

BASIC RECORD KEEPING AND BUDGETING FOR FARM ENTERPRISES

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WHY KEEP RECORDS?

1 PROOF

Agencies Requiring Proof of income, expense, inventory

IRS

Guam Department of Revenue & Taxation

2 DECISION MAKING AIDS

Records help farmers make informed decisions about

Machinery purchases

Adding or Deleting enterprises (what crops should I grow? Or stop growing?)

Is it time for me to expand? How much?

3 INSTITUTIONAL REQUIREMENTS

Lending agencies

Government Agencies/Grants

Department of Agriculture (every 6 months to renew bonafide farm certificate/disaster relief)

Guam Department of Revenue & Taxation (for farm GRT exemption)

Certification or Equivalent for Organic Farming

4 ENVIRONMENTAL REGULATIONS

Chemical Use Records

Livestock Waste applications

Irrigation Water use

Erosion Control

Water & Soil management



WHAT IS FARM RECORDKEEPING?	KEEPI	NG?			
Your system of:	\uparrow	Keeping	\uparrow	Farm Financial Information	
	1	Filing	\uparrow	Farm Production Information	
	\uparrow	Categorizing			ı
	\uparrow	Maintaining			
WHAT IS FARM RECORD	ANAL	ANALYSIS?			
Using records for:	\uparrow	Knowing where you stand with Finances	\uparrow	Actual Farm Performance	
	\uparrow	Knowing where you stand with Production	\uparrow	Projected Farm Performance	
	\uparrow	Farm Planning			ì
	\uparrow	Informed Decision Making			
WHAT IS THE DIFFERENCE	E BET	: BETWEEN FINANCIAL RECORDKEEPING AND PRODUCTION RECORDKEEPING?	RECO	ORDKEEPING?	
Financial	\uparrow	Money			
		Financial Interactions of the Farm			
		Transactions			
		Justification of Income & Expense	Ш		
		Receipts			
		Product Sales Records			
		Operating Expenses			
		Equipment Purchases			
		Accounts Payable/Receivable			
		Inventory			
		Depreciation			
		Loan Balances			
		Pricing	-51		
Production	\uparrow	Amount of Yield by Crop (tons/lbs/etc)			
		Profit and Loss by Crop/Venture			
		Field Records, Dates, Logs			



WHATEVER FINANCIAL RECORDKEEPING SYSTEM YOU USE SHOULD:

- 1 PROVIDE INFORMATION THAT IS NECESSARY
- 2 BE ACCURATE AND COMPLETE
- 3 FIT YOUR FARM OR ORGANIZATION FRAMEWORK
- 4 BE AVAILABLE TO THOSE MAKING DECISIONS
- 5 BE USER FRIENDLY TO THE PERSON HANDLING FINANCIALS

TIPS:

- 1 USING A CHECKING ACCOUNT KEEPS MOST TRANSACTIONS LOCATABLE IN A MONTHLY STATEMENT
- 2 RECORD TRANSACTIONS REGULARLY IN YOUR SYSTEM; EXAMPLE-MONTHLY
- 3 COMPUTER SYSTEMS ONLY HELPFUL IF YOU HAVE TIME TO LEARN THEM
- 4 HAND WRITTEN LEDGER SHEETS OR SPREADSHEETS ARE JUST FINE IF YOU USE THEM CORRECTLY

DOING IT BY HAND:

WHOLE FARM RECORD KEEPING:

			INCOME				E)	(PENSE		
DATE	DESCRIPTION	CORN	CHICKENS	ECO TOURS	FERT	ILIZER	SUP	PLIES	FEES	5
12/5/2014	Seed Expense CORN		- 1		- 1		\$	25.00		
	Chicken Feed					5100	\$	20.00		1.1
12/5/2014	SOLD 5 DOZ EGGS		\$ 30.00							
12/10/2014	SOLD 300 LB CORN	\$ 300.00								
12/15/2014	EPA Pesticide Class								\$	100.00
12/20/2014	FARM TOUR FOR TOURISTS			\$ 200.00						
12/20/2014	TRANSLATOR FOR TOUR							12	\$	50.00
12/20/2014	LUNCH AND TOUR COMMISSION								\$	75.00
12/20/2014	Fertilizer & Manure				\$	75.00				
	CATEGORY TOTALS	\$ 300.00	\$ 30.00	\$ 200.00	\$	75.00	\$	45.00	\$ 2	225.00
IN	COME/EXPENSE TOTALS	\$		530.00	\$				3	345.00
	FARM PROFIT/LOSS	\$							1	85.00

ENTERPRISE/ACTIVITY RECORD KEEPING:

					INC	ом	E		
DATE	DESCRIPTION	CO	RN	СНІ	CKENS	ECO	TOURS	то	ΓAL
12/5/2014	SOLD 5 DOZ EGGS	T		\$	30.00			\$	30.00
12/10/2014	SOLD 300 LB CORN	\$	300.00					\$	300.00
12/20/2014	FARM TOUR FOR TOURISTS	T				\$	200.00	\$	200.00
INCO	OME TOTALS BY ACTIVITY	\$	300.00	\$	30.00	\$	200.00	\$	530.00
		Т	LIVE S		EXP	ENS	E		
DATE	DESCRIPTION	cor	RN	СНІ	CKENS	ECC	TOURS	TO	TAL
12/5/2014	Seed Expense CORN	\$	25.00		1 - 1 - 1 -			\$	25.00
12/10/2014	Chicken Feed			\$	20.00			\$	20.00
12/15/2014	EPA Pesticide Class	\$	100.00					\$	100.00
12/20/2014	TRANSLATOR FOR TOUR	Т				\$	50.00	\$	50.00
12/20/2014	LUNCH AND TOUR COMMISSION	T				\$	75.00	\$	75.00
12/20/2014	Fertilizer & Manure	\$	75.00			Γ		\$	75.00
EXPI	ENSE TOTALS BY ACTIVITY	\$	200.00	\$	20.00	\$	125.00	\$	345.00
PRO	OFIT/LOSS BY ACTIVITY	\$	100.00	\$	10.00	\$	75.00	\$	185.00



FARM CHART OF ACCOUNTS

ccounts Receivab	Petty Cash Checking Savings
	Checking Savings
	Savings
	ile
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encing	
rigation Equipme	nt
ractor	
reenhouse	
To the same of	

	LIABILITIES
Accounts Payab	ole
Loans Payable	
Payroll Liabilitie	s
	Guam Income Taxes Employee
	SS Taxes Employee Share
	Med Taxes Employee Share

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	INCOME/REVENUE	
Total Sales		Ī
	Sales CSA	
	Sales on-site Farm Stand	Ī
	Sales Farmer's Market	Ī

Why do I need this?

These "account" names help you categorize your money. Income & Expense are used most, but Asset, Liability, and Equity are important for figuring out your inventory, how much your farm is worth, providing documentation when applying for credit, or for grants or other government assistance.

Assets, Liabilities, and Equity together with Income & Expense, help you create Financial Statements, which include a Balance Sheet and a Profit & Loss Statement. These statements can be very valuable to help you get an overall picture of how your farm is doing over time, and help you make decisions based on your current situation. Banks often require 2 years Financial Statements when you ask for loans.

	EXPENSES	
Accounts Payable		
Chemicals		
	Pesticides	
	Cleaners	
Fertilizers & Lime		- Sindaw
Supplies		
C		
Seeds & Plants	Canda	
	Seeds Seedlings	
	Plants	
	Triailts	
Rent		
nent	Equipment	
	Land	
	Animals	
	Storage	
	Facilities	
	T deliteres	
Storage & Wareh	ousing	
Utilities		
	Power	
	Water	
	Fuel-non vehicle	
	LP Gas	
	Waste Removal	
	Communications	
		Phone/Fax
	111111111111111111111111111111111111111	Cellular/Radio
		Internet
Interest		
	Mortgage	
	Loan	
	Loan Credit Purchases	
Repairs & Mainte	Loan Credit Purchases	
	Loan Credit Purchases	
Feed	Loan Credit Purchases	
Feed Freight/Delivery/	Loan Credit Purchases	
Feed Freight/Delivery/ Gas/Fuel/Oil	Loan Credit Purchases	
Feed Freight/Delivery/ Gas/Fuel/Oil Licenses/Fees	Loan Credit Purchases	
Feed Freight/Delivery/ Gas/Fuel/Oil Licenses/Fees LABOR	Loan Credit Purchases enance Trucking	
Feed Freight/Delivery/ Gas/Fuel/Oil Licenses/Fees LABOR 1099MISC Contra	Loan Credit Purchases enance Trucking	
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Feed Freight/Delivery/ Gas/Fuel/Oil Licenses/Fees LABOR 1099MISC Contra	Loan Credit Purchases enance Trucking extors Expense Wages SS Taxes Employe	
Feed Freight/Delivery/ Gas/Fuel/Oil Licenses/Fees LABOR 1099MISC Contra	Loan Credit Purchases enance Trucking actors Expense Wages	yer Share



WHOLE FARM RECORD KEEPING:

		INCOME		EXPENSE	
		BY ACTIVITY		BY CATEGORY	1
ATE	DESCRIPTION				
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			27111		
				4.1.1.	
164					
	CATEGORY TOTALS				
	INCOME/EXPENSE TOTALS FARM PROFIT/LOSS				



ENTERPRISI	E/ACTIVITY RECORD KEEPING:					ENTERPRIS	E/ACTIVITY RECORD KEEPING:				
			INC	OME					INC	OME	
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Vehicle Expense Record & Mileage Tracking Log

Business/Farm:

YEAR:

2015

USE: €

REIMBURSED TO DRIVER USE RECORD FOR EXPENSES Rate (\$/mile) **Business Miles**

Total Expense

Vehicle Make: 0.575 Vehicle Model: 22.0 Vehicle Year: \$ 12.650 Date Placed in Service:

Toyota 4 Runner 2009 6/1/2012

Purchase Price:

	0/1/2012
Ċ	15,000,00

DATE	PURPOSE OF TRIP (BUSINESS/PERSONAL) DESCRIBE	START ODOMETER	END ODOMETER	TOTAL MILES	BUSINESS MILES	PERSONAL MILES
1/15/2013	Farm to Dept of Ag-Reg as Bonafide Farmer	25,398.0	25,409.0	11.0	11.0	0.
1/15/2013	Dept of Ag-Rev & Tax-Farm-File Paperwork	25,409.0	25,420.0	11.0	11.0	0.
1/15/2013	Farm to Macy's Shopping Personal	25,420.0	25,425.0	5.0	0.0	5.
		25,425.0		0.0		
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		0.0		0.0		
		0.0		0.0		
		0.0		0.0		
			TOTAL	27.0	22.0	5



 Vehicle Expense Record & Mileage Tracking Log
 Vehicle Make:

 Business/Farm:
 Rate (\$/mile)
 Vehicle Model:

 YEAR:
 Business Miles
 Vehicle Year:

 USE:
 € REIMBURSED TO DRIVER
 Total Expense
 Date Placed in Service:

 € USE RECORD FOR EXPENSES
 Purchase Price:

	PURPOSE OF TRIP	START	END	TOTAL	BUSINESS	PERSONAL
DATE	(BUSINESS/PERSONAL) DESCRIBE	ODOMETER	ODOMETER	MILES	MILES	MILES
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	1000				-	
			TOTAL			