PAID

Show bills: ☐ Due on or before 07/08/2019 ☒ 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
06/18/2019	Coop			6,358.25	0.00	0.00	0.00
06/29/2019	Cell Phone Com...			275.00	0.00	0.00	275.00
06/30/2019	Parts Store			2,567.89	0.00	124.56	2,443.33
Totals				9,201.14	0.00	124.56	2,718.33

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: 06/28/2019 Method: Check To be printed Assign check number

Account: 5011 01 - Very Big Bank - Farm C... Ending Balance: 62,825.47

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 - QuickBooks Desktop Pro 2019 (via Accountant) - [Pay Bills]

SELECT BILLS TO BE PAID

Show bills: ☐ Due on or before 07/08/2019 ☒ 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
06/18/2019	Coop			6,358.25	0.00	0.00	0.00
06/29/2019	Cell Phone Com...			275.00	0.00	0.00	275.00
06/30/2019	Parts Store			2,567.89	0.00	124.56	2,443.33
Totals				9,201.14	0.00	124.56	2,718.33

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

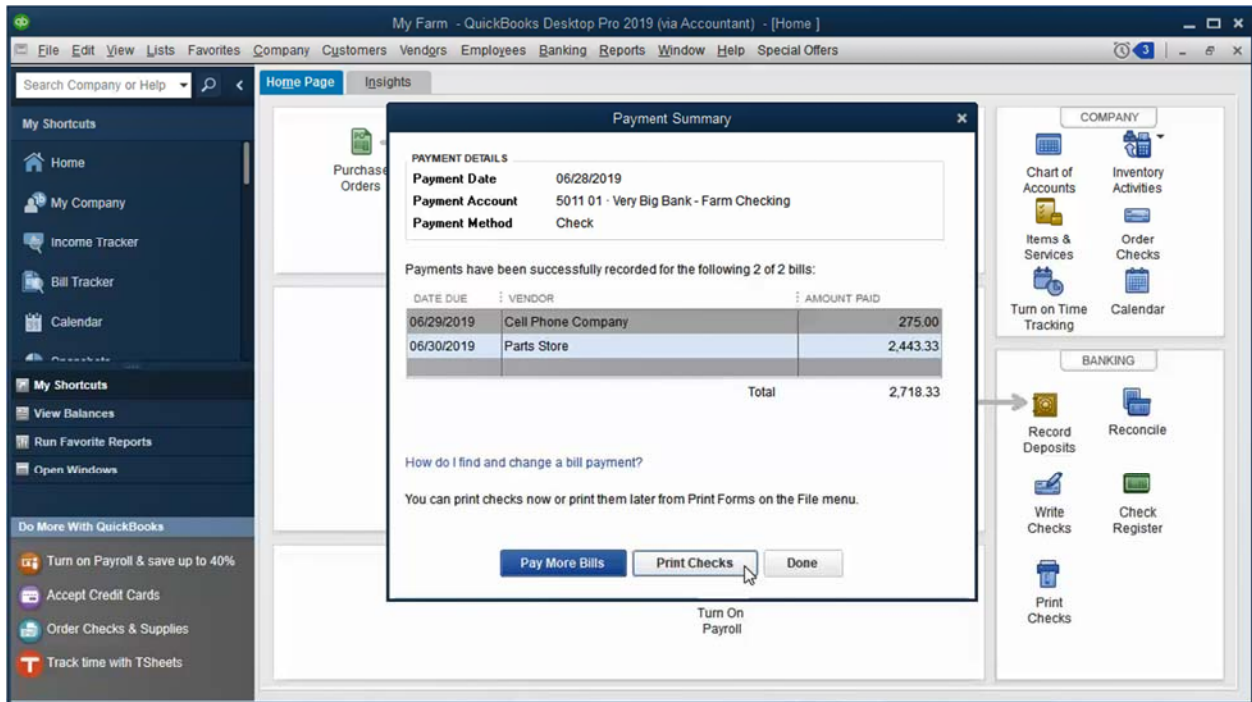
PAYMENT

Date: 06/28/2019 Method: Check To be printed Assign check number

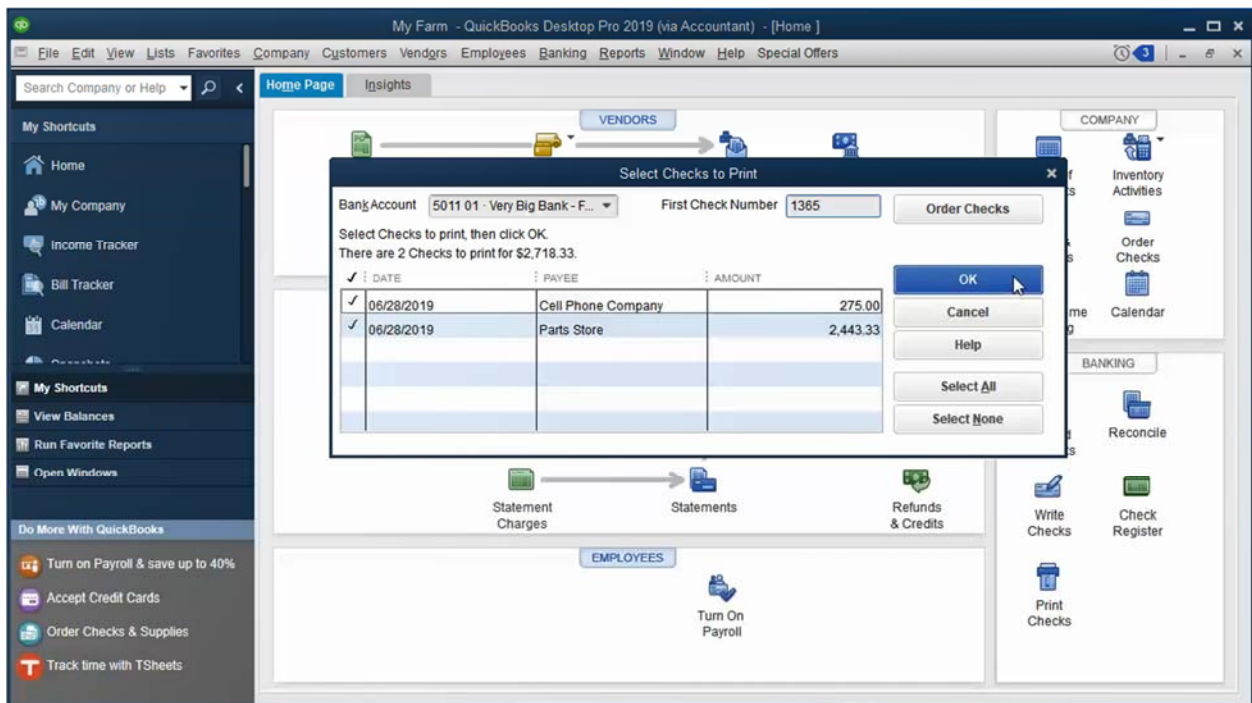
Account: 5011 01 - Very Big Bank - Farm C... Ending Balance: 62,825.47

Pay Selected Bills Cancel

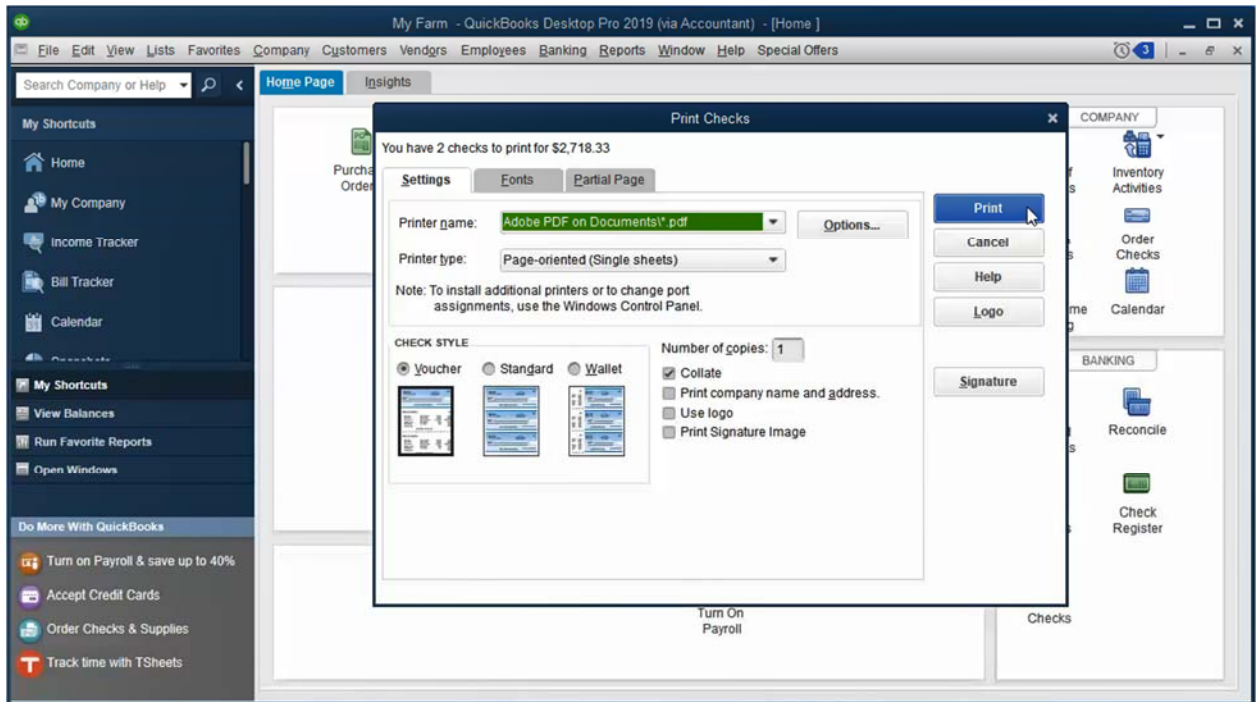
6. If you selected *To be printed*, the *Payment Summary* window will open. Click *Print Checks* to proceed.



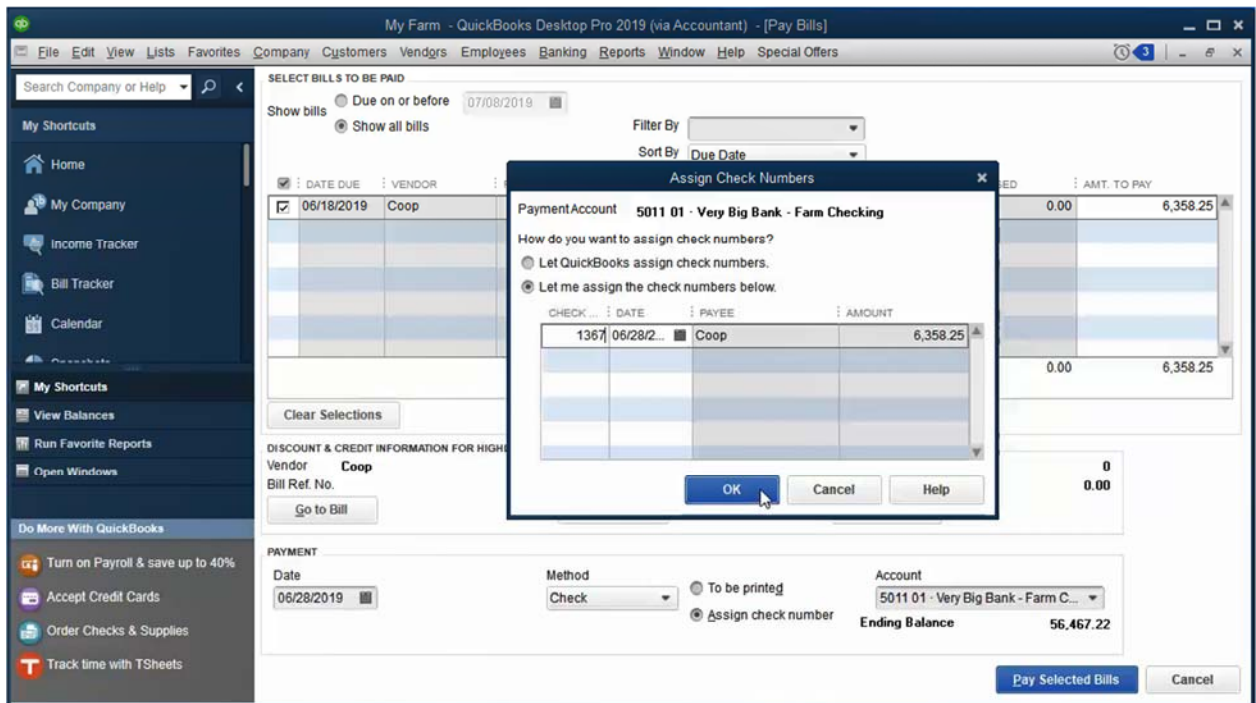
7. Enter the *First Check Number* and Click *OK* to begin printing.



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



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



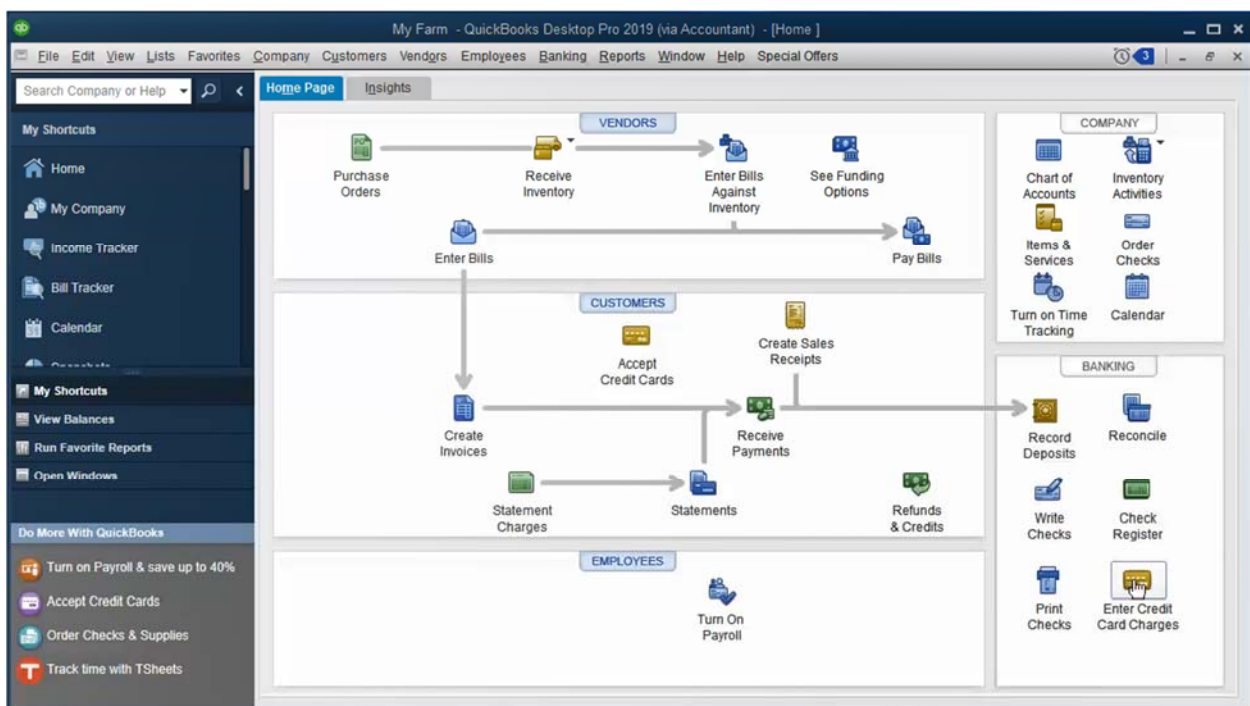
5.4 USING A LOAN REGISTER

Many Farm Credit operating loans are used in conjunction with a check book. When a check clears, it increases the loan balance directly eliminating the need to move the loan proceeds to a checking account first.

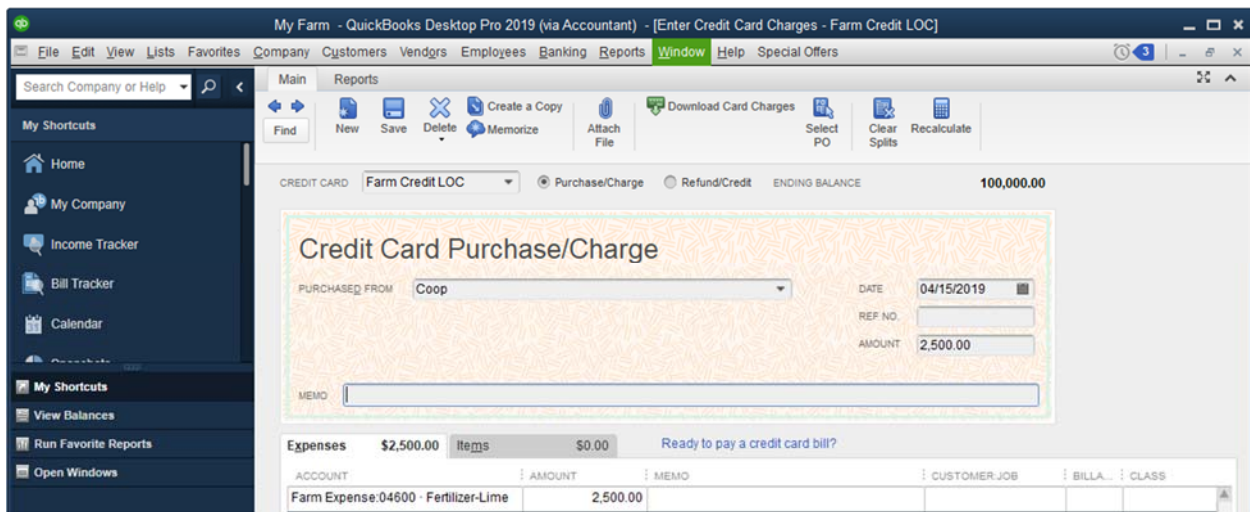
With a loan account in QuickBooks, you cannot use the *Write Checks* or *Make Deposits* windows like you can with a bank account. There are two options to work with these loans in QuickBooks.

5.4.1 OPTION 1

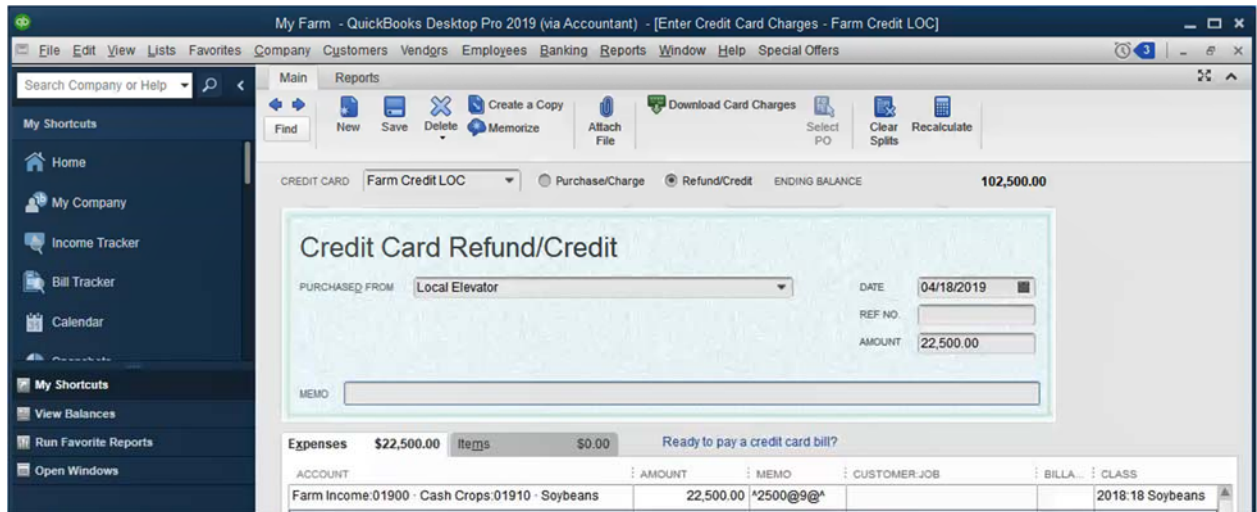
1. Add the account as a Credit Card account rather than an Other Current Liability. This allows you to use the *Enter Credit Card Charges* window as a way to write checks. You will be able to reconcile the account and move money from a checking account to make a payment. Select *Enter Credit Card Charges* in the lower right corner of the home Screen



2. Purchases can be entered as a *Purchase/Charge*.

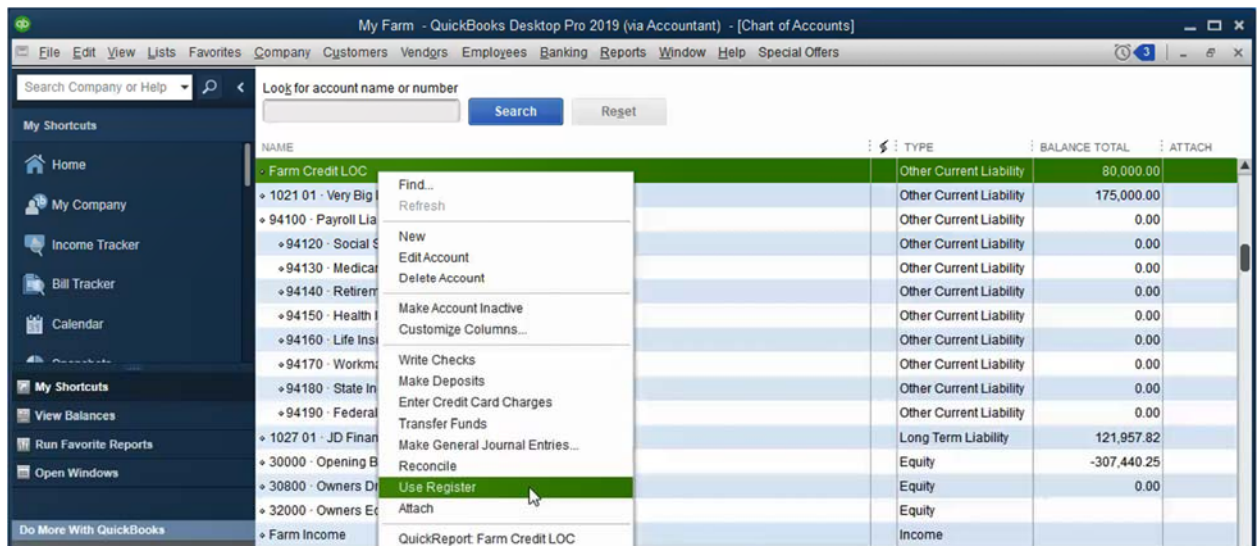


- Deposits into a Farm Credit LOC can be made by selecting *Refund/Credit* in the *Enter Credit Card Charges* window.



5.4.2 OPTION 2

- 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.



- This allows you to enter transactions directly to the loan. Money going out will be entered in the increase column. Money coming to you will be entered in the decrease column.

DATE	REF	TYPE	ACCOUNT	MEMO	INCREASE	DECREASE	BALANCE
03/01/2019	6		Very Big Bank		100,000.00		100,000.00
		GENJRN	1021 01 - Very Big Bank - LOC	Payoff bank LOC			
04/15/2019	5		Coop		2,500.00		102,500.00
		GENJRN	Farm Expense:05200 - Gas-Fuel-Oil:052				
04/18/2019	4		Local Elevator			22,500.00	80,000.00
		GENJRN	Farm Income:01900 - Cash Crops:01910 ^2500@9@^				

5.5 LOAN PAYMENT

A principal only loan payment is straightforward to record in QuickBooks. Simply choose the loan as the *Account* on the *Expense* tab in the lower, detail section of a *Write Checks* window. If you do not have the loan set up in your chart of accounts, see page 35.

My Farm - QuickBooks Desktop Pro 2019 (via Accountant) - [Write Checks - Very Big Bank - Farm Checking]

Search Company or Help

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

Do More With QuickBooks: Turn on Payroll & save up to 40%, Accept Credit Cards, Order Checks & Supplies, Track time with TSheets

Bank Account: 5011 01 - Very Big Bank - Farm ... ENDING BALANCE: 54,425.97

Check Details: NO. 1452, DATE 02/02/2019, PAY TO THE ORDER OF: Very Big Bank, \$ 25,000.00. Twenty-five thousand and 00/100* DOLLARS. ADDRESS: Very Big Bank. MEMO: Pay on line of credit.

ACCOUNT	AMOUNT	MEMO	CUSTOMER JOB	BILLA...	CLASS
1021 01 - Very Big Bank - LOC	25,000.00				

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

Buttons: Save & Close, Save & New, Clear

For term loans, payments will often consist of both principal and interest. Contact the lender (or look online) to identify the interest portion of the payment. Some home mortgage loans may allocate a portion of your payment to an escrow account to pay real estate taxes and insurance. To keep an accurate balance for the escrow account, set it up as a bank account.

My Farm - QuickBooks Desktop Pro 2019 (via Accountant) - [Write Checks - Very Big Bank - Farm Checking]

Search Company or Help

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

Do More With QuickBooks: Turn on Payroll & save up to 40%, Accept Credit Cards, Order Checks & Supplies, Track time with TSheets

Bank Account: 5011 01 - Very Big Bank - Farm ... ENDING BALANCE: 54,425.97

Check Details: NO. 1684, DATE 10/15/2019, PAY TO THE ORDER OF: JD Financial, \$ 36,528.97. Thirty-six thousand five hundred twenty-eight and 97/100* DOLLARS. ADDRESS: JD Financial. MEMO: (blank).

ACCOUNT	AMOUNT	MEMO	CUSTOMER JOB	BILLA...	CLASS
1027 01 - JD Financial - JD S670 Combine	32,558.46				
Farm Expense:04300 - Interest Paid:04370 - Intermediate Interest	3,970.51				

Expenses: \$36,528.97 Items: \$0.00

Buttons: Save & Close, Save & New, Clear

6 PRODUCTS PURCHASED FOR RESALE

Transactions connected to products purchased for resale can create some difficulty for many bookkeepers. For an agricultural producer, the cost of buying these products to resell is not deducted until the goods are sold. That means that the producer's accounting system must accurately keep track of all transactions related to resale goods.

When goods are purchased to resell, the cost is allocated to an inventory account that "holds" the cost. When those goods are eventually sold, the cost is moved from the inventory account to a cost of goods sold account where it is deducted against the sale price.

In the case of a producer that only buys and sells livestock once a year, entering the purchase and sale transactions is not difficult, once you understand the basics. However, for someone who is buying and selling livestock continually through the year, keeping track of the cost that can be deducted can become difficult. For that later producer, the IRS allows several methods to determine the amount that can be deducted when goods are sold. The two most common methods are average-cost and first-in-first-out (FIFO).

QuickBooks provides a built-in way of recording resale transactions. If transactions are entered correctly, it will automatically record the purchase cost in the inventory account. When those goods are eventually resold, it will automatically move the cost from the inventory account to the cost of goods sold account.

To accomplish this, QuickBooks uses the average-cost method. If you use this method for your operation, the built-in inventory tools in QuickBooks will make it relatively easy for you to keep track of the cost of resale goods. In that case, see *Resale Market Livestock Purchase (Average Cost)* on page 75 and *Resale Market Livestock Sale (Average Cost)* on page 76 to use QuickBooks to automatically calculate cost-of-goods-sold.

If you use the FIFO method, purchase and sale transactions will need to be manually entered to accurately deduct cost-of-goods-sold. The chapter provides you with examples of both purchase and sale transactions. When entered correctly, this manual method will "hold" the purchase cost in an inventory account and deduct the cost-of-goods-sold. Be aware, this method is simply a way to record your transactions and is not automatic. You must calculate the amount deducted as cost-of-goods-sold outside of QuickBooks. For FIFO resale instructions, see *Resale Market Livestock Purchase (FIFO)* below or *Resale Market Livestock Sale (FIFO)* on page 73.

Please contact your tax preparer for more information.

6.1 RESALE MARKET LIVESTOCK PURCHASE (FIFO)

When recording a purchase of resale livestock, select an inventory account. Do not select a cost of goods sold (COGS) account.

For purchase of steers for resale, use 56110 (Beef feeder steers) rather than 07110 (Beef feeder steers COGS). When detailing the check (the lower half of the check) use the *Expense* tab. Do not use the *Items* tab.

My Farm - QuickBooks Desktop Pro 2019 (via Accountant) - [Write Checks - Very Big Bank - Farm Checking]

Search Company or Help

My Shortcuts: Home, My Company, Income Tracker, Bill Tracker, Calendar, View Balances, Run Favorite Reports, Open Windows, Do More With QuickBooks: Turn on Payroll & save up to 40%, Accept Credit Cards, Order Checks & Supplies, Track time with TSheets

BANK ACCOUNT: 5011 01 - Very Big Bank - Farm ... ENDING BALANCE: 62,897.00

NO: 1358 DATE: 03/01/2019

PAY TO THE ORDER OF: Cattle Buyer \$ 35,750.00

Thirty-five thousand seven hundred fifty and 00/100 *****DOLLARS

ADDRESS: Cattle Buyer

MEMO:

Expenses: \$35,750.00 Items: \$0.00

ACCOUNT	AMOUNT	MEMO	CUSTOMER JOB	BILLA..	CLASS
Resale Inventory:56100 - Beef, Resale INV:56110 - Beef Feeder S...	35,750.00	^50@1.3@27500^			

Save & Close Save & New Clear

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: 50 steers, 550 pounds each, \$1.30 per pound

^50@1.30@27500^

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

The balance sheet report below shows that the purchase above increased the resale inventory account by 35,750, the purchase cost of the steers.

My Farm
Balance Sheet Prev Year Comparison
As of December 31, 2019

	Dec 31, 19	Dec 31, 18
ASSETS		
Current Assets		
Checking/Savings		
5011 01 - Very Big Bank - Farm Checking	27,147.00	5,000.00
5018 01 - Very Big Bank - Savings	1,500.00	50,000.00
Total Checking/Savings	28,647.00	55,000.00
Other Current Assets		
Resale Inventory		
56100 - Beef, Resale INV		
56110 - Beef Feeder Steers, Resale...	35,750.00	0.00
Total 56100 - Beef, Resale INV	35,750.00	0.00
Total Resale Inventory	35,750.00	0.00
Total Other Current Assets	35,750.00	0.00
Total Current Assets	64,397.00	55,000.00
Other Assets		
1068 01 - COOP Deferred Patronage	9,517.57	9,517.57
Total Other Assets	9,517.57	9,517.57
TOTAL ASSETS	73,914.57	64,517.57
LIABILITIES & EQUITY		

6.2 RESALE MARKET LIVESTOCK SALE (FIFO)

Using this method, the sale of products for resale will involve two different things happening simultaneously on a single transaction. First, the sale of the goods needs to be recorded. If the sale transaction includes deductions, like commission at a sale barn, include those adjustments as negative entries.

The second component of the transaction is moving the original purchase price from the inventory account to the cost-of-goods-sold account where it is deducted. Again, you will need to calculate this amount outside of QuickBooks.

Use *Make Deposits* to record the sale transaction.

RECEIVED FROM	FROM ACCOUNT	MEMO	CHK NO.	P...	CLASS	AMOUNT
Sale Barn	Farm Income:06100 - Beef, Resale:06110 - Beef Feeder Steers, ...	'50@1.1@45000*				49,500.00
Sale Barn	Farm Expense:05100 - Misc Livestock Expense:05130 - Commis...	Commission				-990.00
Sale Barn	Farm Expense:04900 - Vet-Medicine-Drugs:04910 - Vet Services	Vet				-100.00
Sale Barn	Farm Expense:05100 - Misc Livestock Expense:05110 - Marketin...	Checkoff				-50.00
Sale Barn	Farm Expense:05100 - Misc Livestock Expense:05170 - Livestock...	Insurance				-100.00
Sale Barn	Resale Inventory:56100 - Beef, Resale INV:56110 - Beef Feeder S...	From inventory				35,750.00
Sale Barn	Resale Expense:07100 - Beef, Purchased for Resale COGS:071...	To COGS				-35,750.00
Deposit Subtotal						48,260.00
Deposit Total						48,260.00

When entering a market livestock sale, you have two options; enter the net sale amount or enter the gross sale with deductions for commission, checkoff, vet, feed, insurance, etc. The example shown above is the second option.

If you choose the second option, enter any deductions as a negative number. Use the codes below to detail the discounts:

Commissions	05130
Yardage	05130
Insurance	05170
Veterinary	04910
Feed	04450
Checkoff	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:

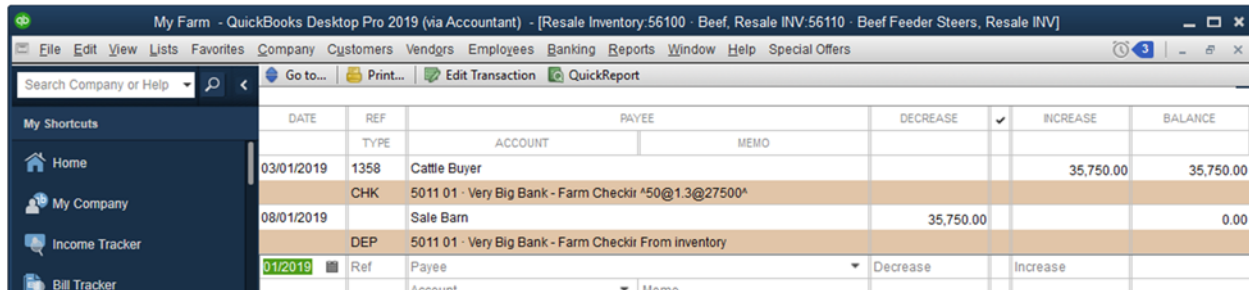
^units@dollars per unit@total weight^

Example: 50 steers, 900 pounds each, \$1.10 per pound

^50@1.10@45000^

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

By viewing the register for the inventory account (56110 in this case), you can see that the value of the inventory account increased in March when the calves were purchased and decreased again in August when the calves were sold.



DATE	REF	ACCOUNT	PAYEE	MEMO	DECREASE	INCREASE	BALANCE
03/01/2019	1358	Cattle Buyer				35,750.00	35,750.00
	CHK	5011 01 - Very Big Bank - Farm Checkir	^50@1.3@27500^				
08/01/2019		Sale Barn			35,750.00		0.00
	DEP	5011 01 - Very Big Bank - Farm Checkir	From inventory				
01/2019	Ref	Payee			Decrease	Increase	

A profit and loss report shows that the calf sale is recorded as income and the purchase cost is deducted as a cost-of-goods-sold.

My Farm
Profit & Loss
January through December 2019

	Jan - Dec 19
Ordinary Income/Expense	
Income	
Farm Income	
06100 - Beef, Resale	
06110 - Beef Feeder Steers, Resale	49,500.00
Total 06100 - Beef, Resale	49,500.00
Total Farm Income	49,500.00
Total Income	49,500.00
Cost of Goods Sold	
Resale Expense	
07100 - Beef, Purchased for Resale COGS	
07110 - Beef Feeder Steers COGS	35,750.00
Total 07100 - Beef, Purchased for Resale C...	35,750.00
Total Resale Expense	35,750.00
Total COGS	35,750.00
Gross Profit	13,750.00
Net Ordinary Income	13,750.00
Net Income	13,750.00

6.3 RESALE MARKET LIVESTOCK PURCHASE (AVERAGE COST)

Use the *Items* tab in the lower, detail portion of *Write Checks* to enter the purchase of an item for resale.

My Farm - QuickBooks Desktop Pro 2019 (via Accountant) - [Write Checks - Very Big Bank - 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, View Balances, Run Favorite Reports, Open Windows

Do More With QuickBooks: Turn on Payroll & save up to 40%, Accept Credit Cards, Order Checks & Supplies, Track time with TSheets

BANK ACCOUNT: 5011 01 - Very Big Bank - Farm ... ENDING BALANCE: -487.83

NO: 1658 DATE: 05/01/2019

PAY TO THE ORDER OF: Sale Barn \$ 35,750.00

Thirty-five thousand seven hundred fifty and 00/100 *****DOLLARS

ADDRESS: Sale Barn

MEMO: ^50@1.3@27500^

ITEM	DESCRIPTION	QTY	COST	AMOUNT	CUSTOMER JOB	BILLABLE	CLASS
0611	Beef Feeder Steers, Resale	50	715.00	35,750.00			

Expenses: \$0.00 Items: \$35,750.00

Buttons: Receive All, Show PO, Save & Close, Save & New, Revert

If you see an *Item's Cost Changed* window, check *Do not display this message in the future* and click *No*.

Item's Cost Changed

You have changed the cost for: "0610". Do you want to update the item with the new cost?

☒ Do not display this message in the future

Yes No

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: 50 steers, 550 pounds each, \$1.30 per pound

^50@1.30@27500^

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

6.4 RESALE MARKET LIVESTOCK SALE (AVERAGE COST)

My Farm - QuickBooks Desktop Pro 2019 (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, View Balances, Run Favorite Reports, Open Windows, Do More With QuickBooks: Turn on Payroll & save up to 40%, Accept Credit Cards, Order Checks & Supplies, Track time with TSheets

Customer: Sale Barn CLASS: TEMPLATE: Custom Sa...

DATE: 11/01/2019 SOLD TO: Sale Barn

SALE NO. CHECK NO.

ITEM	DESCRIPTION	QTY	RATE	CLASS	AMOUNT
0611	Beef Feeder Steers, Resale	50	990.00		49,500.00
0513	Livestock Commissions		-900.00		-900.00
0510	Misc Livestock Expense		-50.00		-50.00

TOTAL: 48,550.00

CUSTOMER MESSAGE

MEMO: ^50@1.1@45000^

Buttons: Save & Close, Save & New, Clear

Right Sidebar: Customer Transaction, SUMMARY: Open balance, Unbilled expenses, RECENT TRANSACTION: 11/01/19 Sales Receipt, NOTES

When entering a market livestock sale, you have two options; enter the net sale amount or enter the gross sale with deductions for commission, checkoff, vet, feed, insurance, etc. The example shown above is the second option.

If you choose the second option, enter any deductions as a negative number. Use the codes below to detail the discounts:

Commissions	0513
Yardage	0513
Insurance	0517
Veterinary	0491
Feed	0445
Checkoff	0511

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: 50 steers, 900 pounds each, \$1.10 per pound

^50@1.10@45000^

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

7 CAPITAL ASSETS

7.1 BREEDING LIVESTOCK SALES

RECEIVED FROM	FROM ACCOUNT	MEMO	CHK NO.	P...	CLASS	AMOUNT
Sale Barn	Gain on Asset Sales:08100 · Beef Breeding, Sales:08180 · Purch...	Cow ^1@0.7@12...			2019:19 Beef Cows	840.00
Sale Barn	Gain on Asset Sales:08100 · Beef Breeding, Sales:08170 · Purch...	Bull ^1@0.9@1800^			2019:19 Beef Cows	1,620.00
Sale Barn	Farm Expense:05100 · Misc Livestock Expense:05130 · Commis...	Commission			2019:19 Beef Cows	-49.20
Sale Barn	Farm Expense:05100 · Misc Livestock Expense:05170 · Livestock...	Insurance			2019:19 Beef Cows	-20.00
Sale Barn	Farm Expense:04900 · Vet-Medicine-Drugs:04910 · Vet Services	Vet			2019:19 Beef Cows	-3.00
Sale Barn	Farm Expense:04400 · Feed Purchased:04450 · Custom Feeding	Feed			2019:19 Beef Cows	-40.00
Sale Barn	Farm Expense:05100 · Misc Livestock Expense:05110 · Marketin...	Checkoff			2019:19 Beef Cows	-2.00
Deposit Subtotal						2,345.80
Deposit Total						2,345.80

When entering a breeding livestock sale, you have two options; enter the net sale amount or enter the gross sale with deductions for commission, checkoff, vet, feed, insurance, etc. The example shown above is the second option.

If you choose the second option, enter any deductions as a negative number. Use the codes below to detail the discounts:

Commissions	05130
Yardage	05130
Insurance	05170
Veterinary	04910
Feed	04450
Checkoff	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"

7.2 BREEDING LIVESTOCK PURCHASE

The screenshot shows the QuickBooks Desktop Pro 2019 interface. The window title is "My Farm - QuickBooks Desktop Pro 2019 (via Accountant) - [Write Checks - Very Big Bank - Farm Checking]". The menu bar includes File, Edit, View, Lists, Favorites, Company, Customers, Vendors, Employees, Banking, Reports, Window, Help, and Special Offers. The left sidebar has "My Shortcuts" with links to Home, My Company, Income Tracker, Bill Tracker, and Calendar. Below that are "Do More With QuickBooks" options: Turn on Payroll, Accept Credit Cards, Order Checks & Supplies, and Track time with TSheets. The main area shows a check form for "Bull Sale" with a date of 08/01/2019 and an amount of \$6,500.00. The check number is 1215. The ending balance for the bank account is 75,407.00. The memo field is empty. Below the check form is a table for expenses.

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

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"

7.3 CAPITAL ASSET SALE

[illegible]

7.4 DEBT FINANCED CAPITAL ASSET PURCHASE

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

Before recording the purchase transactions, create a new long-term loan. See page 35. DO NOT enter an opening balance.

Account Type

Long Term Liability

Number

1027 05

Account Name

JDF - JD 9420R Tractor

☐ Subaccount of

OPTIONAL

Description

Account No.

Tax-Line Mapping

<Unassigned>

[How do I choose the right tax line?](#)

[Should I enter an opening balance?](#)

- 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 01 - Very Big Bank - Farm ...

ENDING BALANCE

68,907.00

NO.

1265

DATE

04/15/2019

PAY TO THE ORDER OF

Equipment Dealer

\$

25,000.00

Twenty-five thousand and 00/100 ***** DOLLARS

ADDRESS

Equipment Dealer

MEMO

Expenses

\$25,000.00

Items

\$0.00

ACCOUNT	AMOUNT	MEMO	CUSTOMER JOB	BILLA...	CLASS
Depreciable Assets:09600 - Motorized Equipment:09630 - Tractors	285,272.50	JD 9420R tractor			
Depreciable Assets:09600 - Motorized Equipment:09630 - Tractors	-215,000.00	NH T9.390 Trade allowance			
Depreciable Assets:09600 - Motorized Equipment:09630 - Tractors	-30,500.00	CIH 91580 Trade allowance			
1027 02 - CNH Capital - NH T9.390 Tractor	168,957.23	Payoff on trade in tractor			
Farm Expense:04300 - Interest Paid:04370 - Intermediate Interest	4,012.19	Interest on trade in tractor payoff			
1027 05 - JD Financial - JD 9420R Tractor	-187,741.92	Proceeds from new loan			

Save & Close

Save & New

Clear

A capital asset purchase without financing will be recorded in a similar manner but without lines D, E, or F.

8 INVOICING

An invoice is a means of sending a bill to someone who you have done work for or has purchased something from you. Most often they are used when you have done custom work for someone.

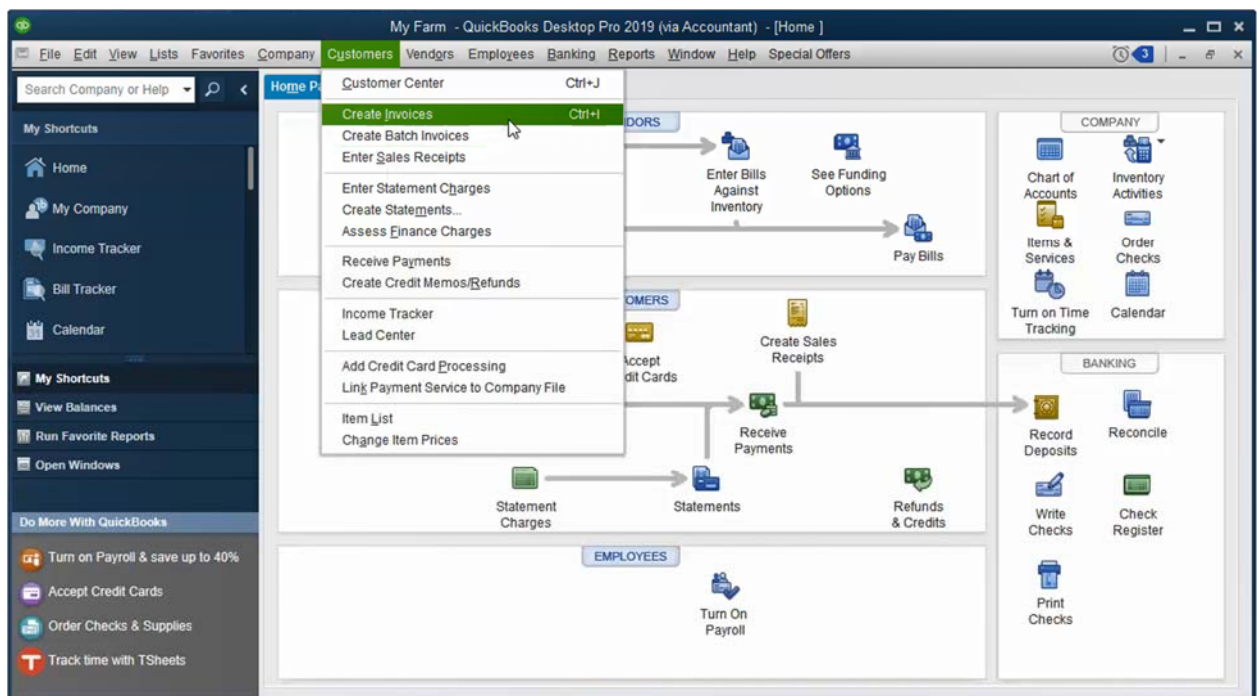
In QuickBooks, the process of invoicing requires three steps: creating the invoice, receiving a payment from the customer, and recording the deposit to your checking account.

QuickBooks uses *Items* to detail an invoice. *Items* are connected to income or expense accounts but behave differently than an income or expense account. For more information on *Items* or to activate *Items* included with the KFMA QuickBooks template files, see page 99.

8.1 CREATE AN INVOICE

When you create an invoice, QuickBooks will increase the balance in Accounts Receivable (A/R) and knows that the increase is attributable to the customer invoiced.

1. 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;

My Farm - QuickBooks Desktop Pro 2019 (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

My Shortcuts

- View Balances
- Run Favorite Reports
- Open Windows

Do More With QuickBooks

- Turn on Payroll & save up to 40%
- Accept Credit Cards
- Order Checks & Supplies
- Track time with TSheets

Invoice

CUSTOMER:JOB Neighbor CLASS Intuit Produ...

<Add New>

- Crop Insurance Co. Customer:Job
- Local Elevator Customer:Job
- Neighbor Customer:Job

SHIP TO

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

02/01/2019

QUANTITY	ITEM CODE	DESCRIPTION	PRICE EACH	CLASS	AMOUNT

YOUR customer can't pay this invoice online
Turn on

CUSTOMER MESSAGE

MEMO

TOTAL PAYMENTS APPLIED 0.00
BALANCE DUE 0.00

Save & Close Save & New Clear

Neighbor

CUSTOMER SUMMARY Loading...

CUSTOMER PAYMENT Your customer can not pay this invoice online. Edit customer preferences.

RECENT TRANSACTION Loading...

NOTES Loading...

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*.

My Farm - QuickBooks Desktop Pro 2019 (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

My Shortcuts

- View Balances
- Run Favorite Reports
- Open Windows

Do More With QuickBooks

- Turn on Payroll & save up to 40%
- Accept Credit Cards
- Order Checks & Supplies
- Track time with TSheets

Invoice

CUSTOMER:JOB Neighbor CLASS Intuit Produ...

DATE 01/05/2019 INVOICE # 1

BILL TO Neighbor SHIP TO

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

01/05/2019

QUANTITY	ITEM CODE	DESCRIPTION	PRICE EACH	CLASS	AMOUNT
400	0321	Trucking	1.15		460.00

<Add New>

- 0321 Service Trucking

YOUR customer can't pay this invoice online
Turn on

CUSTOMER MESSAGE

MEMO

TOTAL 460.00
PAYMENTS APPLIED 0.00
BALANCE DUE 460.00

Save & Close Save & New Clear

Neighbor

CUSTOMER SUMMARY Preferred delivery method Open balance

CUSTOMER PAYMENT Your customer can not pay this invoice online. Edit customer preferences.

RECENT TRANSACTION

NOTES

4. If you see a *Price Level/Billing Rate Level* window. Check the box in front of *Do not display this message in the future* and click OK.
5. Click *Save & Close* when finished.

8.2 RECEIVE A CUSTOMER PAYMENT

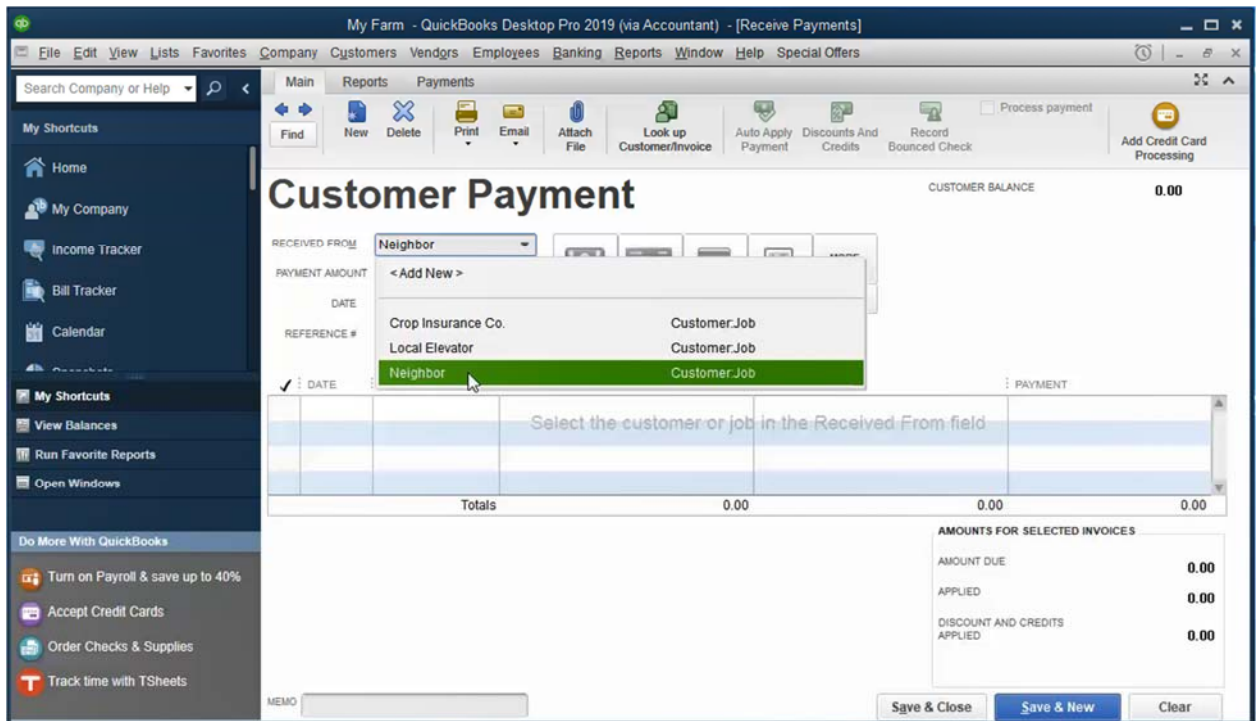
When you receive a customer payment, QuickBooks will decrease Accounts Receivable (A/R) and increase the balance in the Undeposited Funds account. QuickBooks uses this Undeposited Funds account to track funds received that have not made it to the bank.

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.



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 for 'Neighbor'. The 'PAYMENT AMOUNT' is \$460.00 and the 'DATE' is 01/21/2019. The table below shows one invoice with an amount due of \$460.00, which is fully paid.

DATE	NUMBER	ORIG. AMT.	AMT. DUE	PAYMENT
01/05/20...	1	460.00	460.00	460.00
Totals		460.00	460.00	460.00

AMOUNTS FOR SELECTED INVOICES:

AMOUNT DUE	460.00
APPLIED	460.00
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 for 'Neighbor'. The 'PAYMENT AMOUNT' is \$400.00 and the 'DATE' is 01/21/2019. The table below shows one invoice with an amount due of \$460.00, of which \$400.00 has been paid, leaving an underpayment of \$60.00.

DATE	NUMBER	ORIG. AMT.	AMT. DUE	PAYMENT
01/05/2019	1	460.00	460.00	400.00
Totals		460.00	460.00	400.00

UNDERPAYMENT \$ 60.00.

WHEN FINISHED:

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

VIEW CUSTOMER CONTACT INFORMATION

AMOUNTS FOR SELECTED INVOICES:

AMOUNT DUE	460.00
APPLIED	400.00
DISCOUNT AND CREDITS APPLIED	0.00

If you select *Leave this as an underpayment*, QuickBooks will continue to show an open or unpaid balance for this customer. The next time you receive a payment from the customer, the payment will be applied first to the open balance. 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 QuickBooks Desktop Pro 2019 interface. The main window is titled "Customer Payment" and displays a payment of \$460.00 from a customer named "Neighbor". The "WRITE OFF THE EXTRA AMOUNT" option is selected under the "WHEN FINISHED" section. A "Write Off Amount" dialog box is open, prompting the user to select an account for the \$60.00 write-off. The "Income:03200 - Machine Work" account is selected. The "AMOUNTS FOR SELECTED INVOICES" table shows the following data:

AMOUNTS FOR SELECTED INVOICES	
AMOUNT DUE	460.00
APPLIED	400.00
DISCOUNT AND CREDITS APPLIED	0.00

The "Totals" section shows a balance of 460.00, with 460.00 applied, resulting in a balance of 400.00. The "UNDERPAYMENT" section shows a balance of \$ 60.00.

5. 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.

Customer Payment CUSTOMER BALANCE 460.00

RECEIVED FROM: Neighbor
 PAYMENT AMOUNT: 500.00
 DATE: 01/21/2019
 REFERENCE #:

Where does this payment go?

✓	DATE	NUMBER	ORIG. AMT.	AMT. DUE	PAYMENT
✓	01/05/2019	1	460.00	460.00	460.00
Totals			460.00	460.00	460.00

OVERPAYMENT \$ 40.00.

WHEN FINISHED:

☒ LEAVE THE CREDIT TO BE USED LATER

☐ REFUND THE AMOUNT TO THE CUSTOMER

VIEW CUSTOMER CONTACT INFORMATION

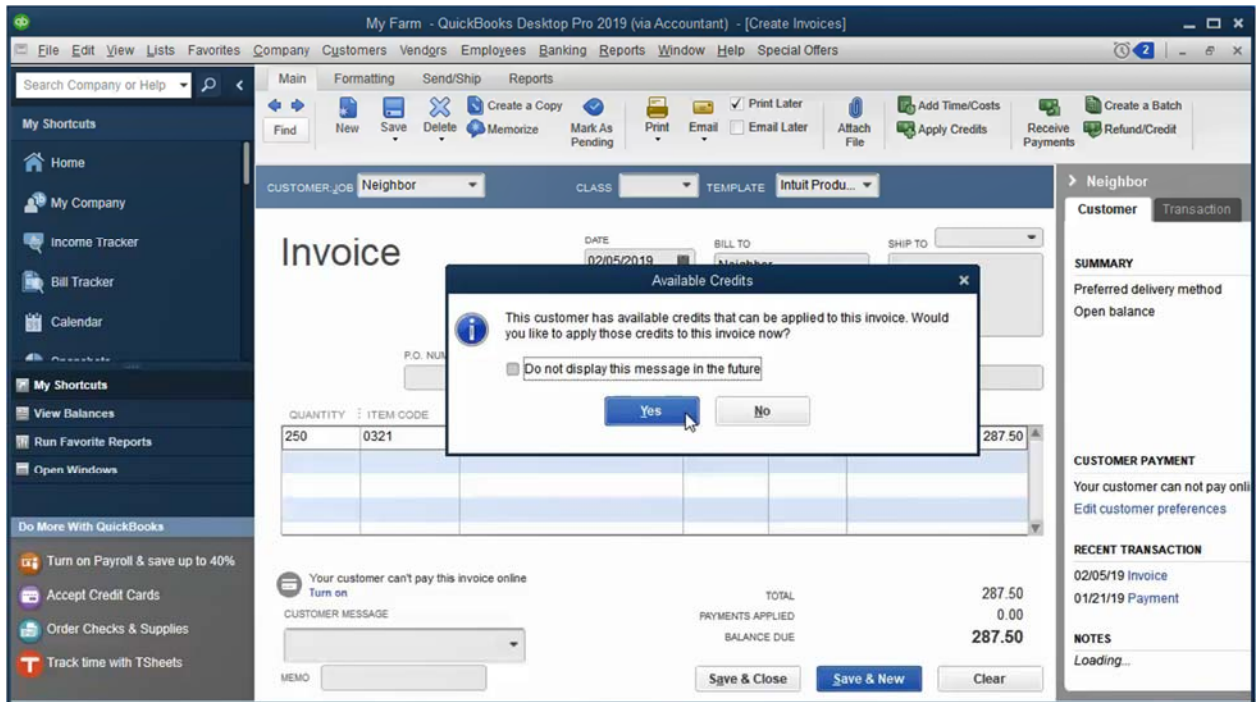
AMOUNTS FOR SELECTED INVOICES

AMOUNT DUE	460.00
APPLIED	460.00
DISCOUNT AND CREDITS APPLIED	0.00

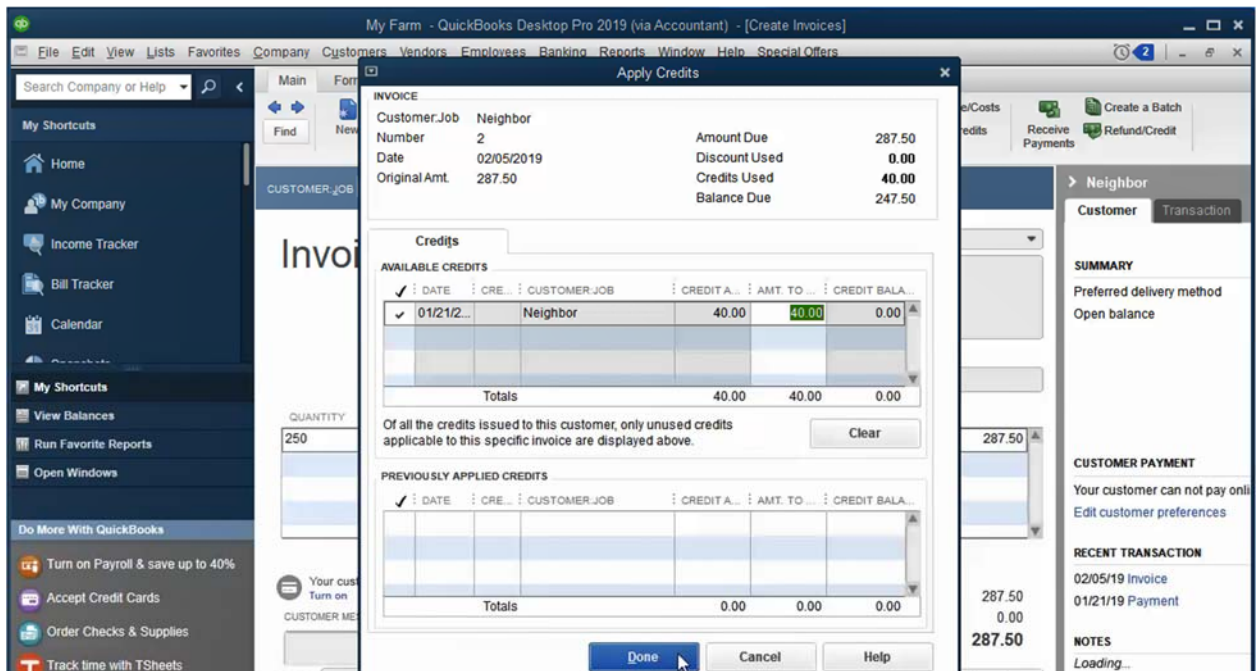
If the overpayment is correct and is for additional goods or services, beyond the original invoice, go back and create an additional invoice in the amount of the overpayment. Then apply the customer payment to both the original invoice and the overpayment invoice.

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*.

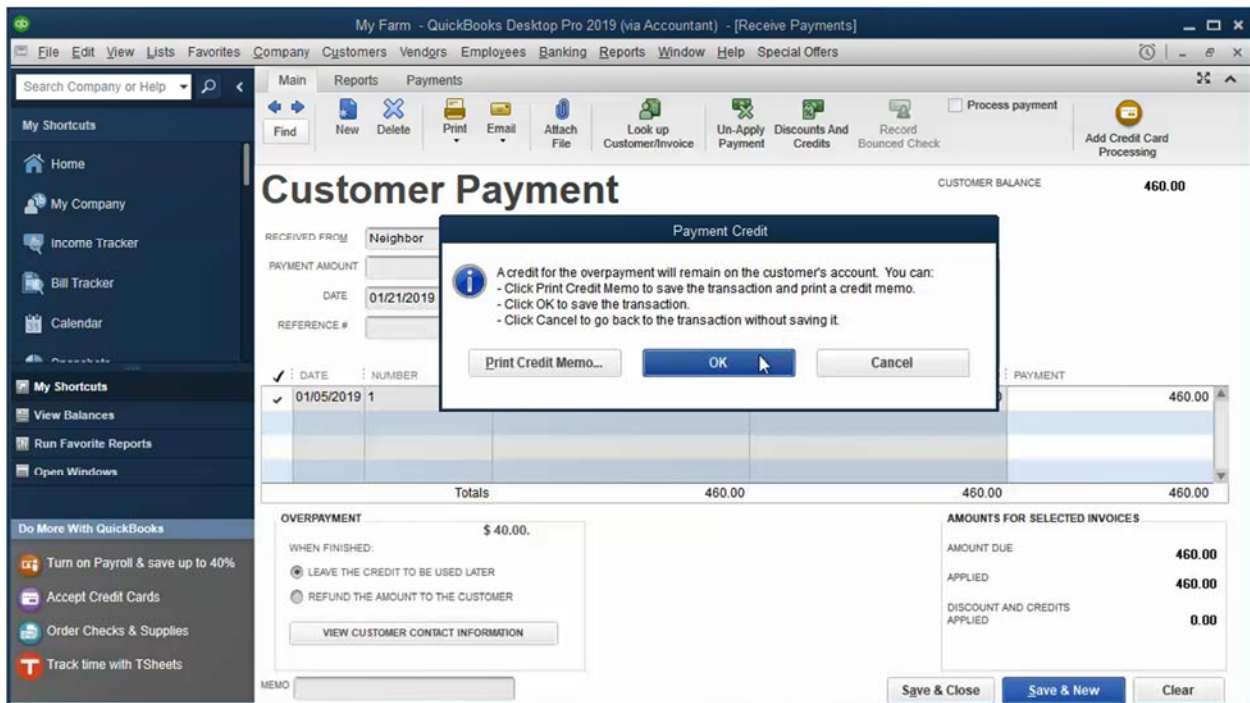
When you create a future invoice for this customer and save it, QuickBooks will remind you that you have credits available to be applied. Click Yes to apply available credits to the invoice.



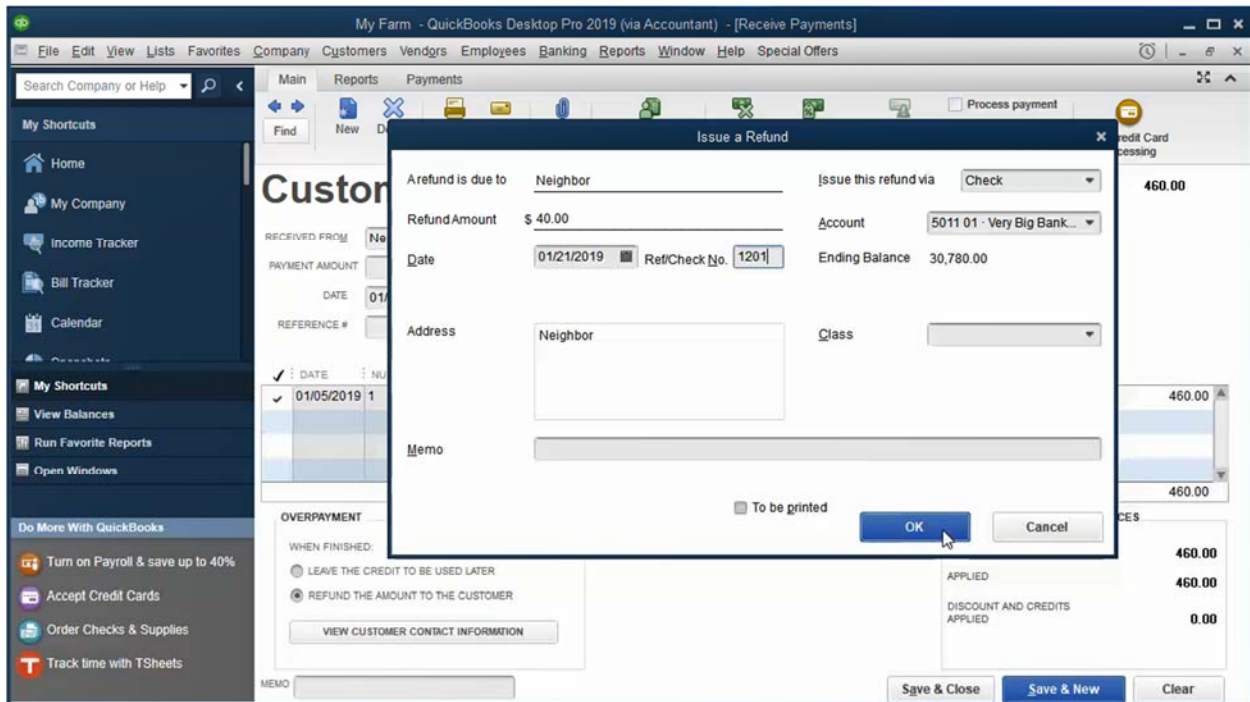
Select the credit to apply by placing a checkmark in the left column. You can partially apply a credit by changing the value in *Amt to use*. Click Done when you are finished.



If you would like to print a credit memo to send to the customer, reminding them of their overpayment, select *Print Credit Memo*.... Otherwise, click *OK*.



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.

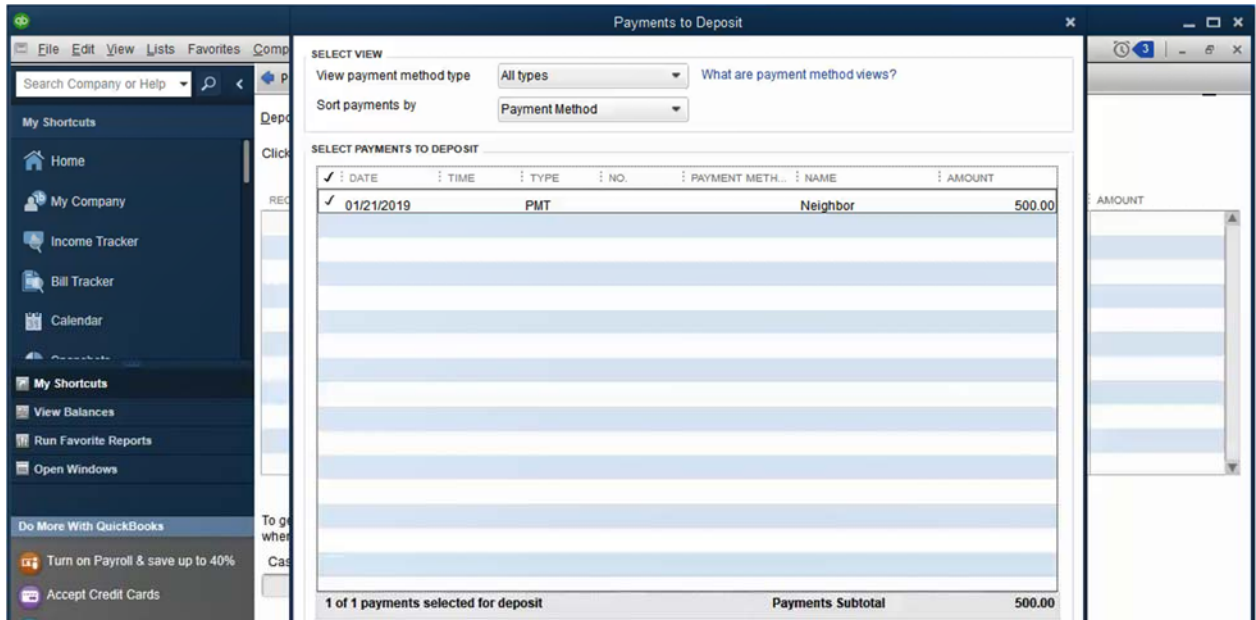


8.3 RECORD A DEPOSIT

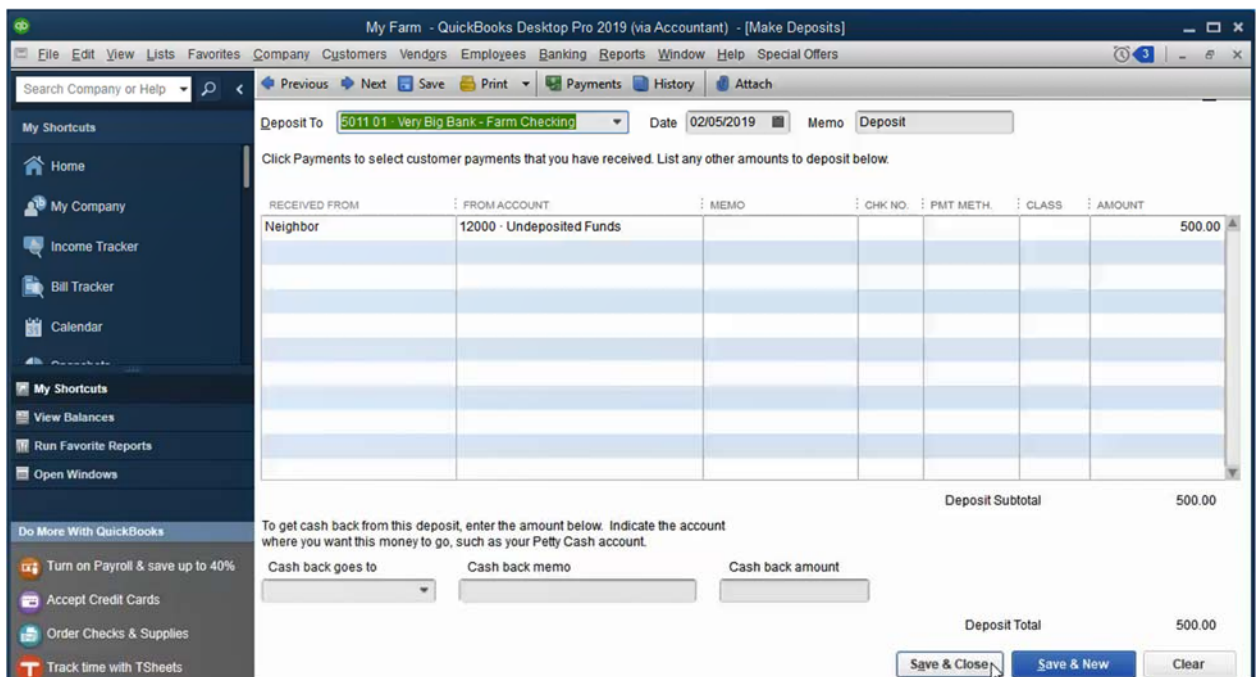
When a deposit is recorded, QuickBooks decreases the Undeposited Funds account and increases the cash balance in the bank account selected.

1. On the *Home Screen*, select *Record Deposits*. 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*.



- 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*.



9 SHORTCUT PAYROLL

This method is a shortcut to subscribing to the QuickBooks payroll service which is \$2-300 per year. For most agricultural employers, the subscription may be more than you need, especially if your tax preparer handles year-end payroll reporting (W2s, W3, 943, 940, etc) for you. This shortcut method requires 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.

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

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. That said, if you have more than a few employees or have more complicated payroll (retirement or health insurance deductions from paychecks), a subscription to QuickBooks payroll service may be worthwhile as you can save time and potentially reduce errors.

With this shortcut method, you will not be able to use the payroll reports built into QuickBooks.

9.1 PAYROLL LIABILITY ACCOUNTS

Payroll liability accounts are essential to keep a running total of the amount you owe IRS or Kansas Department of Revenue for paycheck withholding. The KFMA QuickBooks template file should include several Other Current Liability accounts that are used to track payroll liability. Verify that the accounts below are included in your chart of accounts before starting with payroll. If they are not, they may be inactive (see page 3) or you may need to add them (page 35).

Look for account name or number

NAME	TYPE	BALANCE TOTAL	ATTACH
94100 - Payroll Liabilities	Other Current Liability	2,498.50	
94100 - Federal (EFTPS)	Other Current Liability	2,288.50	
94120 - Social Security Tax	Other Current Liability	1,178.00	
94130 - Medicare Tax	Other Current Liability	275.50	
94190 - Federal Income Tax	Other Current Liability	835.00	
94140 - Retirement-Other	Other Current Liability	0.00	
94150 - Health Insurance	Other Current Liability	0.00	
94160 - Life Insurance	Other Current Liability	0.00	
94170 - Workman Compensation	Other Current Liability	0.00	
94180 - State Income Tax	Other Current Liability	210.00	

Account ▾ Activities ▾ Reports ▾ Attach ☐ Include inactive

9.2 CREATE A PAYCHECK

Once you have calculated a paycheck, entry in QuickBooks is achieved by using several positive and negative adjustments in the detail section of the paycheck. The components of a basic paycheck are outlined below and are identified with red letters on the sample paycheck below. The example assumes that the agricultural employer is not subject to state or federal unemployment and does not deduct from paychecks for health insurance, retirement contributions, or any other pre-tax reductions.

When you write the first paycheck to an employee, you may see a *Name Not Found* window. You can either select *Quick Add* or *Set Up* to enter the employee's details. When selecting the type of name you are adding (Customer, Vendor, Employee, or Other), add the name as a *Vendor*. If you add the name as an *Employee*, warning windows will pop up when you use the *Write Checks* window and select an employee as the payee.

For simple agricultural payroll, like this example, some basic formulas are used to calculate components of the paycheck. Please consult your tax advisor before you start paying employees!

Employer's share of Social Security = $0.062 \times \text{gross wages}$

Employee's share of Social Security = $0.062 \times \text{gross wages}$

Employer's share of Medicare = $0.0145 \times \text{gross wages}$

Employee's share of Medicare = $0.0145 \times \text{gross wages}$

Federal income tax withholding = Lookup in withholding tables (IRS Pub 51) using withholding allowances from Form W-4

Kansas income tax withholding = Lookup in withholding tables (KDOR Pub KW-100) using withholding allowances from Kansas KW-4

- 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 (enter as a negative)
- E. 94130 Combined *employer and employee* share of Medicare (enter as a negative)
- F. 94190 Federal income tax withheld (enter as a negative)
- G. 94180 State income tax withheld (enter as a negative)

BANK ACCOUNT 5011.01 - Very Big Bank - Farm ... ENDING BALANCE 35,494.75

NO. 1266
DATE 01/10/2019

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

Two thousand forty-one and 25/100***** DOLLARS

ADDRESS
Bill Employee

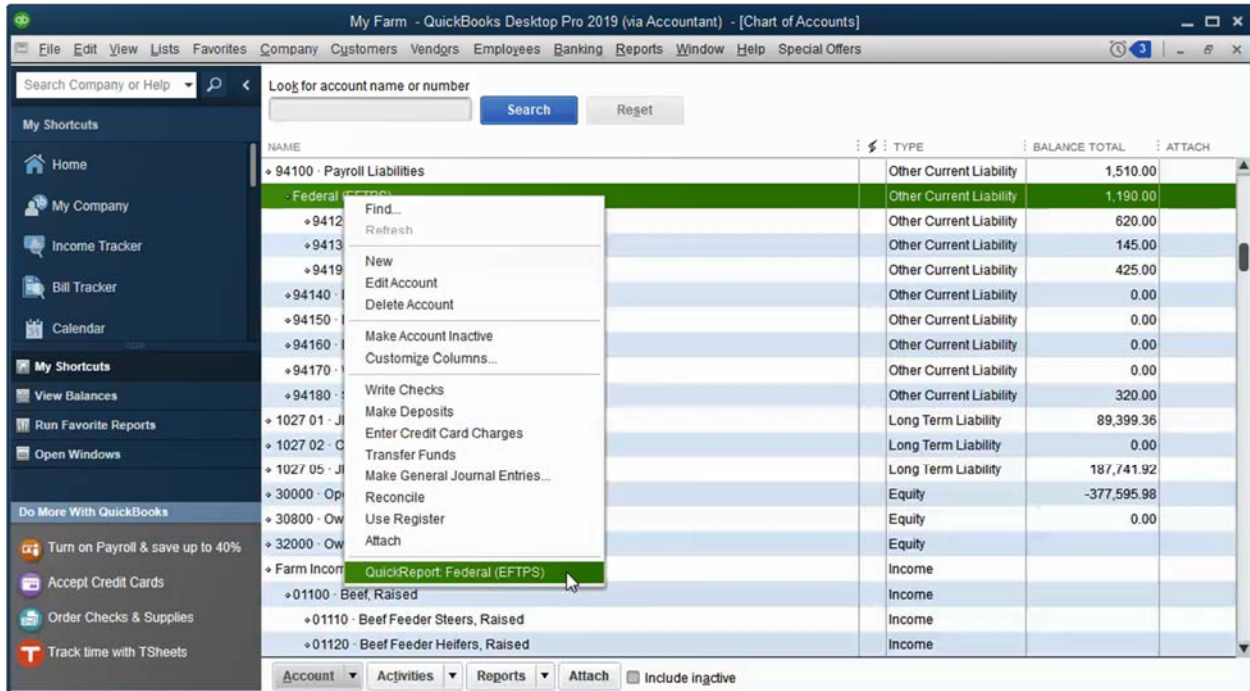
MEMO

Expenses \$2,041.25 Items \$0.00

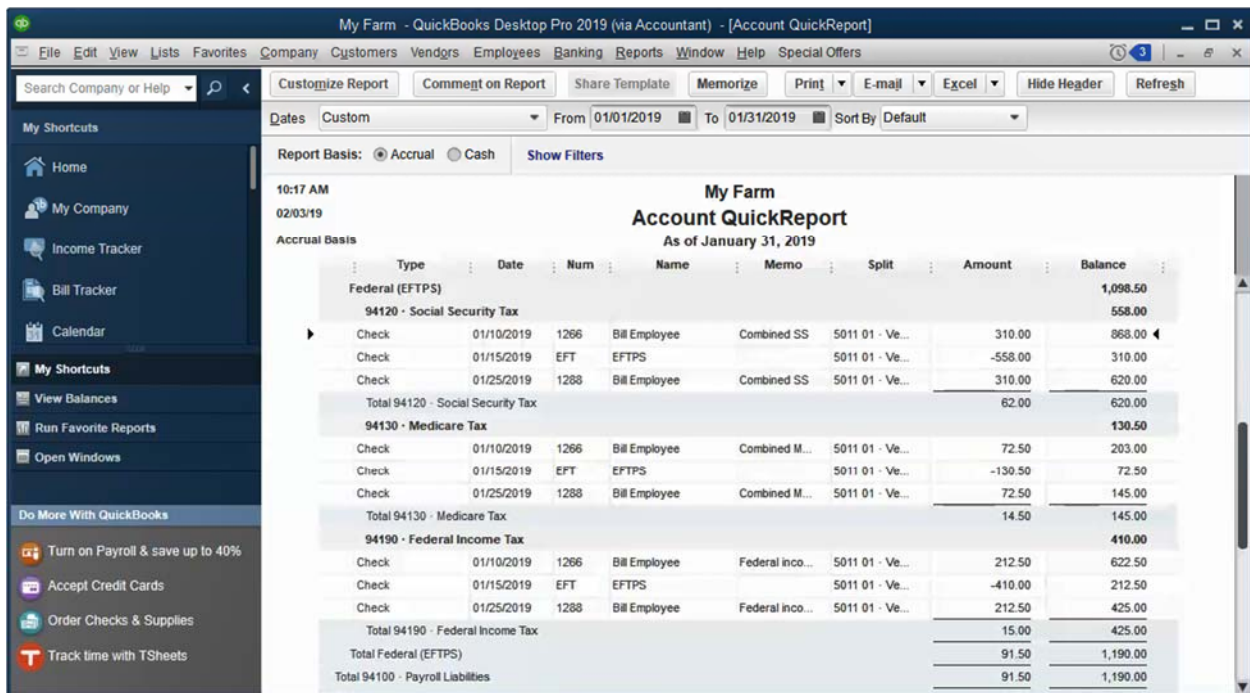
ACCOUNT	AMOUNT	MEMO	CUSTOMER:JOB	BILLA...	CLASS
Farm Expense:04100 - Labor Hired:04110 - Wages	A 2,500.00	Gross wages			
Farm Expense:04100 - Labor Hired:04120 - Social Security Tax	B 155.00	Employer's SS			
Farm Expense:04100 - Labor Hired:04130 - Medicare Tax	C 36.25	Employer's Medicare			
94100 - Payroll Liabilities:Federal (EFTPS):94120 - Social Securit...	D -310.00	Combined SS			
94100 - Payroll Liabilities:Federal (EFTPS):94130 - Medicare Tax	E -72.50	Combined Medicare			
94100 - Payroll Liabilities:Federal (EFTPS):94190 - Federal Inco...	F -212.50	Federal income tax withholding			
94100 - Payroll Liabilities:94180 - State Income Tax	G -55.00	State income tax withholding			

9.3 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 (EFTPS)*. Right-click on *State Income Tax* and select *QuickReport* for your state liability.



3. Change the date range of the report to reflect the appropriate payroll month.



For many agricultural employers, payroll liabilities must be paid by the 15th of the month following the payroll month in question.

In this sample, the liability balance of \$1,098.50 (first report line) was carried in from the previous month. This was liability that was incurred in the previous month (December) and paid on the 15th of the report month (January).

When making a payment to the Electronic Federal Tax Payment System (EFTPS), agricultural employers do not need to identify the components of liability payments (Social Security, Medicare, and federal income tax withholding). You will pay EFTPS one payment for all federal withholding. The total at the bottom of the report (\$1,190.00) is the liability balance that is due (for January) by the 15th of the month following (February). Print this report or write down the total liability balance.

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

My Farm - QuickBooks Desktop Pro 2019 (via Accountant) - [Write Checks - Very Big Bank - 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, View Balances, Run Favorite Reports, Open Windows

Do More With QuickBooks: Turn on Payroll & save up to 40%, Accept Credit Cards, Order Checks & Supplies, Track time with TSheets

BANK ACCOUNT: 5011 01 - Very Big Bank - Farm ... ENDING BALANCE: 35,494.75

NO. EFT DATE 02/15/2019 \$ 1,190.00

PAY TO THE ORDER OF EFTPS

One thousand one hundred ninety and 00/100*****DOLLARS

ADDRESS: EFTPS

MEMO:

Expenses \$1,190.00 Items \$0.00

ACCOUNT	AMOUNT	MEMO	CUSTOMER:JOB	BILLA...	CLASS
94100 - Payroll Liabilities:Federal (EFTPS):94120 - Social Secur...	620.00	Social Security			
94100 - Payroll Liabilities:Federal (EFTPS):94130 - Medicare Tax	145.00	Medicare			
94100 - Payroll Liabilities:Federal (EFTPS):94190 - Federal Inco...	425.00	Federal income tax withholding			

Save & Close Save & New Revert

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

Liability payments to state agencies for state income tax withholding will be handled in the same manner.

10 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
11111 Gravel Road
MANHATTAN KS 66502
1-800-222-2222

CHECKING ACCOUNT STATEMENT
Page: 1 of 1

My Farm
1234 Fake Street
Manhattan, KS 66502

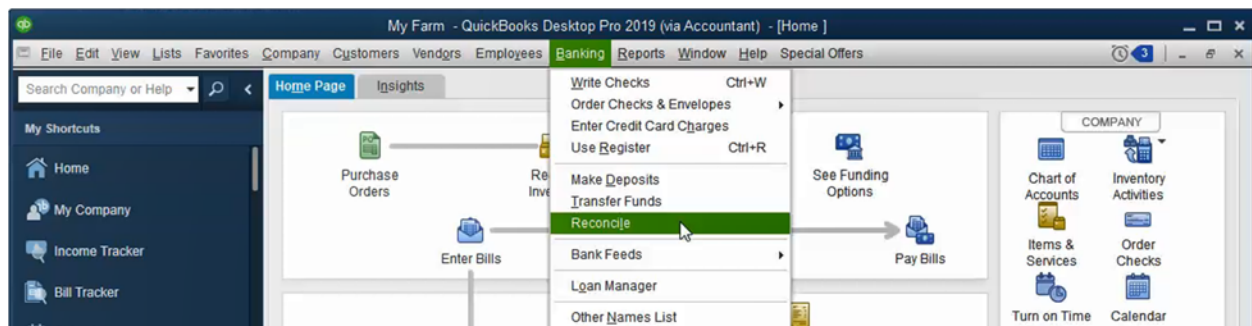
Statement Period	Account No.
01-01-2019 to 01-31-2019	0005- 123-456-7

Checking Summary

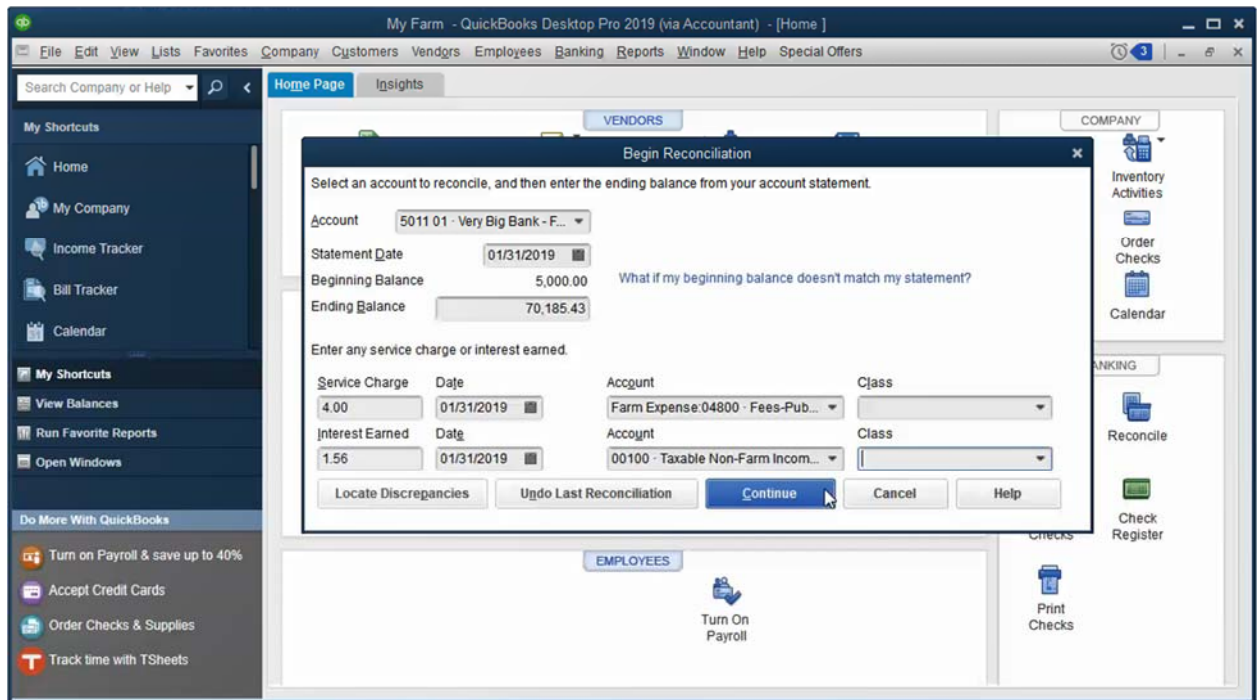
	INSTANCES	AMOUNT
Beginning Balance		5,000.00
Deposits and Additions	5	70,781.56
Checks & Other Withdrawals	7	5,592.13
Fee & Charges	1	4.00
Ending Balance		\$70,185.43

Date	Description	Withdrawals	Deposits	Balance
01-01	Previous Balance			5,000.00
01-02	Gas Station	45.65		4,954.35
01-12	Check 1102	50.00		4,904.35
01-09	Check 1103	250.00		4,654.35
01-13	Check 1266	2,041.25		2,613.10
01-15	EFTPS	1,098.50		1,514.60
01-15	Sweep from loan		45,000.00	46,514.60
01-29	Check 1288	2,041.25		44,473.35
01-29	Gas Station	65.48		44,407.87
01-31	Deposit		6,280.00	50,687.87
01-31	Deposit		16,000.00	66,687.87
01-31	Deposit		3,500.00	70,187.87
01-31	Statement fee	4.00		70,183.87
01-31	Interest earned		1.56	70,185.43
01-31	Ending Balance			70,185.43
TOTALS		5,596.13	70,781.56	

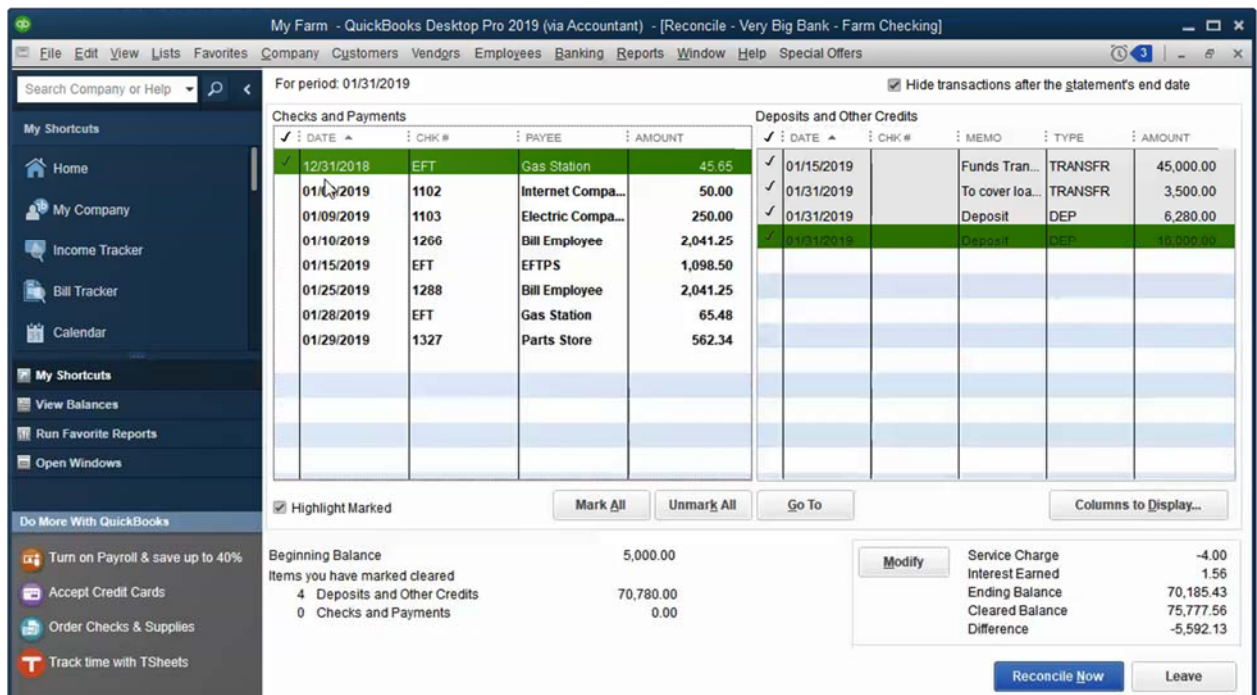
1. From the *Banking* menu, select *Reconcile*.



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. If you enter an amount for a *Service Charge* or *Interest Earned*, QuickBooks will automatically enter these transactions into the account register. If you have already made these entries manually, do not enter them here as you will end up with duplicates.



3. Work methodically through the bank statement starting at the beginning. For each transaction on the bank statement, click on that transaction in the reconcile window to mark it as cleared. Make a check mark on the paper statement to indicate you have already accounted for the transaction. Transactions marked as cleared will have a checkmark in the left column.



4. 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. In this case, the debit to Gas Station on 1/28 was entered in QuickBooks as 65.84. It should have been entered as 65.48, so Difference is \$0.36 (a multiple of 9).

My Farm - QuickBooks Desktop Pro 2019 (via Accountant) - [Reconcile - Very Big Bank - Farm Checking]

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

Search Company or Help For period: 01/31/2019 Hide transactions after the statement's end date

Checks and Payments					Deposits and Other Credits				
DATE	CHK #	PAYEE	AMOUNT	DATE	CHK #	MEMO	TYPE	AMOUNT	
12/31/2018	EFT	Gas Station	45.65	01/15/2019		Funds Trans.	TRANSFR	45,000.00	
01/09/2019	1102	Internet Company	50.00	01/31/2019		To cover loa...	TRANSFR	3,500.00	
01/09/2019	1103	Electric Company	250.00	01/31/2019		Deposit	DEP	6,280.00	
01/10/2019	1200	Bill Employee	2,041.25	01/31/2019		Deposit	DEP	10,000.00	
01/15/2019	EFT	EFTPS	1,098.50						
01/25/2019	1288	Bill Employee	2,041.25						
01/28/2019	EFT	Gas Station	65.84						
01/29/2019	1327	Parts Store	562.34						

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

Beginning Balance	5,000.00
Items you have marked cleared	
4 Deposits and Other Credits	70,780.00
7 Checks and Payments	5,592.49

Modify	Service Charge	-4.00
	Interest Earned	1.56
	Ending Balance	70,185.43
	Cleared Balance	70,185.07
	Difference	0.36

Reconcile Now Leave

If you are having trouble identifying where an error might be, you can narrow it to either deposits or checks by comparing the totals for each from your bank statement to the cleared totals in the bottom left corner of the reconcile screen.

There may be transactions entered in QuickBooks that have not cleared your bank account as of the end of the statement. In this sample, the check to Parts Store (#1327) was entered in QuickBooks but had not cleared the bank. Do not click on the outstanding transactions to mark them as cleared.

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

My Farm - QuickBooks Desktop Pro 2019 (via Accountant) - [Reconcile - Very Big Bank - Farm Checking]

For period: 01/31/2019

☒ Hide transactions after the statement's end date

DATE	CHK #	PAYEE	AMOUNT
12/31/2018	EFT	Gas Station	45.65
01/09/2019	1102	Internet Company	50.00
01/09/2019	1103	Electric Company	250.00
01/10/2019	1206	Bill Employee	2,041.25
01/15/2019	EFT	EFTPS	1,098.50
01/25/2019	1288	Bill Employee	2,041.25
01/28/2019	EFT	Gas Station	85.48
01/29/2019	1327	Parts Store	562.34

DATE	CHK #	MEMO	TYPE	AMOUNT
01/15/2019		Funds Tran...	TRANSFR	45,000.00
01/31/2019		To cover loa...	TRANSFR	3,500.00
01/31/2019		Deposit	DEP	6,280.00
01/31/2019		Deposit	DEP	10,000.00

☒ Highlight Marked

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

Beginning Balance 5,000.00

Items you have marked cleared

4 Deposits and Other Credits 70,780.00

7 Checks and Payments 5,592.13

Modify Service Charge -4.00
Interest Earned 1.56
Ending Balance 70,185.43
Cleared Balance 70,185.43
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. It is a good idea to print the *Detail* report and save a copy with your bank statement.

My Farm - QuickBooks Desktop Pro 2019 (via Accountant) - [Reconcile - Very Big Bank - Farm Checking]

For period: 01/31/2019

☒ Hide transactions after the statement's end date

DATE	CHK #	PAYEE	AMOUNT
01/29/2019	1327	Parts Store	562.34

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

☒ Highlight Marked

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

Beginning Balance 70,185.43

Items you have marked cleared

-1 Deposits and Other Credits -1.56

-1 Checks and Payments 4.00

Modify Service Charge -4.00
Interest Earned 1.56
Ending Balance 70,185.43
Cleared Balance 70,185.43
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

11 INVENTORY

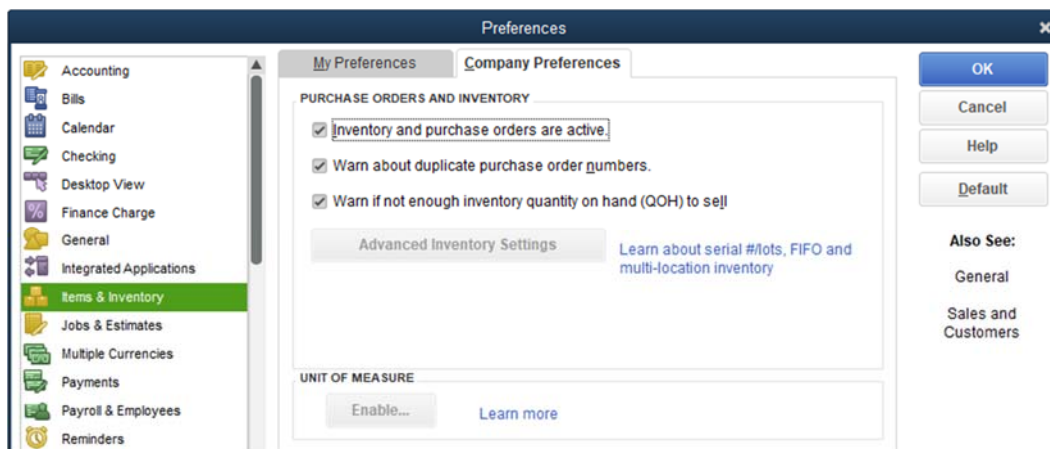
QuickBooks contains built-in tools that allow users to keep track of inventory on hand. However, these tools are designed for a non-farm business which means, to use these tools for a farm business, we need to trick QuickBooks into doing what we want.

From an accounting standpoint, the major difference between a farm business and a non-farm business is the way that the cost of purchased inputs are deducted. While both types of businesses purchase products to resell (resale livestock) or purchase components that become a different product (seed, chemical, fertilizer, etc), a non-farm business cannot deduct the cost of purchasing these inputs until the end product is sold.

The farm business concept of a raised product (a product that has no purchase cost) does not fit well with the non-farm business accounting procedures within QuickBooks. That does not mean we cannot use QuickBooks to keep track of raised inventory, it just means we must trick it to do what we want.

It is very important that you read, understand, and follow the steps outlined in this chapter. Deviating from these procedures could result in unintended consequences and inaccurate accounting records.

Before beginning, you will need to verify that inventory is active in QuickBooks. You can tell quickly by looking at the Home screen. If you see an icon for Purchase Orders and an icon for Receive Inventory, inventory is active. If not, go to *Edit>Preferences* and select *Items & Inventory* on the left side. Under *Company Preferences* tab, make sure that *Inventory and purchase orders are active* is checked.



If you are keeping an inventory of a commodity on hand, DO NOT use the *Make Deposits* window directly to record a sale. You must use either a *Sales Receipt* or *Invoice* to sell a product. A sales receipt is used to record an after-the-fact sale. For example, if you deliver grain to an elevator and receive a check the same day, use a sales receipt to record the transaction.

An invoice should be used when you have sold (and possibly delivered) a product and will be paid at a later date. An invoice is generally used when you want to send a document to your customer so that they know the quantity they purchased and how much they owe you. For example, if you

deliver hay to your neighbor and you will not be paid for several weeks, use an invoice. See page 81 for information on recording invoices.

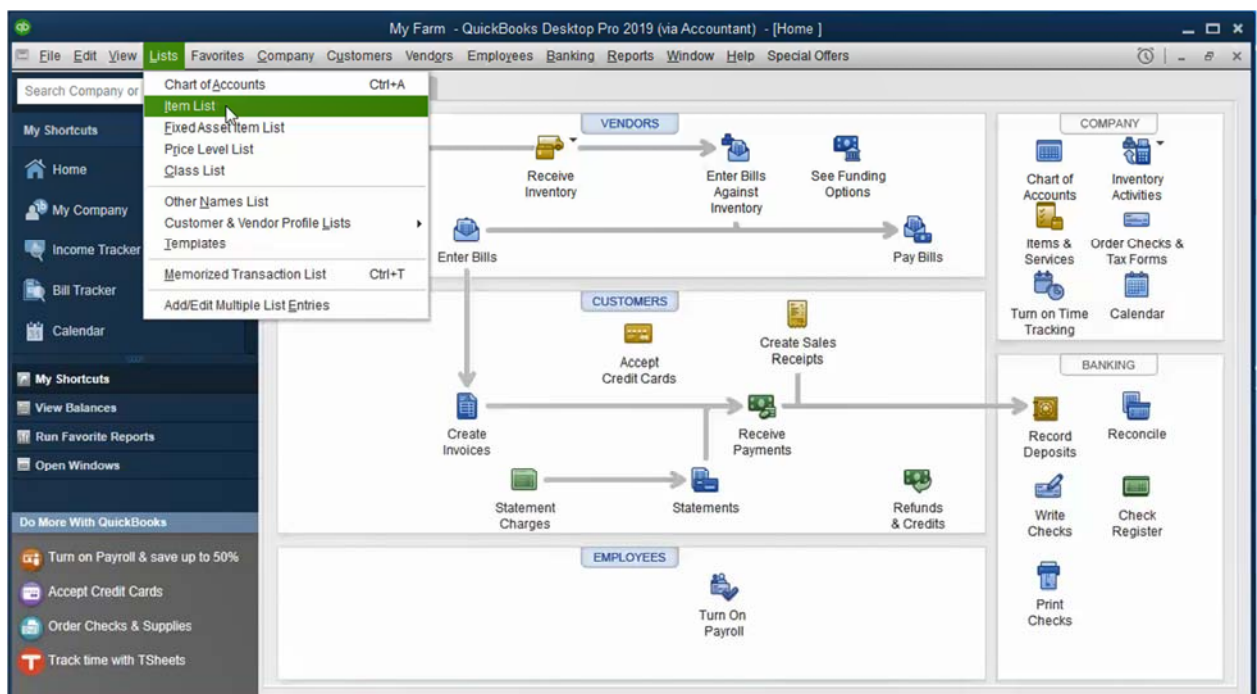
11.1 ITEMS

When keeping track of raised inventory, you must be careful to only use sales receipts or invoices to record the sale of a commodity. For either transaction, QuickBooks uses *Items* to add details regarding what was sold, and the quantity sold. Several different types of *Items* are available including services, inventory parts, non-inventory parts, other charge, subtotal, and discounts. For our purposes, we will only be interested in *Service Items* and *Inventory Part Items*.

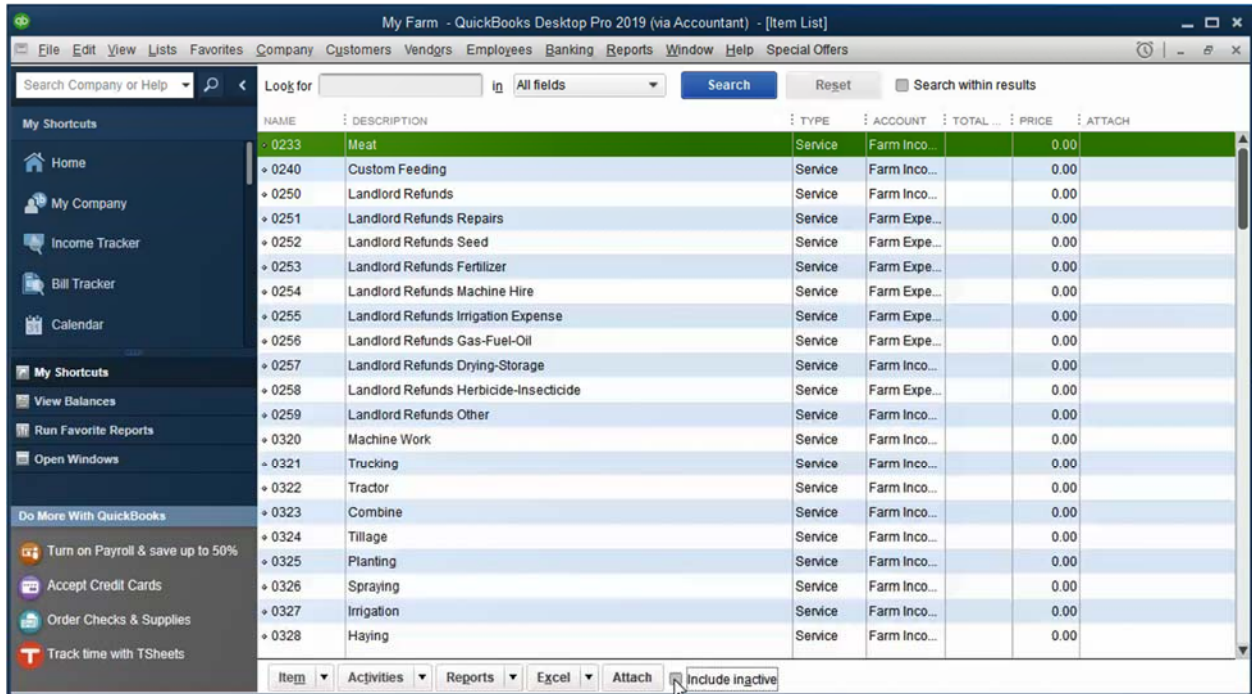
Service Items are connected to one income or expense account and are generally used when you sell a service rather than a product. *Service Items* do not affect the amount of inventory on hand.

An *Inventory Part Item* will impact quantity of a product on hand. It is connected to three accounts; an inventory account, an income account, and a cost-of-good-sold account. When the product is purchased, QuickBooks “holds” the initial purchase cost in an inventory account. This inventory account will show up on a balance sheet as a current asset. When the product is eventually sold, QuickBooks will record the sale in the income account and move the appropriate amount from the inventory account to the cost-of-good-sold account, where the purchase cost is deducted against the income from the sale.

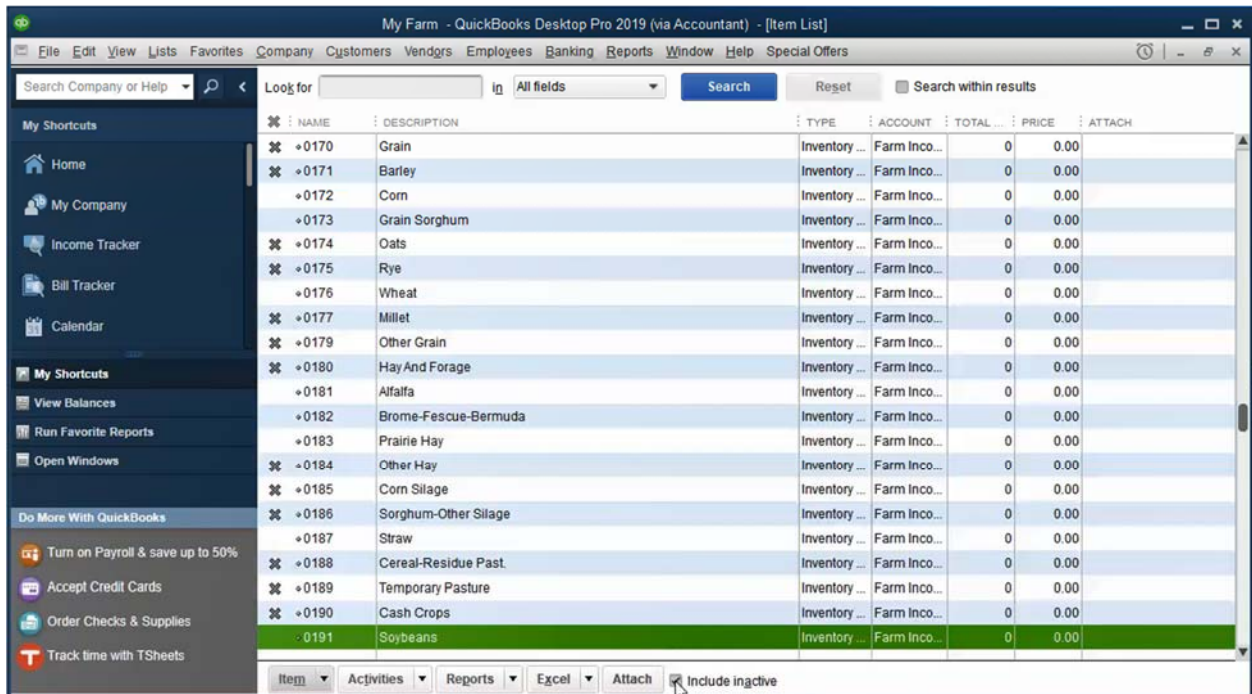
1. Many Service Items and Inventory Part Items are included in the preconfigured KFMA QuickBooks template file, but most are inactive by default. Before you begin using invoices or sales receipts, make sure that the needed Items are active. Select *List>Item List*.



- At the bottom of the list of *Items*, select *Include Inactive*.



- An X in the left column means that an *Item* is inactive. Click on the X to clear it and make an *Item* active.



11.2 ADDING RAISED INVENTORY

1. The quickest way to add raised inventory is to “purchase” the inventory for zero dollars using the *Write Checks* window. When you initially open *Write Checks*, the *Expenses* tab will be selected by default in the lower, detail portion of the check. Click on the *Items* tab.

My Farm - QuickBooks Desktop Pro 2019 (via Accountant) - [Write Checks - Very Big Bank - Farm Checking]

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

Search Company or Help

Main Reports

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

BANK ACCOUNT 5011 01 - Very Big Bank - Farm ... ENDING BALANCE 35,262.17

NO. EFT DATE 10/01/2019

PAY TO THE ORDER OF Raised Crop Production \$ 0.00

ADDRESS Raised Crop Production

MEMO

Expenses \$0.00 Items \$0.00

ACCOUNT	AMOUNT	MEMO	CUSTOMER JOB	BILLABLE	CLASS

Save & Close Save & New Clear

2. Select the *Item* associated with the commodity you want to add to inventory. Enter the number of head, number of bushels or tons of production (*QTY*) you are adding. For raised production, Cost must be zero. Click *Save & Close*. If you are adding production from a previous year, enter the last day of the previous year as the “purchase” *Date*.

My Farm - QuickBooks Desktop Pro 2019 (via Accountant) - [Write Checks - Very Big Bank - Farm Checking]

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

Search Company or Help

Main Reports

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

BANK ACCOUNT 5011 01 - Very Big Bank - Farm ... ENDING BALANCE 35,262.17

NO. EFT DATE 10/01/2019

PAY TO THE ORDER OF Raised Crop Production \$ 0.00

ADDRESS Raised Crop Production

MEMO

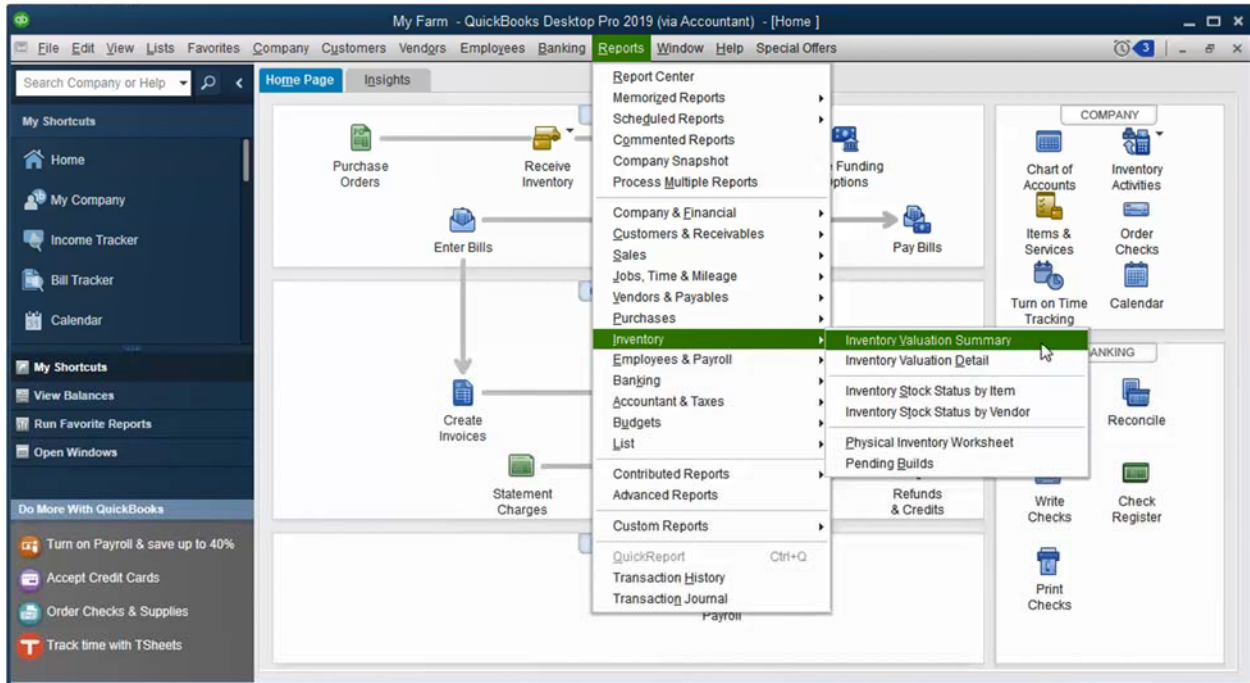
Expenses \$0.00 Items \$0.00

ITEM	DESCRIPTION	QTY	COST	AMOUNT	CUSTOMER JOB	BILLABLE	CLASS
0172	Corn	75,000	0.00	0.00			2019:19 Corn

Receive All Show PO

Save & Close Save & New Clear

3. To verify the quantity added, go to *Reports>Inventory>Inventory Valuation Summary*



The valuation summary should reflect the quantity added. You may need to adjust *Dates*

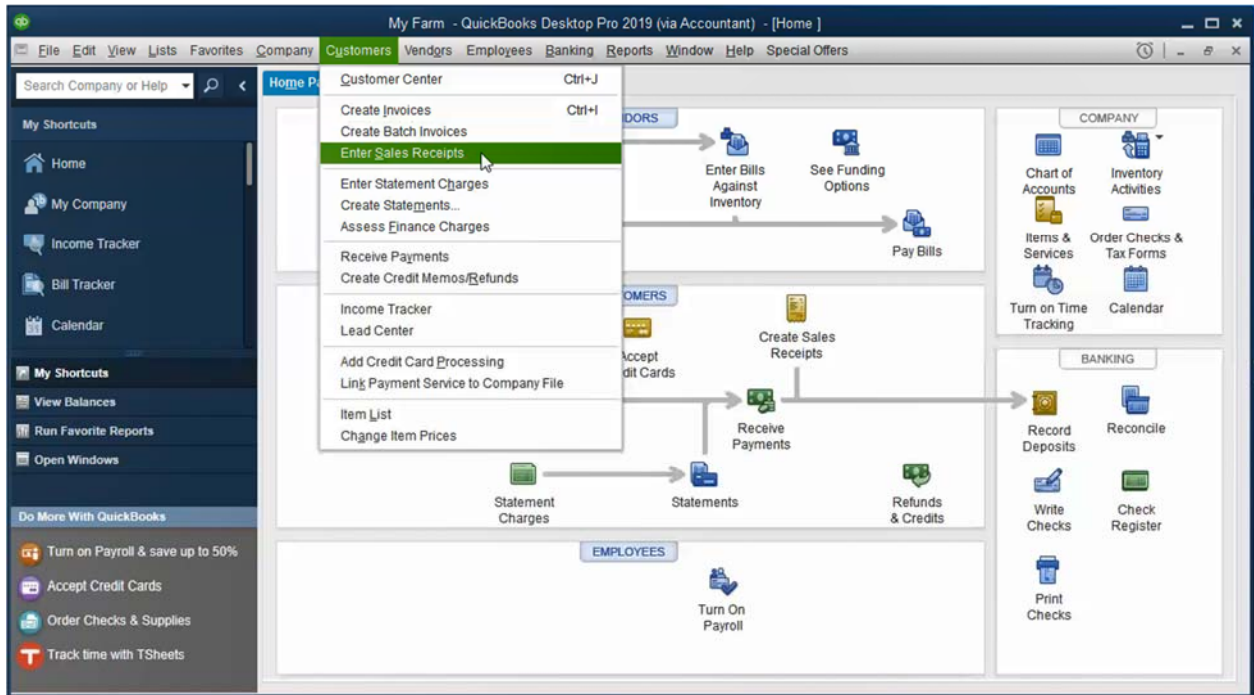
The screenshot shows the 'Inventory Valuation Summary' report for 'My Farm' as of December 31, 2019. The report displays a table with columns for Inventory, On Hand, Avg Cost, Asset Value, % of Tot Asset, Sales Price, Retail Value, and % of Tot Retail. The total inventory value is \$75,000.

Inventory	On Hand	Avg Cost	Asset Value	% of Tot Asset	Sales Price	Retail Value	% of Tot Retail
0172 (Corn)	75,000	0.00	0.00	0.0%	0.00	0.00	0.0%
0173 (Grain Sorghum)	0	0.00	0.00	0.0%	0.00	0.00	0.0%
0176 (Wheat)	0	0.00	0.00	0.0%	0.00	0.00	0.0%
0181 (Alfalfa)	0	0.00	0.00	0.0%	0.00	0.00	0.0%
0182 (Brome-Fescue-Bermu..)	0	0.00	0.00	0.0%	0.00	0.00	0.0%
0183 (Prairie Hay)	0	0.00	0.00	0.0%	0.00	0.00	0.0%
0187 (Straw)	0	0.00	0.00	0.0%	0.00	0.00	0.0%
0191 (Soybeans)	0	0.00	0.00	0.0%	0.00	0.00	0.0%
Total Inventory	75,000	0.00	0.00	0.0%	0.00	0.00	0.0%
TOTAL	75,000	0.00	0.00	100.0%	0.00	0.00	100.0%

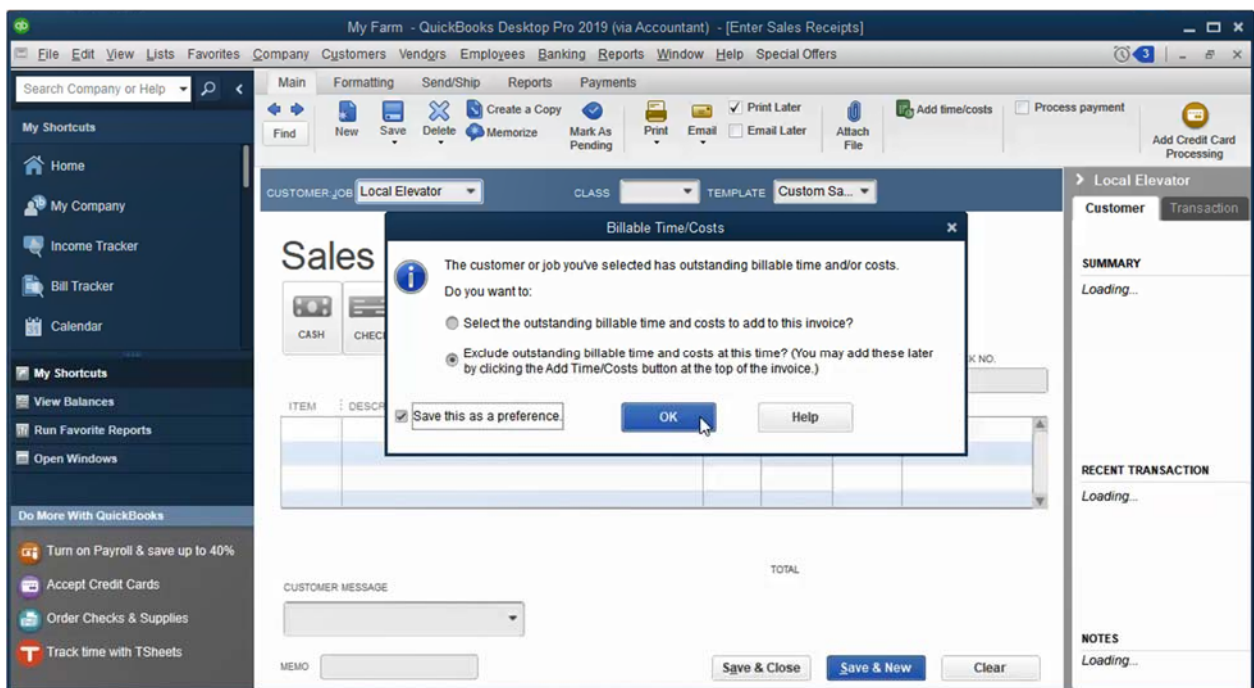
11.3 SALE RECEIPTS

11.3.1 CREATE A SALES RECEIPT

1. 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. If you see a *Billable Time/Costs* window, select the second option, *Exclude outstanding billable time and costs at this time?* and check the box before *Save this as a preference*.



3. Enter the *Date* of the sale, *not* the date of the deposit. When you select an Item, the description will be automatically filled. Change the description as needed.

My Farm - QuickBooks Desktop Pro 2019 (via Accountant) - [Enter Sales Receipts]

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

Search Company or Help

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: Local Elevator CLASS: TEMPLATE: Custom Sa...

Sales Receipt

DATE: 01/31/2019 SOLD TO: Local Elevator, 9876 Fake Street, Manhattan, KS 66502

SALE NO.: 1

CASH CHECK CREDIT DEBIT MORE

CHECK NO.:

ITEM	DESCRIPTION	QTY	RATE	CLASS	AMOUNT
0172	Inventory Part				

<Add New>

TOTAL: 0.00

CUSTOMER MESSAGE:

MEMO:

Save & Close Save & New Clear

Local Elevator

CUSTOMER Transaction

SUMMARY

Phone: Open balance

RECENT TRANSACTION

NOTES

4. If you see an error message stating that you don't have enough in inventory on hand, see page 101 to record crop or livestock production into inventory. Warning: Insufficient quantities may indicate an error in prior entries related to inventory. These errors may be difficult to identify.

My Farm - QuickBooks Desktop Pro 2019 (via Accountant) - [Enter Sales Receipts]

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

Search Company or Help

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: Local Elevator CLASS: TEMPLATE: Custom Sa...

Sales Receipt

DATE: 01/31/2019 SOLD TO: Local Elevator, 9876 Fake Street, Manhattan, KS 66502

SALE NO.: 1

CASH CHECK CREDIT DEBIT MORE

CHECK NO.:

ITEM	DESCRIPTION	QTY	RATE	CLASS	AMOUNT
0172	Corn				0.00

TOTAL: 0.00

CUSTOMER MESSAGE:

MEMO:

Save & Close Save & New Clear

Warning

You don't have sufficient quantity on hand to sell item 0172.

OK

Local Elevator

CUSTOMER Transaction

SUMMARY

Phone: Open balance

RECENT TRANSACTION

NOTES

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

My Farm - QuickBooks Desktop Pro 2019 (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, View Balances, Run Favorite Reports, Open Windows, Do More With QuickBooks: Turn on Payroll & save up to 50%, Accept Credit Cards, Order Checks & Supplies, Track time with TSheets

Local Elevator CLASS TEMPLATE Custom Sa...

Sales Receipt

DATE: 01/31/2019 SALE NO.: 1 SOLD TO: Local Elevator, 9876 Fake Street, Manhattan, KS 66502

CASH CHECK CREDIT DEBIT e-CHECK

ITEM	DESCRIPTION	QTY	RATE	CLASS	AMOUNT
0172	Corn	5,000	3.20		16,000.00

TOTAL: 16,000.00

CUSTOMER MESSAGE: MEMO

Buttons: Save & Close, Save & New, Clear

Customer: Local Elevator

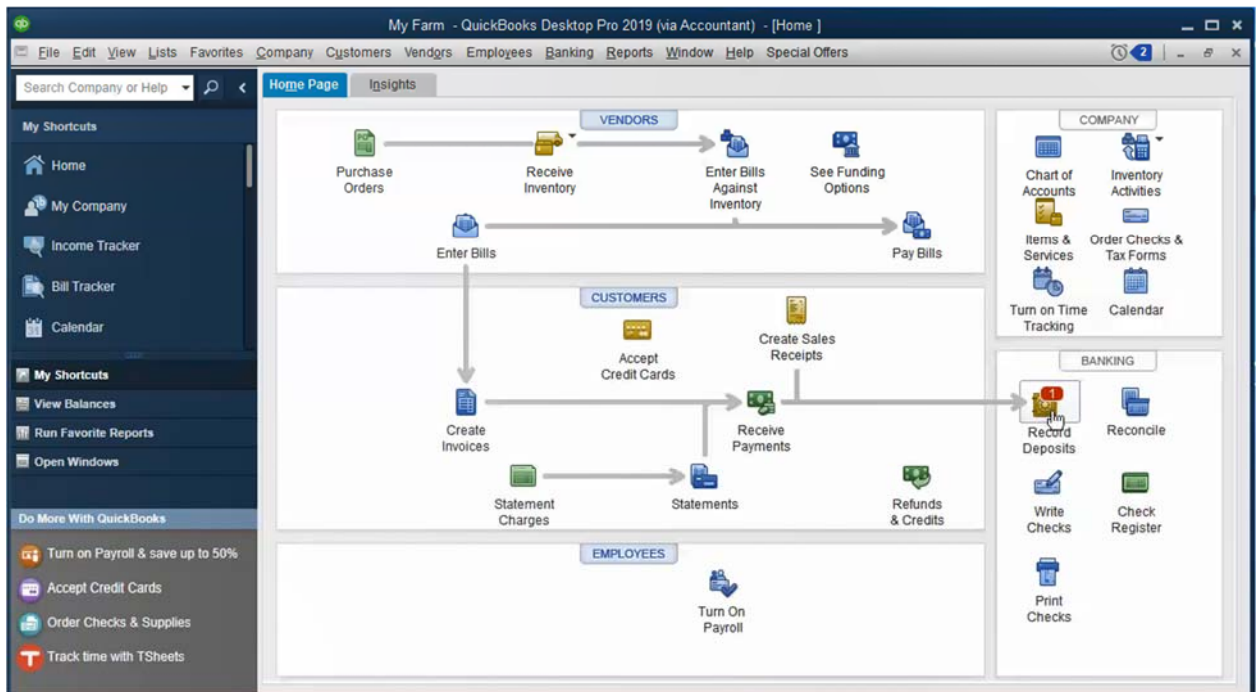
SUMMARY: Phone, Open balance

RECENT TRANSACTION

NOTES

11.3.2 RECORD A DEPOSIT

1. On the *Home Screen*, select *Record Deposits*. QuickBooks displays the number of customer payments that have been received, but not deposited, in the red box near the *Record Deposits* icon.



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*.

Payments to Deposit

SELECT VIEW
View payment method type: All types
Sort payments by: Payment Method

SELECT PAYMENTS TO DEPOSIT

DATE	TIME	TYPE	NO.	PAYMENT METH...	NAME	AMOUNT
01/31/2019		RCPT	1	Local Elevator		16,000.00

1 of 1 payments selected for deposit
Payments Subtotal: 16,000.00

Select All Select None OK Cancel Help

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 if other checks were deposited at the same time. Click *Save & Close*.

My Farm - QuickBooks Desktop Pro 2019 (via Accountant) - [Make Deposits]

Deposit To: 5011 01 - Very Big Bank - Farm Checking
Date: 01/31/2019
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
Local Elevator	12000 - Undeposited Funds					16,000.00

Deposit Subtotal: 16,000.00

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: 16,000.00

Save & Close Save & New Clear

11.4 RAISED GRAIN SALES

My Farm - QuickBooks Desktop Pro 2019 (via Accountant) - [Enter Sales Receipts]

Search Company or Help

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

Do More With QuickBooks: Turn on Payroll & save up to 40%, Accept Credit Cards, Order Checks & Supplies, Track time with TSheets

Customer: Local Elevator, CLASS: , TEMPLATE: Custom Sa...

Sales Receipt

DATE: 10/01/2019, SALE NO.: 2, SOLD TO: Local Elevator, 9876 Fake Street, Manhattan, KS 66502

CASH, CHECK, CREDIT DEBIT, e-CHECK, MORE

ITEM	DESCRIPTION	QTY	RATE	CLASS	AMOUNT
0172	Corn	7,856.42	3.20		25,140.54
0533	Storage		-392.82		-392.82

CHECK NO.:

TOTAL: 24,747.72

CUSTOMER MESSAGE:

MEMO: ^7856.42@3.20@^

Buttons: Save & Close, Save & New, Clear

Right-hand pane: Local Elevator, Customer, Transaction, SUMMARY (Phone: 785, Open balance, Unbilled expenses), RECENT TRANSACTION (01/31/19 Sales Receipt), NOTES

When entering a grain sale transaction, you have two options; enter the net sale amount or enter the gross sale with deductions for storage, grain tax/checkoff, or discounts (for moisture, protein, foreign material, etc). The example shown above is the second option.

If you choose the second option, enter premiums as a positive number and any deductions as a negative number. Use the codes below to detail the discounts:

Storage	0533
Grain tax/checkoff	0530

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: 7,856.42 bushels, \$3.20 per bushel

^15000@3.00@^

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

11.5 RAISED HAY SALES

My Farm - QuickBooks Desktop Pro 2019 (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
- View Balances
- Run Favorite Reports
- Open Windows

Do More With QuickBooks

- Turn on Payroll & save up to 40%
- Accept Credit Cards
- Order Checks & Supplies
- Track time with TSheets

Customer: Neighbor CLASS: TEMPLATE: Custom Sa...

Sales Receipt

DATE: 10/01/2019 SOLD TO: Neighbor

CASH CHECK CREDIT DEBIT e-CHECK MORE

CHECK NO.

ITEM	DESCRIPTION	QTY	RATE	CLASS	AMOUNT
0181	Alfalfa	75	120.00		9,000.00

TOTAL 9,000.00

CUSTOMER MESSAGE

MEMO: ^75@120@150000^

Save & Close Save & New Clear

Neighbor

Customer Transaction

SUMMARY

Open balance

RECENT TRANSACTION

- 02/05/19 Invoice
- 01/21/19 Payment
- 01/05/19 Invoice - Paid

NOTES

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: 75 tons, \$80.00 per ton, 150,000 total pounds

^75@80.00@150000^

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

11.6 RAISED MARKET LIVESTOCK SALES

My Farm - QuickBooks Desktop Pro 2019 (via Accountant) - [Enter Sales Receipts]

Search Company or Help

My Shortcuts: Home, My Company, Income Tracker, Bill Tracker, Calendar, View Balances, Run Favorite Reports, Open Windows, Do More With QuickBooks: Turn on Payroll & save up to 40%, Accept Credit Cards, Order Checks & Supplies, Track time with TSheets

Customer: **Sale Barn** CLASS: TEMPLATE: Custom Sa...

Sales Receipt

DATE: 11/01/2019 SOLD TO: Sale Barn

CASH CHECK CREDIT DEBIT e-CHECK

ITEM	DESCRIPTION	QTY	RATE	CLASS	AMOUNT
0111	Beef Feeder Steers, Raised	23	1,350.00		31,050.00
0513	Livestock Commissions		-621.00		-621.00
0510	Misc Livestock Expense		-23.00		-23.00

CHECK NO.

TOTAL 30,406.00

CUSTOMER MESSAGE

MEMO: ^23@1.5@20700^

Buttons: Save & Close, Save & New, Clear

Right Panel: Sale Barn, Customer, Transaction, SUMMARY (Open balance, Unbilled expenses), RECENT TRANSACTION, NOTES

Like a grain sale, when entering a market livestock sale, you have two options; enter the net sale amount or enter the gross sale with deductions for commission, checkoff, vet, feed, insurance, etc. The example shown above is the second option.

If you choose the second option, enter any deductions as a negative number. Use the codes below to detail the discounts:

Commissions	0513
Yardage	0513
Insurance	0517
Veterinary	0491
Feed	0445
Checkoff	0511

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: 25 steers, 550 pounds each, \$1.30 per pound

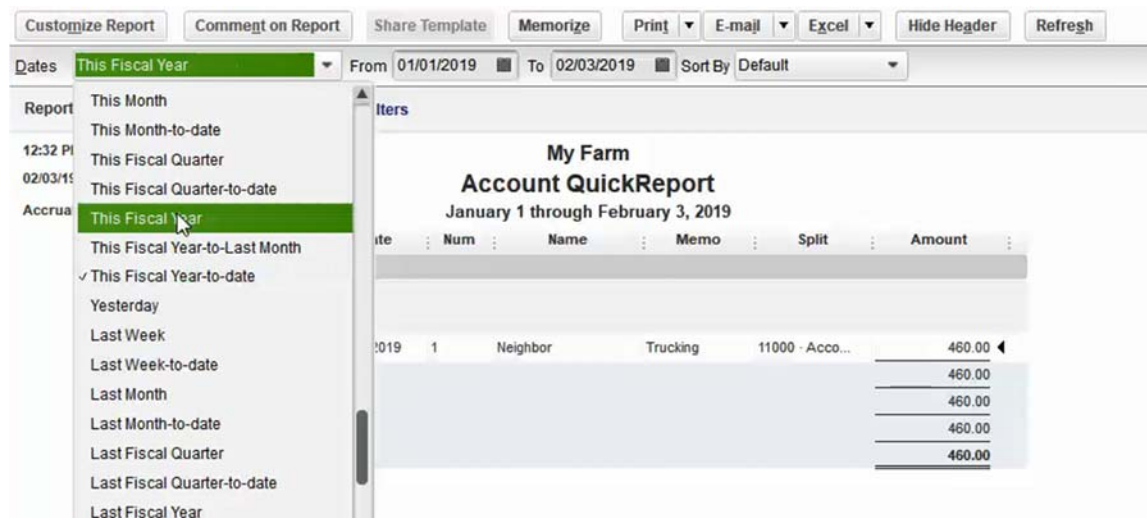
^25@1.30@13750^

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

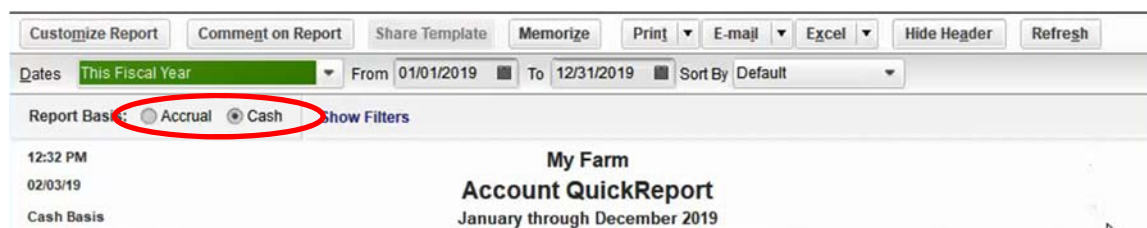
12 REPORTS

One strength of QuickBooks is reporting. There are many 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.

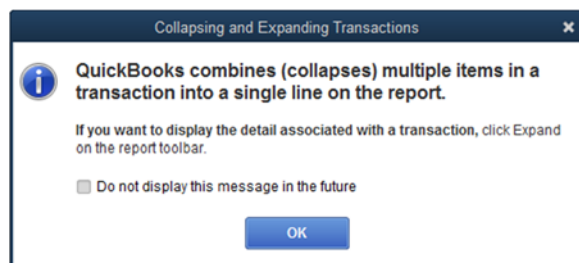
For any report, select a meaningful date range using the *Dates* drop down, or by manually entering the *From* and *To* dates. Click the *Customize Report* button to customize the report even more.



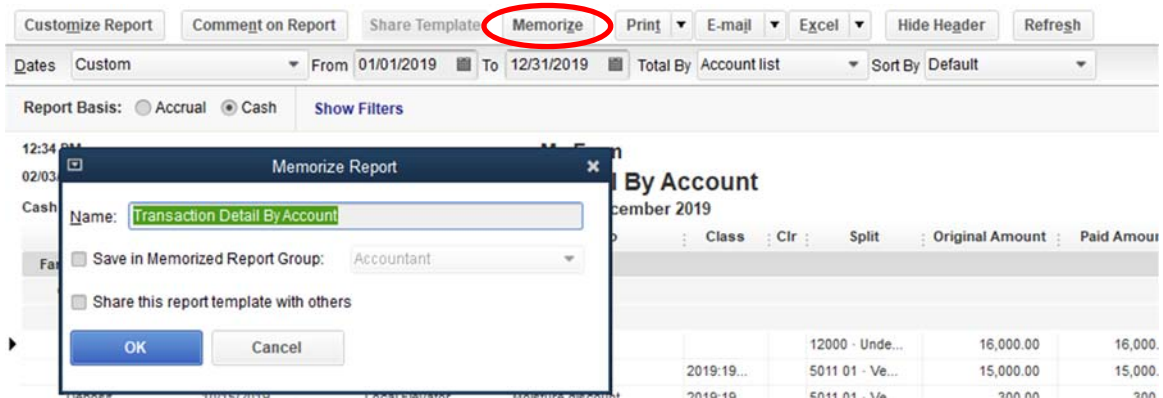
Be aware of the differences between cash and accrual reports. QuickBooks 2019 makes it easy to toggle back and forth by adjusting *Report Basis*.



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.

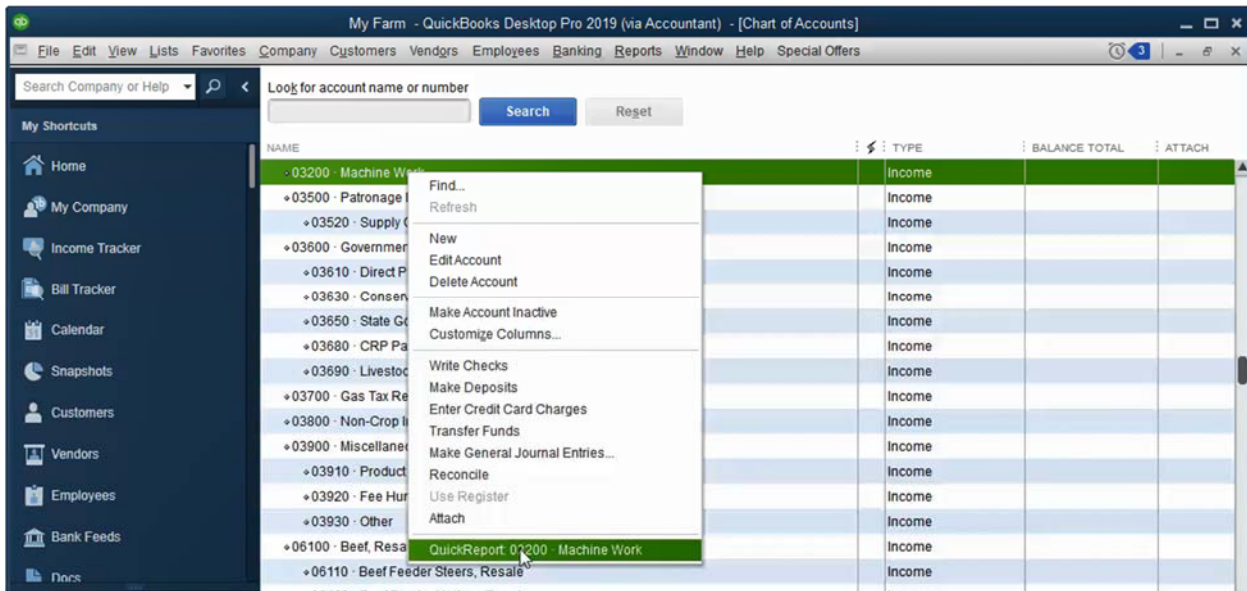


In a report, when the mouse pointer turns into a magnifying glass, you can double click to open an additional report showing the detail of that line.

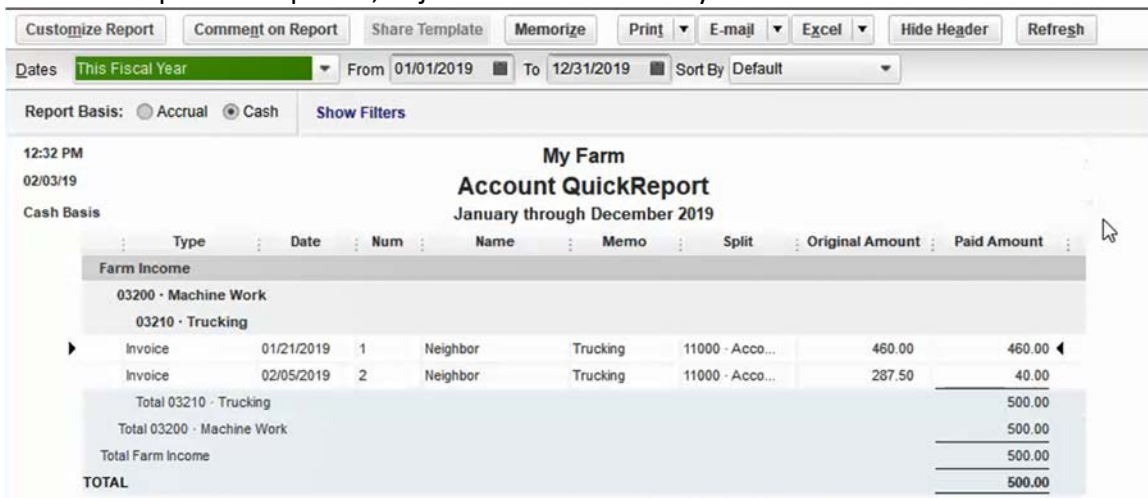
Ordinary Income/Expense			
Income			
Farm Income			
01100 · Beef, Raised			
01110 · Beef Feeder Steers, Raised	17,800.00		
01120 · Beef Feeder Heifers, Raised	12,000.00		
Total 01100 · Beef, Raised	29,875.00		
01700 · Grain			
01720 · Corn	30,700.00		
Total 01700 · Grain	30,700.00		
01800 · Hay & Forage			

12.1 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.



Once the report has opened, adjust the *Dates* to suit your needs.



12.2 PROFIT AND LOSS STANDARD

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

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

Customize Report	Comment on Report	Share Template	Memorize	Print	E-mail	Excel	Hide Header	Collapse	Re
Dates	This Fiscal Year	From	01/01/2019	To	12/31/2019	Show Columns	Total only	Sort By	Default
Report Basis:	<input type="radio"/> Accrual	<input checked="" type="radio"/> Cash	Show Filters						
12:33 PM	My Farm								
02/03/19	Profit & Loss								
Cash Basis	January through December 2019								
					Jan - Dec 19				
▼ Ordinary Income/Expense									
▼ Income									
▼ Farm Income									
▼ 01100 · Beef, Raised									
01110 · Beef Feeder Steers, Raised					17,875.00				
01120 · Beef Feeder Heifers, Raised					12,000.00				
Total 01100 · Beef, Raised					29,875.00				
▼ 01700 · Grain									
01720 · Corn					30,700.00				
Total 01700 · Grain					30,700.00				
▼ 01800 · Hay & Forage									
01820 · Brome-Fescue-Bermuda					8,000.00				
Total 01800 · Hay & Forage					8,000.00				
▼ 01900 · Cash Crops									
01910 · Soybeans					22,500.00				
Total 01900 · Cash Crops					22,500.00				
03110 · Crop Insurance					12,280.00				
▼ 03200 · Machine Work									
03210 · Trucking					500.00				
Total 03200 · Machine Work					500.00				
▼ 06100 · Beef, Resale									
06110 · Beef Feeder Steers, Resale					49,500.00				
Total 06100 · Beef, Resale					49,500.00				
Total Farm Income					153,355.00				
Total Income					153,355.00				

12.3 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*

Customize Report

Comment on Report

Share Template

Memorize

Print

E-mail

Excel

Hide Header

Refresh

Dates

This Fiscal Year

From

01/01/2019

To

12/31/2019

Sort By

Default

Report Basis:

☒ Accrual

☐ Cash

Show Filters

1:43 PM

02/03/19

My Farm

Profit & Loss Detail

Accrual Basis

January through December 2019

Type

Date

Num

Name

Memo

Class

Clr

Split

Amount

Balance

Ordinary Income/Expense

Income

Farm Income

01100 • Beef, Raised

01110 • Beef Feeder Steers, Raised

Deposit

03/01/2019

Sale Barn

*25@1.30@...

2019:19...

5011 01 - Ve...

17,875.00

17,875.00

Total 01110 • Beef Feeder Steers, Raised

17,875.00

17,875.00

01120 • Beef Feeder Heifers, Raised

Deposit

03/01/2019

Sale Barn

*20@1.20@...

2019:19...

5011 01 - Ve...

12,000.00

12,000.00

Total 01120 • Beef Feeder Heifers, Raised

12,000.00

12,000.00

Total 01100 • Beef, Raised

29,875.00

29,875.00

01700 • Grain

01720 • Corn

Sales Receipt

01/31/2019

1

Local Elevator

Corn

12000 - Unde...

16,000.00

16,000.00

Deposit

10/15/2019

Local Elevator

*5000@3@^

2019:19...

5011 01 - Ve...

15,000.00

31,000.00

Deposit

10/15/2019

Local Elevator

Moisture dis...

2019:19...

5011 01 - Ve...

-300.00

30,700.00

Total 01720 • Corn

30,700.00

30,700.00

Total 01700 • Grain

30,700.00

30,700.00

01800 • Hay & Forage

01820 • Brome-Fescue-Bermuda

Deposit

04/15/2019

Neighbor

*25@80@5...

5011 01 - Ve...

2,000.00

2,000.00

Deposit

08/01/2019

Neighbor

*75@80@1...

2019:19...

5011 01 - Ve...

6,000.00

8,000.00

Total 01820 • Brome-Fescue-Bermuda

8,000.00

8,000.00

Total 01800 • Hay & Forage

8,000.00

8,000.00

01900 • Cash Crops

01910 • Soybeans

General Journal

04/18/2019

4

Local Elevator

*2500@9@^

Farm Credit L...

22,500.00

22,500.00

Total 01910 • Soybeans

22,500.00

22,500.00

12.4 BALANCE SHEET

The balance sheet is a snapshot of everything owned (assets) and owed (liabilities) as well as the difference between the two (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*

Customize Report	Comment on Report	Share Template	Memorize	Print	E-mail	Excel	Hide Header	Collapse
Dates	This Fiscal Year	As of	12/31/2019	Show Columns	Total only	Sort By	Default	
Report Basis:	<input type="radio"/> Accrual	<input checked="" type="radio"/> Cash	Show Filters					
1:48 PM	My Farm							
02/03/19	Balance Sheet							
Cash Basis	As of December 31, 2019							
					Dec 31, 19			
ASSETS								
Current Assets								
Checking/Savings								
	5011 01 • Very Big Bank - Farm Checking				34,818.84			
	5018 01 • Very Big Bank - Savings				1,500.00			
	Total Checking/Savings				36,318.84			
	Total Current Assets				36,318.84			
Fixed Assets								
Depreciable Assets								
09100 • Beef Breeding								
	09110 • Young Bulls				6,500.00			
	Total 09100 • Beef Breeding				6,500.00			
09600 • Motorized Equipment								
	09630 • Tractors				39,772.50			
	Total 09600 • Motorized Equipment				39,772.50			
	Total Depreciable Assets				46,272.50			
	Total Fixed Assets				46,272.50			
Other Assets								
	1068 01 • COOP Deferred Patronage				9,517.57			
	Total Other Assets				9,517.57			
	TOTAL ASSETS				92,108.91			
LIABILITIES & EQUITY								
Liabilities								
Current Liabilities								
Other Current Liabilities								
	Farm Credit LOC				80,000.00			
	1021 01 • Very Big Bank - LOC				75,000.00			
94100 • Payroll Liabilities								

12.5 BALANCE SHEET PREV YEAR COMPARISON

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

Customize Report	Comment on Report	Share Template	Memorize	Print	E-mail	Excel	Hide Header	Collapse
Dates	This Fiscal Year	As of	12/31/2019	Show Columns	Total only	Sort By	Default	
Report Basis:	<input type="radio"/> Accrual	<input checked="" type="radio"/> Cash	Show Filters					
1:50 PM	My Farm							
02/03/19	Balance Sheet Prev Year Comparison							
Cash Basis	As of December 31, 2019							
		Dec 31, 19	Dec 31, 18	\$ Change				
ASSETS								
Current Assets								
Checking/Savings								
5011 01 • Very Big Bank - Farm Check...		34,818.84	4,954.35					29,864.49
5018 01 • Very Big Bank - Savings		1,500.00	50,000.00					-48,500.00
Total Checking/Savings		36,318.84	54,954.35					-18,635.51
Total Current Assets		36,318.84	54,954.35					-18,635.51
Fixed Assets								
Depreciable Assets								
09100 • Beef Breeding								
09110 • Young Bulls		6,500.00	0.00					6,500.00
Total 09100 • Beef Breeding		6,500.00	0.00					6,500.00
09600 • Motorized Equipment								
09630 • Tractors		39,772.50	0.00					39,772.50
Total 09600 • Motorized Equipment		39,772.50	0.00					39,772.50
Total Depreciable Assets		46,272.50	0.00					46,272.50
Total Fixed Assets		46,272.50	0.00					46,272.50
Other Assets								
1068 01 • COOP Deferred Patronage		9,517.57	9,517.57					0.00
Total Other Assets		9,517.57	9,517.57					0.00
TOTAL ASSETS		92,108.91	64,471.92					27,636.99
LIABILITIES & EQUITY								
Liabilities								
Current Liabilities								
Other Current Liabilities								
Farm Credit LOC		80,000.00	0.00					80,000.00
1021 01 • Very Big Bank - LOC		75,000.00	150,000.00					-75,000.00
94100 • Payroll Liabilities								

12.6 CUSTOMER BALANCE DETAIL

If you use invoices, see who owes you money.

Reports>Customers & Receivables>Customer Balance Detail

Customize Report

Comment on Report

Share Template

Memorize

Print

E-mail

Excel

Hide Header

Refresh

Dates

All

From

To

Sort By

Default

Show Filters

1:52 PM

02/03/19

My Farm

Customer Balance Detail

All Transactions

Type	Date	Num	Account	Class	Amount	Balance
Landlord						
Invoice	10/15/2019		11000 - Accounts...		888.00	888.00
Total Landlord					888.00	888.00
Neighbor						
Invoice	01/05/2019	1	11000 - Accounts...		460.00	460.00
Payment	01/21/2019		11000 - Accounts...		-500.00	-40.00
Invoice	02/05/2019	2	11000 - Accounts...		287.50	247.50
Total Neighbor					247.50	247.50
TOTAL					1,135.50	1,135.50

12.7 VENDOR BALANCE DETAIL

If you utilize bills, see who you owe.

Reports>Vendors & Payables>Vendor Balance Detail

Customize Report

Comment on Report

Share Template

Memorize

Print

E-mail

Excel

Hide Header

Refresh

Dates

All

From

To

Sort By

Default

Show Filters

1:54 PM

02/03/19

My Farm

Vendor Balance Detail

All Transactions

Type	Date	Num	Account	Amount	Balance
Cell Phone Company					
Bill	06/05/2019		20000 - Accounts...	275.00	275.00
Bill Pmt -Check	06/28/2019		20000 - Accounts...	-275.00	0.00
Total Cell Phone Company				0.00	0.00
Coop					
Bill	06/08/2019		20000 - Accounts...	6,358.25	6,358.25
Bill Pmt -Check	06/28/2019	1367	20000 - Accounts...	-6,358.25	0.00
Total Coop				0.00	0.00
Parts Store					
Bill	06/01/2019		20000 - Accounts...	2,567.89	2,567.89
Credit	06/28/2019		20000 - Accounts...	-124.56	2,443.33
Bill Pmt -Check	06/28/2019		20000 - Accounts...	-2,000.00	443.33
Total Parts Store				443.33	443.33
TOTAL				443.33	443.33

13 CHART OF ACCOUNTS

13.1 FARM INCOME ACCOUNTS

ATIG	DESCRIPTION	ATIG	DESCRIPTION	ATIG	DESCRIPTION
01100 BEEF, RAISED		01900 CASH FIELD CROPS		02700 TRUCK CROPS	
10 BEEF FEEDER STEERS		10 SOYBEANS		10 SWEET CORN	
20 BEEF FEEDER HEIFERS		20 PINTO—DRY BEANS		20 POTATOES	
30 YOUNG BREEDING BULLS		30 SUGAR BEETS		30 TOMATOES	
40 YOUNG BREEDING HEIFERS		40 LEGUME—GRASS SEED		40 WATERMELONS	
		50 COTTON		50 CANTALOUPE—HONEYDEW	
01200 DAIRY, RAISED		60 POPCORN		60 CUCUMBER	
10 DAIRY CALVES		70 SUNFLOWERS		70 STRAWBERRIES	
20 DAIRY CALVES		80 CANOLA		80 PUMPKINS	
30 YOUNG BREEDING BULLS		90 OTHER CASH CROPS		90 SQUASH	
40 YOUNG BREEDING HEIFERS					
50 DAIRY FEEDERS		02000 VEGETABLES		02800 FRUITS—BERRIES—GRAPES	
		10 BEANS		10 APPLES	
01300 SHEEP, RAISED		20 BEETS		20 CHERRIES	
10 FEEDER LAMBS		30 CABBAGE		30 PEACHES	
20 MARKET LAMBS		40 CARROTS		40 PEARS	
30 YOUNG BREEDING RAMS		50 EGGPLANT		50 PLUMS	
40 YOUNG BREEDING EWES		60 LETTUCE		60 OTHER FRUITS	
		70 PEAS		70 BERRIES	
01400 SWINE, RAISED		80 PEPPERS		80 GRAPES	
10 FEEDER PIGS		90 SPINACH		90 SPECIALTY FRUITS	
20 MARKET HOGS					
30 YOUNG BREEDING BOARS		02100 VEGETABLES		02900 NURSERY CROPS	
40 YOUNG BREEDING GILTS		10 ASPARAGUS		10 FLOWERS	
		20 BROCCOLI		20 BEDDING PLANTS	
01500 OTHER LIVESTOCK, RAISED		30 CAULIFLOWER		30 VEGETABLE PLANTS	
10 HORSES		40 GREENS		40 SHRUBS	
20 DOGS		50 ONIONS		50 TREES	
30 BISON		60 RADISH		60 GRASS SEED	
40 GOATS		70 RHUBARB			
50 LLAMAS		80 ROOT CROPS		03000 TREE NUTS	
		90 OTHER		10 ALMOND	
01600 POULTRY				20 BUTTERNUT	
10 BROILERS		02200 DAIRY PRODUCTS		30 CHESTNUT	
20 LAYERS		10 MILK		40 HICAN	
30 TURKEYS		20 CHEESE		50 HICKORY	
40 ROASTERS		30 OTHER DAIRY PRODUCTS		60 PECAN	
50 PULLETS				70 WALNUT	
60 OSTRICH		02300 ANIMAL BY-PRODUCTS		80 OTHER	
70 EMU		10 WOOL			
01700 GRAIN		20 HIDES		03100 CROP INSURANCE	
10 BARLEY		30 MEAT		10 CROP INSURANCE PROCEEDS	
20 CORN		40 POULTRY LITTER		20 WEATHER INSURANCE-CROP	
30 GRAIN SORGHUM		50 HONEY			
40 OATS				03200 MACHINE WORK	
50 RYE		02400 CUSTOM FEEDING		10 TRUCKING	
60 WHEAT		10 BEEF FEEDING		20 TRACTOR	
70 MILLET		20 DAIRY FEEDING		30 COMBINE	
80 OTHER GRAIN		30 SHEEP FEEDING		40 TILLAGE	
90 OTHER GRAIN		40 SWINE FEEDING		50 PLANTING	
		50 GRAZING		60 SPRAYING	
01800 HAY & FORAGE				70 IRRIGATION EQUIPMENT	
10 ALFALFA		02500 LANDLORD REFUNDS		80 HAYING EQUIPMENT	
20 BROME—FESCUE—BERMUDA		10 REPAIRS		90 PROCESSING & HANDLING	
30 PRAIRIE HAY		20 SEED			
40 OTHER HAY		30 FERTILIZER		03300 BREEDING FEES	
50 CORN SILAGE		40 MACHINE HIRE		10 STUD FEES	
60 SORGHUM & OTHER SILAGE		50 IRRIGATION EXPENSE		20 ARTIFICIAL INSEMINATION	
70 STRAW		60 GAS—FUEL—OIL			
80 CEREAL & RESIDUE PASTURE		70 DRYING—STORAGE		03400 TREES—LUMBER	
90 TEMPORARY PASTURE		80 HERBICIDE—INSECTICIDE		10 CHRISTMAS TREES	
		90 OTHER		20 STANDING TREES	
				30 CHIP WOOD	
		02600 EGGS		40 PULP WOOD	
		10 EGGS		50 PINE STRAW	
				60 LOGS	
				70 POSTS	
				80 FIREWOOD	

ATIG	DESCRIPTION
03500 PATRONAGE DIVIDENDS	
10	MILK COOPERATIVES
20	SUPPLY COOPERATIVES
03600 GOVERNMENT PAYMENTS	
10	ARC/PLC PAYMENTS
20	LDP PAYMENTS
30	CONSERVATION PAYMENTS
40	DISASTER PAYMENTS
50	STATE GOVT PAYMENTS
60	OTHER GOVT PAYMENTS
70	MARKET GAIN PAYMENTS
80	CRP PAYMENTS
90	LIVESTOCK PAYMENTS
03700 GAS TAX REFUNDS	
10	FEDERAL GASOLINE REFUND
20	STATE GASOLINE REFUND
03800 NON-CROP INSURANCE INCOME	
10	LIVESTOCK
20	MACHINERY
30	BUILDINGS
40	WHOLE FARM REVENUE INS
50	WEATHER INSURANCE-LVSTK
03900 MISCELLANEOUS INCOME	
10	PRODUCT REFUNDS
20	FEE HUNTING
30	OTHER
06000 LIVESTOCK FUTURES	
10	HEDGE ACCOUNT
20	SPECULATIVE ACCOUNT
30	OPTIONS
06100 BEEF, RESALE	
10	BEEF FEEDER STEERS
20	BEEF FEEDER HEIFERS
30	DAIRY FEEDERS
70	RESALE BULLS
80	RESALE COWS
06200 DAIRY, RESALE	
10	DAIRY, RESALE
06300 SHEEP, RESALE	
10	FEEDER LAMBS
20	MARKET LAMBS
06400 SWINE, RESALE	
10	FEEDER PIGS
20	MARKET HOGS
06500 OTHER LIVESTOCK, RESALE	
10	HORSES
20	DOGS
30	BISON
40	GOATS
50	LLAMAS
06600 GRAIN FUTURES	
10	HEDGE ACCOUNT
20	SPECULATIVE ACCOUNT
30	OPTIONS

ATIG	DESCRIPTION
06700 CROPS, RESALE	
10	TRUCK CROPS—FRUITS—
	BERRIES—NUTS
20	CORN
30	GRAIN SORGHUM
40	NURSERY CROPS—VEGETABLES
50	OTHER CROPS
60	WHEAT
70	ALFALFA
80	OTHER HAY & FORAGE
90	SOYBEANS
06800 SUPPLIES PURCH, RESALE	
10	SEED
20	SUPPLIES
30	EQUIPMENT
40	COMMISSION—BONUS
50	REFUNDS
06900 MISC ITEMS, RESALE	
10	MISC ITEMS, RESALE
08000 LISTED PROPERTY SALES	
10	AUTO (% FARM)
20	COMPUTER (% FARM)
30	PICKUP (% FARM)
40	LIGHT TRUCKS & VANS (% FARM)
70	RENTAL PROPERTY
80	STOCK—BONDS
90	RETIREMENT PLANS
08100 BEEF BREEDING, SALES	
10	RAISED BULLS
20	RAISED COWS
70	PURCHASED BULLS
80	PURCHASED COWS
08200 DAIRY BREEDING, SALES	
10	RAISED BULLS
20	RAISED COWS
70	PURCHASED BULLS
80	PURCHASED COWS
08300 SHEEP BREEDING, SALES	
10	RAISED RAMS
20	RAISED EWES
70	PURCHASED RAMS
80	PURCHASED EWES
08400 SWINE BREEDING, SALES	
10	RAISED BOARS
20	RAISED SOWS
70	PURCHASED BOARS
80	PURCHASED SOWS
08500 OTHER LIVESTOCK, BREEDING	
10	HORSES
20	DOGS
30	BISON
40	GOATS
50	LLAMAS

ATIG	DESCRIPTION
08600 MOTORIZED EQUIPMENT, SALES	
10	AUTOS—CYCLES—AIRCRAFT
20	PICKUPS—TRUCKS
30	TRACTORS
40	POWER UNITS & GENERATORS
50	COMBINES
60	SWATHERS
70	SELF-PROPELLED EQUIPMENT
80	COMBINE HEADS
90	FORKLIFTS & SKID LOADERS
08700 MACHINERY, SALES	
10	LIVESTOCK FEEDING EQUIP
20	OTHER LIVESTOCK EQUIPMENT
30	MATERIALS HANDLING EQUIPM
40	TILLAGE MACHINERY
50	PLANTERS & CULTIVATORS
60	IRRIGATION EQUIPMENT
70	HARVESTING EQUIPMENT
80	HAYING EQUIPMENT
90	OTHER EQUIPMENT
08800 BUILDINGS, SALES	
10	GRAIN STORAGE
20	HAY & SILAGE
30	LIVESTOCK FENCES & YARDS
40	LIVESTOCK BUILDINGS
50	WATER SYSTEMS
60	MACHINE STORAGE
70	DEPRECIABLE LAND IMPROVMNT
80	FARM SHOP
90	NON-FARM BUILDINGS
08900 LAND, SALES	
10	NONIRRIGATED CROP LAND
20	IRRIGATED CROP LAND
50	PRAIRIE MEADOW
60	NATIVE PASTURE
70	BROME—FESCUE—BERMUDA
80	TIMBER
90	FARMSTEAD—ROADS—WASTE

13.2 FARM EXPENSE ACCOUNTS

ATIG DESCRIPTION	ATIG DESCRIPTION	ATIG DESCRIPTION
00700 UNDIVIDED UTILITIES	04400 FEED PURCHASED	04900 VET—MEDICINE—DRUGS
10 PHONE	10 ADDITIVES—SALT—MINERAL	10 VETERINARIAN SERVICES
20 ELECTRICITY	20 PROTEIN—MIXED FEEDS	20 MEDICINE—DRUGS
30 NATURAL GAS	50 CUSTOM FEEDING	30 MEDICAL SUPPLIES
40 WATER	70 GRAIN	
50 PROPANE	71 BARLEY	05000 DAIRY EXPENSE
60 WASTE DISPOSAL	72 CORN	10 MILK HAULING
70 CELL PHONE	73 GRAIN SORGHUM	20 GOVERNMENT ASSESSMENTS
80 INTERNET	74 OATS	30 FARM SUPPLIES
	75 RYE	40 PROMOTION
00800 UNDIVIDED AUTO EXPENSE	76 WHEAT	50 STATE DEDUCTIONS
10 AUTO GAS & OIL	77 MILLET	60 DHIA TESTING
20 AUTO REPAIRS	78 OTHER GRAIN	70 BST
30 AUTO TAXES & LICENSES	79 OTHER GRAIN	
40 AUTO INSURANCE	80 HAY & FORAGE	05100 MISC LIVESTOCK EXPENSE
50 AUTO LOAN INTEREST	81 ALFALFA	10 MARKETING SERVICES
	82 BROME-FESCUE-BERMUDA	20 TRUCKING & DELIVERY
04000 POULTRY, PURCH FOR RESALE	83 PRAIRIE HAY	30 COMMISSIONS
10 BROILERS	84 OTHER HAY	40 AI—STUD FEES
20 LAYERS	85 CORN SILAGE	50 LIVESTOCK LEASING
30 TURKEYS	86 SORGHUM & OTHER SILAGE	60 ADVERTISING
40 ROASTERS	87 STRAW	70 LIVESTOCK INSURANCE
50 PULLETS	88 CEREAL & RESIDUE PASTURE	80 TRAVEL EXPENSE
60 OSTRICH	89 TEMPORARY PASTURE	90 CONSULTING & DAY LABOR
70 EMU		
04100 LABOR HIRED	04500 SEED & CROP INSURANCE	05200 GAS—FUEL—OIL
10 WAGES	10 SEED & PLANTS	10 GASOLINE
20 SOCIAL SECURITY TAX	20 SEED CLEANING	20 LP GAS
30 MEDICARE TAX	30 SEED TREATMENT	30 DIESEL
40 RETIREMENT—OTHER	40 GERMINATION TESTING	40 GREASE & OIL
41 RETIREMENT	50 CERTIFICATION	50 IRRIGATION FUEL
42 OTHER	60 CROP INSURANCE	60 IRRIGATION DIESEL
50 HEALTH INSURANCE	70 CROP CONSULTING	70 IRRIGATION ELECTRICITY
60 LIFE INSURANCE	80 MEASUREMENT FEES	
70 WORK COMP—UNEMPLOYMENT	90 GOVERNMENT REPAYMENTS	05300 MISC CROP EXPENSE
71 WORKERS COMPENSATION		10 TRUCKING
72 FUTA	04600 FERTILIZER & LIME	20 FREIGHT
73 SUTA	10 NITROGEN	30 STORAGE
80 STATE TAX WITHHELD	20 PHOSPHORUS	40 ADVERTISING
90 FEDERAL TAX WITHHELD	30 POTASSIUM	50 TRAVEL EXPENSE
	40 MIXED FERTILIZER	60 MARKETING SERVICES
04200 REPAIRS—TOOLS—SUPPLIES	50 TRACE ELEMENTS	70 PRECISION AG SERVICES & FEES
10 GENERAL MACHINERY REPAIR	60 LIME & GYPSUM	90 CROP DAY LABOR
20 CROP MACHINERY REPAIR	70 SOIL TESTING	
30 LIVESTOCK EQUIPMENT REPAIR	80 MANURE	05400 PROPERTY TAXES
40 IRRIGATION EQUIPMENT REPAIR		10 REAL ESTATE TAX
50 BUILDING REPAIR	04700 MACHINE HIRE & LEASE	20 PERSONAL PROPERTY TAX
60 LIVESTOCK SUPPLIES	10 TRUCKING	30 SALES TAX
70 CROP SUPPLIES	20 TRACTOR	40 HIGHWAY USE TAX
80 MISCELLANEOUS SUPPLIES	30 COMBINE	
90 TOOLS	40 TILLAGE	05500 GENERAL FARM INSURANCE
	50 PLANTING	10 MACHINERY INSURANCE
04300 INTEREST PAID	60 SPRAYING	20 BUILDING INSURANCE
10 CURRENT INTEREST	70 IRRIGATION EQUIPMENT	30 LIABILITY INSURANCE
60 STOCKHOLDERS INTEREST	80 HAYING EQUIPMENT	40 MOTOR VEHICLE INSURANCE
70 INTERMEDIATE INTEREST	90 PROCESSING & HANDLING	50 IRRIGATION EQUIPM INSURANCE
80 REAL ESTATE INTEREST		60 WHOLE FARM REVENUE INS
90 LONG-TERM INTEREST	04800 FEES—PUBLICATIONS—TRAVEL	70 WEATHER INSURANCE-CROP
	10 FARM ORGANIZATION FEE	80 WEATHER INSURANCE-LVSTK
	20 MAGAZINES—PAPERS	
	30 FEES—COMMISSIONS—TESTING	
	40 ACCOUNTING—BANK CHARGE	
	50 TRAVEL EXPENSE	
	60 OFFICE SUPPLIES	
	70 POSTAGE	
	80 COMPUTER SOFTWARE	
	90 OTHER	

ATIG DESCRIPTION	ATIG DESCRIPTION	ATIG DESCRIPTION
05600 FARM UTILITIES	07700 CROPS, PURCH FOR RESALE	09600 MOTORIZED EQUIP, PURCHASED
10 PHONE	10 TRUCK CROPS—FRUITS—	10 AUTOS—CYCLES—AIRCRAFT
20 ELECTRICITY	BERRIES—NUTS	20 PICKUPS—TRUCKS
30 NATURAL GAS	20 CORN	30 TRACTORS
40 WATER	30 GRAIN SORGHUM	40 POWER UNITS & GENERATORS
50 PROPANE	40 NURSERY CROPS—VEGETABLES	50 COMBINES
60 WASTE DISPOSAL	50 OTHER CROPS	60 SWATHERS
70 CELL PHONE	60 WHEAT	70 SELF-PROPELLED EQUIPMENT
80 INTERNET	70 ALFALFA	80 COMBINE HEADS
	80 OTHER HAY & FORAGE	90 FORKLIFTS & SKID LOADERS
	90 SOYBEANS	
05700 CASH FARM RENT	07800 SUPPLIES, PURCH FOR RESALE	09700 MACHINERY, PURCHASED
10 NONIRRIGATED CROP LAND	10 SEED	10 LIVESTOCK FEEDING EQUIPMENT
20 IRRIGATED CROP LAND	20 SUPPLIES	20 OTHER LIVESTOCK EQUIPMENT
30 CEREAL & RESIDUE PASTURE	30 EQUIPMENT	30 MATERIALS HANDLING EQUIPM
40 NATIVE PASTURE	40 COMMISSION—BONUS	40 TILLAGE MACHINERY
50 BROME & FESCUE PASTURE	50 REFUNDS	50 PLANTERS & CULTIVATORS
60 BUILDINGS	60 SALES TAX	60 IRRIGATION EQUIPMENT
	70 ADVERTISING	70 HARVESTING EQUIPMENT
	80 TRAVEL	80 HAYING EQUIPMENT
05800 HERBICIDE & INSECTICIDE		90 OTHER EQUIPMENT
10 HERBICIDE		
20 INSECTICIDE		
30 FUNGICIDE		
05900 CONSERVATION	07900 MISC ITEMS PURCH FOR RESALE	09800 BUILDINGS, PURCHASED
10 TERRACING	10 MISC ITEMS PURCH FOR RESALE	10 GRAIN STORAGE
20 WATERWAYS		20 HAY & SILAGE
30 LEVELING	09000 LISTED PROPERTY, PURCHASED	30 LIVESTOCK FENCES & YARDS
40 SEEDS	10 AUTO (% FARM)	40 LIVESTOCK BUILDINGS
50 TREES	20 COMPUTER (% FARM)	50 WATER SYSTEMS
60 DAMS	30 PICKUP (% FARM)	60 MACHINE STORAGE
70 BRUSH CLEARING	40 LIGHT TRUCKS & VANS (% FARM)	70 DEPRECIABLE LAND IMPROVMNT
	60 AMORTIZATION	80 FARM SHOP
	70 RENTAL PROPERTY	90 NON-FARM BUILDINGS
	80 STOCKS—BONDS	
	90 RETIREMENT PLANS	
07000 LIVESTOCK FUTURES	09100 BEEF BREEDING, PURCHASED	09900 LAND, PURCHASED
10 HEDGE ACCOUNT	10 YOUNG BULLS	10 NONIRRIGATED CROP LAND
20 SPECULATIVE ACCOUNT	20 YOUNG COWS	20 IRRIGATED CROP LAND
30 OPTIONS	70 MATURE BULLS	50 PRAIRIE MEADOW
	80 MATURE COWS	60 NATIVE PASTURE
07100 BEEF, PURCH FOR RESALE		70 BROME—FESCUE—BERMUDA
10 BEEF FEEDER STEERS		80 TIMBER
20 BEEF FEEDER HEIFERS		90 FARMSTEAD—ROADS—WASTE
30 DAIRY FEEDERS		
70 RESALE BULLS		
80 RESALE COWS		
07200 DAIRY, PURCH FOR RESALE	09200 DAIRY BREEDING, PURCHASED	
10 DAIRY, PURCH FOR RESALE	10 YOUNG BULLS	
	20 YOUNG COWS	
	70 MATURE BULLS	
	80 MATURE COWS	
07300 SHEEP, PURCH FOR RESALE	09300 SHEEP BREEDING, PURCHASED	
10 FEEDER LAMBS	10 YOUNG RAMS	
20 MARKET LAMBS	20 YOUNG EWES	
	70 MATURE RAMS	
	80 MATURE EWES	
07400 SWINE, PURCH FOR RESALE	09400 SWINE BREEDING, PURCHASED	
10 FEEDER PIGS	10 YOUNG BOARS	
20 MARKET HOGS	20 YOUNG GILTS	
	70 MATURE BOARS	
	80 MATURE SOWS	
07500 OTHER LIVESTOCK, PURCH	09500 OTHER LIVESTOCK, BREEDING	
10 HORSES	10 HORSES	
20 DOGS	20 DOGS	
30 BISON	30 BISON	
40 GOATS	40 GOATS	
50 LLAMAS	50 LLAMAS	
07600 GRAIN FUTURES		
10 HEDGE ACCOUNT		
20 SPECULATIVE ACCOUNT		
30 OPTIONS		

13.3 Non-Farm Income

ATIG	DESCRIPTION	ATIG	DESCRIPTION
00100 TAXABLE NON-FARM INCOME		00300 NONTAXABLE NON-FARM INCOME	
10	WAGES—W2	10	TRANSFERS INTO BUSINESS
20	RENTAL INCOME	20	SAVINGS
30	DIVIDENDS	30	GIFTS
40	ROYALTIES	40	HEALTH INSURANCE REFUNDS
50	SALES—BUSINESS	50	INHERITANCE
60	OIL—GAS—MINERAL LEASES	60	INCOME TAX REFUNDS
70	INTEREST	70	DISABILITY INCOME
80	STOCKS—BONDS	80	SOCIAL SECURITY INCOME
90	FEES—IRA—MISCELLANEOUS	90	NONTAXABLE CAPITAL RECEIPTS

13.4 Non-Farm Expense

ATIG	DESCRIPTION	ATIG	DESCRIPTION
00400 ITEMIZED EXPENSE		00600 NON-FARM BUSINESS EXPENSES (CONTINUED)	
10	DOCTORS	80	OTHER EXPENSES
20	MEDICINE—DRUGS	81	LEGAL AND PROFESSIONAL FEES
30	CHARITABLE CONTRIBUTIONS	82	COMMISSIONS AND FEES
40	HEALTH INSURANCE	83	ADVERTISING
50	NON-FARM INTEREST	84	CAR AND TRUCK EXPENSES
51	MORTGAGE INTEREST	85	OFFICE EXPENSE
52	STUDENT LOAN INTEREST	86	SUPPLIES
53	OTHER DEDUCTIBLE INTEREST	87	TRAVEL, MEALS, ENTERTAINMENT
54	OTHER NON-DEDUCTIBLE INTEREST	88	UTILITIES
60	FEDERAL INCOME TAX	90	PURCHASES/MATERIALS FOR RESALE
70	STATE INCOME TAX		
80	SOCIAL SECURITY—PROPERTY TAX	00700 UNDIVIDED UTILITIES	
81	REAL ESTATE	10	PHONE
82	SOCIAL SECURITY	20	ELECTRICITY
83	TANGIBLE TAX	30	NATURAL GAS
90	CHILD CARE	40	WATER
		50	PROPANE
00500 FAMILY LIVING EXPENSE		60	WASTE DISPOSAL
10	FOOD & GROCERIES	70	CELL PHONE
20	CLOTHING	80	INTERNET
30	HOUSEHOLD OPERATION		
40	RECREATION—PERSONAL SERVICES	00800 UNDIVIDED AUTO EXPENSES	
50	EDUCATION	10	AUTO GAS & OIL
60	FURNITURE—HOUSEHOLD EQUIPM	20	AUTO REPAIRS
70	GIFTS	30	AUTO TAXES & LICENSES
80	LIFE INSURANCE	40	AUTO INSURANCE
90	HOUSE UPKEEP—REPAIRS	50	AUTO LOAN INTEREST
00600 NON-FARM BUSINESS EXPENSES		00900 NONDEDUCTIBLE NON-FARM EXPENSE	
10	INSURANCE (OTHER THAN HEALTH)	10	TRANSFERS OUT OF BUSINESS
20	RENT OR LEASE	20	SAVINGS
30	CONTRACT LABOR	30	GIFTS
40	EMPLOYEE EXPENSES	40	NON-FARM EXPENSE
41	WAGES	50	DAIRY CAPITAL RETAINED
42	SOCIAL SECURITY TAX	60	NON-FARM EXPENSE
43	MEDICARE TAX	70	NON-FARM EXPENSE
44	RETIREMENT	80	NON-FARM EXPENSE
45	HEALTH INSURANCE	90	OTHER CAPITAL DISTRIBUTIONS
46	LIFE INSURANCE		
47	WORKERS COMPENSATION/UNEMPLOYMENT	01000 DEDUCTIBLE NON-FARM EXPENSE	
48	STATE TAX WITHHELD	10	RENTAL REPAIRS
49	FEDERAL TAX WITHHELD	20	RENTAL INSURANCE
50	INTEREST	30	RENTAL TAXES
60	REPAIRS AND MAINTENANCE	31	RENTAL TAX
70	TAXES AND LICENSES	32	ROYALTY TAX
		40	RENTAL UTILITIES
		50	RENTAL INTEREST
		60	SECURITIES
		70	NON-FARM EXPENSE
		80	STOCKS—BONDS
		90	RETIREMENT PLAN CONTRIBUTIONS

CONTINUED NEXT COLUMN

BASIC HOMEWORK ASSIGNMENT

1. There is a template company file located in a QuickBooks folder on the computer desktop. Start the exercise by customizing the company file (start at step 8 in section 3.1 on page 21). Use the following name and address :

Joe Farmer
12345 Gravel Road
Manhattan, KS 66502

2. Add the following existing asset accounts (see section 3.4 on page 31):

Very Big Bank – Farm Checking	Acct Num: 5011 01	12/31/19 Bal	\$2,411.19
Very Big Bank – Savings	Acct Num: 5018 02	12/31/19 Bal	\$5,000.00
Farmers Coop – Deferred Patronage	Acct Num: 1068 03	12/31/19 Bal	\$20,699.82

3. Set the checking account as the default account for writing checks, paying bills, and recording deposits. (see step 10 on page 34)

4. Add the following liability accounts (see section 3.5 on page 35):

Very Big Bank – Operating Loan	Acct Num: 1021 01	12/31/19 Bal	\$100,000.00
Very Big Bank – Tractor Loan	Acct Num: 1027 02	12/31/19 Bal	\$35,000.00

5. Enter the following transactions. *Make sure that you are entering the transactions in the farm checking account (5011 01).*

1/2/20	Debit	Stop N Rob		\$50.07	page 55
		05210 Gasoline		\$50.07	
1/3/20	Deposit	Farmers Coop Assoc		\$233,084.91	page 47
		01720 Corn (see additional handout)		\$145,675.41	
		01910 Soybeans (see additional handout)		\$88,909.50	
		Less cash		\$1,500.00	page 54
1/6/20	Deposit	Da Local Livestock Auction		\$39,159.43	page 47
		01110 Steers (see detail)		\$39,909.43	
		Less cash		\$750.00	page 54
1/6/20	#1101	RWD NO 3		\$76.54	
		00740 Water		\$76.54	
1/6/20	Debit	Verizon Wireless		\$243.51	
		00770 Cell phone		\$243.51	
1/6/20	#1102	Rural Electric Coop		\$323.12	
		00720 House electric		\$201.65	
		05620 Shop electric		\$56.98	
		05620 Bins eletrtric		\$64.49	
1/6/20	#1103	Stop N Rob		\$32.46	
		05210 Gasoline		\$32.46	
1/6/20	#1104	Farmers Coop Assoc		\$6,149.13	
		05230 Diesel		\$2,593.17	
		04210 Repair		\$12.75	
		05810 Corn herbicide		\$3,543.21	
1/7/20	Debit	Very Big Bank		\$102,192.87	page 70
		1021 01 Operating loan principal		\$100,000.00	
		04310 Operating loan interest		\$2,192.87	
1/7/20	Debit	Very Big Bank		\$18,689.92	
		1027 02 Tractor loan principal		\$17,114.92	
		04370 Tractor loan interest		\$1,575.00	

6. Enter the following transactions in the farm checking account:

1/9/20	Debit	Stop N Rob	\$53.29	page 55
		05210 Gasoline	\$45.30	
		00510 Beef jerky	\$7.99	
1/11/20	Transfer	To Savings	\$100,000.00	page 43
1/12/20	Debit	Ralph's Farm & Ranch Supply	\$124.61	
		04280 Supplies	\$120.62	
		00510 Candy	\$3.99	
1/13/20	Debit	Stop N Rob	\$66.81	
		05210 Gasoline	\$66.81	
1/15/20	Deposit	Farmers Coop Assoc	\$987.35	page 52
		03520 See detail	\$987.35	
1/15/20	#1105	Empty Belly Feed Supply	\$3,430.50	
		04410 Feed	\$3,430.50	
1/15/20	#1106	The Chemical Supply Co.	\$25,000.00	
		05810 Wheat chemical prepay	\$8,000.00	
		04610 Wheat topdress prepay	\$17,000.00	
1/15/20	#1107	Fuel Deliverers LLC	\$2,260.84	
		05230 Diesel	\$2,260.84	
1/15/20	#1108	McVet Services	\$1,500.00	
		04920 Preg check & vaccinate	\$1,500.00	
1/22/20	Debit	Broken Hammer Hardware	\$44.33	
		04210 Repairs	\$44.33	
1/26/20	Debit	Stop N Rob	\$57.11	
		05210 Gasoline	\$57.11	
1/28/20	#1109	County Treasurer	\$680.99	
		05420 Ford pickup tag and taxes	\$680.99	
1/28/20	#1110	John Deere Dealer	\$10,000.00	page 79
		See Detail		
		<i>You'll need to set up a new loan to complete this transaction</i>		page 35
1/31/20	Deposit	Nosey Neighbor	\$796.50	
		03210 Custom work	\$796.50	

7. Reconcile the checking account (see section 10 on page 94)

ADVANCED HOMEWORK ASSIGNMENT

1. Add the following customers (see section 3.6 on page 39):

Nosey Neighbor
4321 Fake Street
Manhattan, KS 66502

Larry Landlord
1122 Gravel Road
Manhattan, KS 66502

Harry Haybuyer
9876 Bumpy Road
Manhattan, KS 66502

2. Create the following invoices (see section 8.1 on page 81):

5/1/20	Nosey Neighbor	Cultivate 320 acres @ \$10.00/A	0324 – Tillage
		Plant 300 acres @ \$16.25/A	0325 – Plant
5/1/20	Larry Landlord	Seed \$2,000	0252 – Landlord Refund Seed
		Fertilizer \$4,000	0253 – Landlord Refund Fertilizer
5/15/20	Nosey Neighbor	Spraying 160 acres @ 5.20/A	0326 – Spraying

3. Receive the following payments (see section 8.2 on page 83)

5/25/20	Nosey Neighbor	\$8,907.00
5/26/20	Larry Landlord	\$6,200.00

4. Record a deposit of the two invoice payments above on 5/30/20 (see section 8.3 on page 88)

5. Create the following invoice (see section 8.1 on page 81):

6/1/20	Larry Landlord	\$600.00 Trimming Trees	0320 – Machine Work
--------	----------------	-------------------------	---------------------

6. Receive the following payments (see section 8.2 on page 83)

6/26/20	Larry Landlord	\$400.00
---------	----------------	----------

7. Record the deposit from Larry Landlord on 6/27/20 (see section 8.3 on page 88)

8. Add the following raised inventory (see section 11.2 on page 101):

6/1/20	0181 – Alfalfa	100 tons
7/1/20	0176 – Wheat	48,000 bushels
5/1/20	0111 – Steer calves	50 head
	0112 – Heifer calves	52 head
10/15/20	0172 – Corn	127,000 bushels

9. Create the following invoices (see section 8.1 on page 81):

6/15/20	Harry Haybuyer	45.3 tons alfalfa @ \$120/ton	0181 – Alfalfa
		Trucking \$500	0321 – Trucking
6/22/20	Harry Haybuyer	22.3 tons alfalfa @ \$120/ton	0181 – Alfalfa
		Trucking \$250	0321 – Trucking

10. Receive the following payments (see section 8.2 on page 83)

7/15/20	Harry Haybuyer	\$8,682.00
---------	----------------	------------

11. Record the deposit from Harry Haybuyer on 7/16/20 (see section 8.3 on page 88)

12. Create the following sales receipts (see section 11.3 on page 103)

8/15/20	Coop	0176 – Wheat	24,000 bushels @ \$4.25/bu Less \$0.04/bu storage	See page 107
9/5/20	Coop	0176 – Wheat	14,000 bushels @ \$4.32/bu Less \$0.08/bu storage	

13. Record the Coop deposit of \$160,400.00 on 9/5/20
14. Create the following sales receipt (see section 11.3 on page 103)

11/1/20	Salebarn	0111 – Steer calves 0112 – Heifer calves	49 head @ 600# X \$1.20/# 40 head @ 570# X \$1.15/# Less \$200.00 Commission	See page 109

15. Record the Salebarn deposit of \$61,300.00 on 11/2/20
16. Create the following sales receipt (see section 11.3 on page 103)

12/29/20	Coop	0172 – Corn	20,000 bushels @ \$3.25/bu Less \$0.04/bu storage	See page 107
----------	------	-------------	--	--------------

17. Record the Coop deposit of \$64,200.00 on 1/3/21
18. Enter the following vendors and bills (see section 5.3.1 on page 61)

1/11/20	RWD #1	05640 – Water	\$78.00
1/13/20	Implement Dealer	04210 – Repairs	\$1,683.54
1/15/20	Electric Coop	05620 – Electricity	\$268.96
1/18/20	Implement Dealer	04210 – Repairs	\$572.56

19. Enter the following credit for returned parts (see section 5.3.3 on page 63)

1/21/20	Implement Dealer	04210 – Repairs	278.33
---------	------------------	-----------------	--------

20. Pay all bills on 1/30/20 (see section 5.3.4 on page 64)