Quicken

For Farm/Ranch Financial Records

Quicken Deluxe 2013

Table of Contents

ii

Using Quicken® for Farm/Ranch Financial Records[1]
(Quicken® Deluxe 2013)
October 2012

   This tutorial demonstrates a "hands-on" session to develop a simple set of financial records and reports for a case farm with a cow/calf herd and wheat for grain and pasture. Although our case farm is a simple one, you will be able to practice many of the steps that you might use in adapting Quicken Deluxe[2] to keep records on your farm or ranch. This tutorial is intended to be a step-by-step reference that can be used when working on computerized personal records at home or to supplement instructions in a workshop setting.

   An overview of what we do in an introductory workshop follows:
   1. Introduce text conventions in the manual, keyboard shortcuts and desktop setup.
   2. Create a data file and add checking, savings and cash accounts.
   3. Work with category lists.
      a.   Import Farm Categories to match tax Schedule F.
      b.   Add categories.
      c.   Delete categories.
      d.   Add subcategories.
   5. Set up tags.
   6. Add loan accounts to be used in the file.
   7. Enter transaction data using the categories, subcategories and tags specified.
   8. Record loan payments.
   9. Create reports to summarize the data entered.
   10. View a graph of income and expenses.
   11. Back up data.

   Specific instructions for accomplishing each of these steps are included in this tutorial. Additional instructions for common or farm-related procedures follow the basic instructions. A glossary of financial and Quicken terms are at the end of the tutorial. If you are using this tutorial at home, the "new user setup" in Quicken will prompt you to set up a file and your accounts as described in the first three sections of this tutorial.

   Additional farm management information and Quicken tips for usage can be viewed online at www.agecon.okstate.edu/quicken. The Quick Tips newsletter is a helpful companion to this tutorial and can be found at the website within the header, Newsletters.

---

[1] Damona Doye, Sarkeys Distinguished Professor, Regents Professor and Extension Economist, and Lori J. Shipman and Jennifer Jensen, Extension Paraprofessionals.
[2] Quicken Deluxe 2013 is a registered trademark and will be written as Quicken or Quicken 2013 throughout the rest of the tutorial.

Introduce Manual Text Conventions, Keyboard Shortcuts and desktop setup

<u>**Text Conventions**</u>
Throughout this tutorial, you will notice some information is printed differently than the surrounding text. This enhanced text requires special attention as it generally signifies an action to be performed. If, for instance, we want you to type the words "My programs", you will see this:

Type **My programs**.

Buttons that you need to click, selections that you need to make, or text that is referenced in a document on screen appear in bold text:

Click the **Customize** button.

Select **Expense**.

File and folder names are referenced in italics and use the case conventions for the operating system in which you are working. For example, a computer file name might appear like this:

Document1

Keyboard and keyboard combinations that you may need to apply appear like this:

Press [**ENTER**].

Press [**CTRL+A**].

A keyboard/mouse combination such as [CTRL+A] means to press and hold down the first key (Control) while pressing the second key (A), then release.

Text that appears within parentheses refers to steps that may be necessary depending on your computer's settings or steps in an alternate approach to the same task. Parenthetical steps appear like this:

(Click the **Close** button.)

Titles of screens, programs, etc. will be underlined such as the name of the following Quicken screen:

<u>Create Quicken File</u>

Notes and helpful hints are in italics and sometimes enclosed in parentheses, for example:

Note: The note may appear this way.

(The note may appear this way.)

Keyboard Shortcuts and Desktop Setup

You may select an item from Quicken in one of four ways:

    a. Using the mouse, left-click *(click using the left button of your mouse)* on specialized "buttons" in the toolbar.

    b. Using the mouse, move the cursor to the appropriate line in a drop-down menu and left-click.

    c. Use a shortcut key by simultaneously pressing [Ctrl] or [Ctrl+Shift] and the designated letter. For example, [Ctrl + S] takes you to the split transaction screen.

    d. In the check register, simultaneously press [Alt] and the letter key underlined in the word or phrase. For example, to open the menu line File, select [Alt+F].

In our instructions we typically use mouse clicks and the menu bar for selections. We occasionally mention the shortcut keys.

Desktop navigation options are as follows:
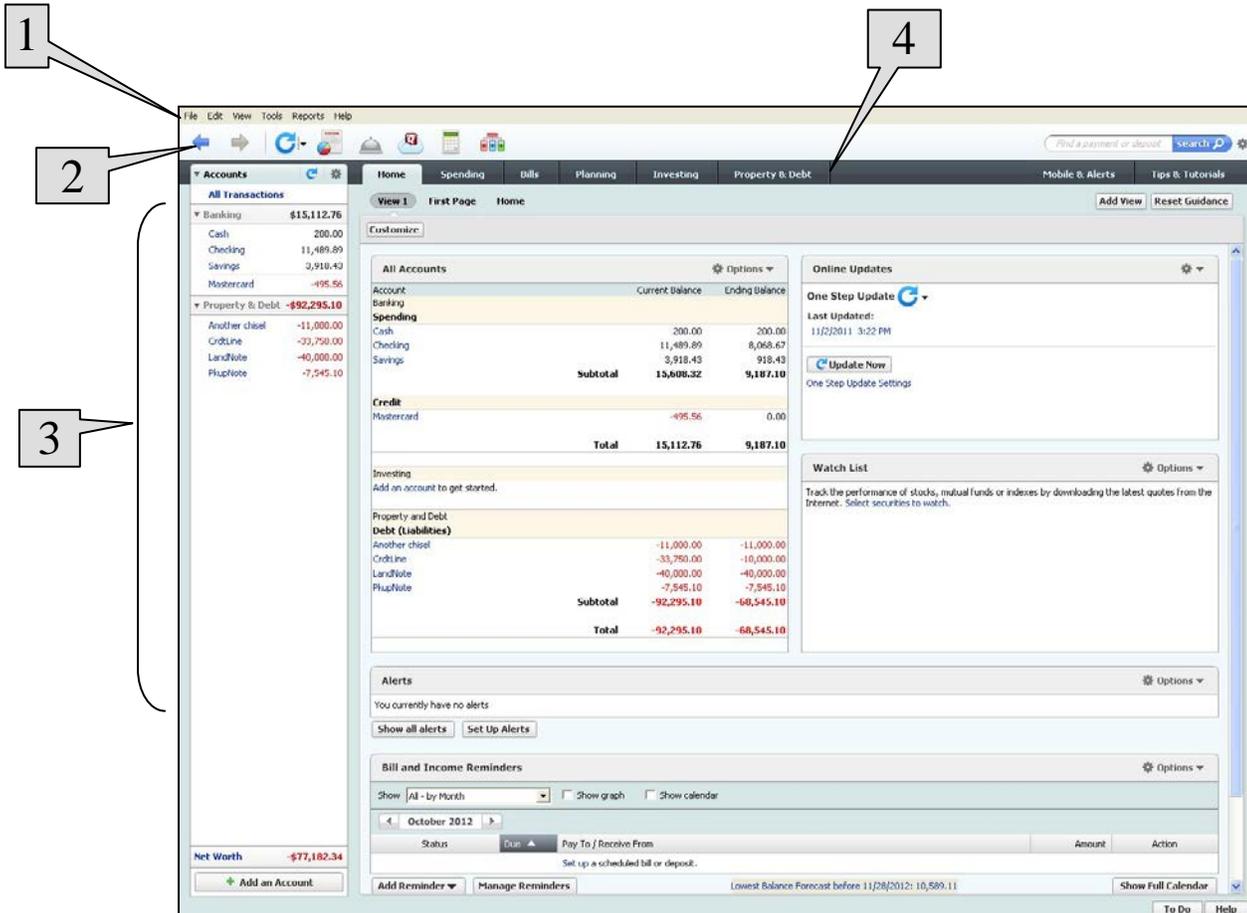
1. **Main Menu Bar.** Using the mouse, move the cursor to the appropriate item in the Main Menu Bar and left-click. To select an option from within that menu heading, move the cursor

to select it. For example, to create a new file within Quicken, select **File** from the main menu and move the cursor to **New Quicken File**. We are using the Standard Menu click on **View, Standard Menu**.

2. **Toolbar.** Toolbar buttons provide quick access to options such as returning to the previous screen (Back button), accessing the Internet for stock quotes and news (One Step Update button) or the Quicken website (Quicken.com button). If the toolbar isn't available, click on **View, Show Tool Bar**.

3. **Account Bar.** The Account Bar allows easy access to accounts by center. The "centers" display account summary information in one easy-to-read place. You can customize what appears on each of the centers by deleting, rearranging, or adding new components. You can also create different views of the center. When an account is selected, the account register appears.

4. **Shortcut Tabs.** When you become more familiar with Quicken, you may want to try using the shortcut features. They take you to the different centers within Quicken and have an overview screen that appears for each tab. We will typically use the Main Menu Bar for navigation.

To move around in the register or menu screens, press **[Tab]** to move forward to the next field (area for input). Press **[Shift+Tab]** to move backwards one field. The step-by-step instructions that follow will ***not*** note every [Tab] needed to move through screens. Assume that if the cursor doesn't move to the next field, you should **[Tab]** to navigate to enter the next piece of information.

Later in this tutorial, we will use the sample files provided on the <u>Quicken Sample Files</u> compact disc (CD) to review some of Quicken's features. For these files to run efficiently, follow these instructions to copy them to the hard drive of your computer.

Place the CD labeled <u>Quicken Sample Files</u> into the appropriate computer drive (for our example, we will use *CD/DVD drive, D:)*.

Open the <u>Windows Explorer</u> program [⊞*Windows Key + E*] or right-click on *Start, Explore* or click

> **Start**
>> **All Programs**
>>> *(You may need to click Accessories.)*
>>> **My Computer**

From the options on the left, double-click

> **My Computer**
>> **(D:) 2013 Quicken Sample Files**

File names *Asset Acct, Farm Categories*, and *LONDON13* should be displayed on the right. From the taskbar at the top of <u>My Computer</u>, click

Edit
    Select All   *(The shortcut for Edit, Select All is to press [Ctrl+A]).*

Then, click
    Edit
      Copy

Now, click
    Local Disk (C:)   *(from the menu on the left)*

From the Drop-Down Menu Bar, click
    File
      New
        Folder
To name the folder, type **Workshop Files** and press [**Enter**].

Open the **<u>Workshop Files</u>** folder by double-clicking it.

Then click **Edit**
    Paste   *(The shortcut for Edit, Paste is to press [Ctrl+V]).*

Click **X** in the top right corner to close <u>My Computer</u>.

You have completed the task of copying the <u>Quicken Sample Files</u> to your computer. Later in the tutorial, you will be using these files. Now we will create a new file for your practice.

Set up a Data File and Add a Checking Account

Just as a file cabinet can contain family and farm financial information, one Quicken computer file can contain both farm and family financial information. Income and expenses are recorded in one or more accounts (checking, credit card, etc.). Reports can be developed to summarize information across all accounts, by individual account, or by tag if you specify tags when you enter transactions. We will use tags to represent the different enterprises of our farm (for example, Wheat, Stockers, Overhead, and Family Living). This tutorial touches on the basic features of Quicken.

<u>Previous Quicken Users</u>: Quicken 2013 will automatically uninstall previous versions of Quicken. Make a backup of all current data files before installing 2013! Follow the installation instructions as prompted after inserting your program CD or downloading Quicken from the Intuit website. You will be asked if you are a new or previous user. Then, you will be asked if you want to open the data file most recently used, use a different data file or start over and create a new file. If you choose "start over", you can create a file name that you choose and select the directory in which you want to save it.

*Note: For tutorial purposes, if so prompted, select **I am a new user, or I've used Quicken before but I want to start over**. If you are prompted to Convert your data file, click **Cancel**.*

If you see the screen that follows, select **New Quicken File.**

Click **OK**.

Through one of these paths, you should now see a Create Quicken File screen.

You will be prompted to create and store your new file. From the drop-down list of folders, select Local Disk (C:) Workshop Files. File name is: **Your Name**.

Now is a good time to sketch out a list of accounts you might want to set up for your farm and home. Types of accounts include checking, savings, investment, credit card, brokerage, IRA or Keogh, 401(k) or 403(b), 529, individual mutual fund, house, vehicle, other assets, and liability accounts.

Note: We offer instructions on investment accounts in a separate publication.

For a new file, click the **Get Started** button.

Note: If there is no Internet connection, you will automatically be asked if you want to Add Account Manually. Otherwise, follow the instructions given.

Add your Primary Checking Account:
Click on **Advanced Setup** in blue text at the bottom of the window.

Choose: **I want to enter my transactions manually**

Next

Account Setup now guides you to set up your primary checking account. For this tutorial, we will enter all account information manually and assume that you do not want to have online access. Some financial institutions offer online setup, but we do not demonstrate this option as individual institutions have different sign up requirements.

> *Note: If you wish to use online banking for your checking account,* **click I want to select the connection method used to download my transactions***". You will need to contact your bank to gain access to your account. Be sure to ask what file transfer format is used for Quicken. The OFX data exchange format is currently used in Quicken. Most financial institutions use this format. Once you have determined that your bank is Quicken-compatible, you can use this feature to set up your account and later download transactions.*

Enter the Account Name/Nickname: **Farm Checking**

Click **Next**.

Ideally, you will have a bank statement at hand to use in establishing an account balance as of a specific date.

Statement Ending Date: **1/1/2013**
Statement Ending Balance: **12410.35**

Next

Add another account

Now add a family checking account by clicking **Checking** under Spending & Saving.

Again, click on **Advanced Setup** at the bottom of the window.

Click on **I want to enter my transactions manually.**

Next

Enter information for the family checking account, again using a current bank statement if possible. For our example, we have:

Account Name/Nickname: **Family Checking**

Next

Statement Ending Date: **1/1/2013**
Statement Ending Balance: **845.44**

Next

Add another account

Add Savings and Cash Accounts

Now we will add the savings and cash accounts.

Click on **Savings**

Click on **Advanced Setup**

Click on **I want to enter my transactions manually**

Next

Enter information for the savings account, again using a current statement if possible. For our example, we have:

Account Name/Nickname: **Savings**

Next

Statement Ending Date: **1/5/2013**
Statement Ending Balance: **5218.43**

Next

Click on **Add another account** button.

Click on **Cash**

Using this account will help you keep track of where you spend cash and can point out some budget breakers or costly habits. Don't kid yourself—using cash for transactions and failing to tally them periodically can hide some problems.

Account Name/Nickname: **Cash**

Next

Date to start tracking: **1/1/2013**
Amount of cash you have: **200.00**

Click **Next**, then **Finish**.

We are going to postpone adding other accounts to establish the category list.

Modify the Category List

Spend some time thinking about the kinds of income and expenses that you need to track. In the beginning, you may want to start with categories for tax reports or match an existing chart of accounts or record system. Start simple and add new levels of detail as needed for management purposes. The category list is shared (accessible) across all accounts within your Quicken file. Access the current category list to view it by clicking

Tools
Category List
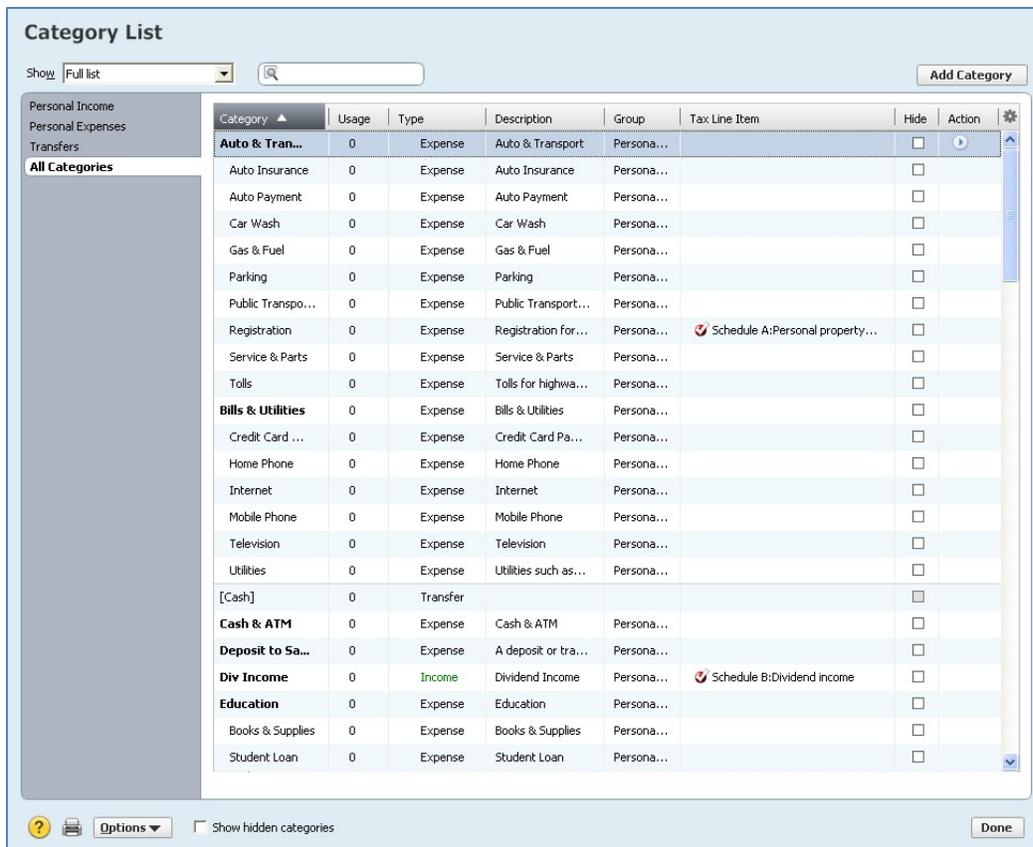
Scroll through the list to see the default categories. Tables showing the built-in Category lists that come with Quicken are included in this manual.

Click on the **X** in the upper right corner to close the Category List window**.**

Import a Farm Category List

A printed list of farm categories built to match farm income tax Schedule F is included in this manual (*Farm Categories*). This list can be imported into Quicken from a file named *Farm Categories* on the CD with purchased copies of the tutorial or can be downloaded from www.agecon.okstate.edu/quicken where you choose Download sample files. The farm income and expense category list provided is by no means sacred. It is intended to serve as a beginning point for your own personalized list. You may add, delete, or modify items in the list to make it useful for your operation.

We will now import the farm income and expense categories to our current file to facilitate farm financial record keeping and tax reporting. If you copied sample files to your computer using the earlier instructions, the *Farm Categories* file is located in the *C:\Workshop Files* folder. From the main menu, click

    File
        File Import
                QIF File

Click **Browse** to locate the **Farm Categories** file in the *C:\Workshop Files* folder.

Click **OK**.

Use the mouse or space bar to select <**All Accounts> and Category List** (and deselect the other items if necessary).

Click **Import**

You'll see a message that items have been successfully imported.

    Click **Done**

Click **Tools** in the main menu line at the top of the Quicken window and select **Category List** to verify that your category list now contains *Capital Sales, Farm,* plus *CCC Loans Forfeited, CCC Received, Co-op Distributions*, and other farm categories in addition to the original default list (you may need to click on All Categories on the left to see these). Scroll through the list to become familiar with the names and descriptions of the categories. The Category List is alphabetic by main category. To see the list grouped by Income items first in alphabetical order, followed by Expense items, double click on the header **Type**.

> *Note: Quicken includes the Farm Categories as Personal Income and Personal Expenses to preserve Business Expenses for its internal Schedule C items. Don't let this stress you as the categories are appropriately linked with Schedule F and will show up in Tax Schedule reports correctly. The view of the category list may be altered by clicking on the cog icon in the upper right corner. We do not use the Group part of the category list so you can remove the check mark by Group and click Done.*

Add Categories

If you need to add additional categories that are already in one of the Quicken preset "life event" lists, you can do so by clicking on the **Options** button in the lower left corner of the category list window and choosing **Manage Categories**.

From here, select from the *Available Categories* (Standard, Business, Investment, Rentals & Royalties) in the drop-down list. The associated categories in that grouping are listed in the box below it. You can **Mark All** or individually check the categories needed within a category group.
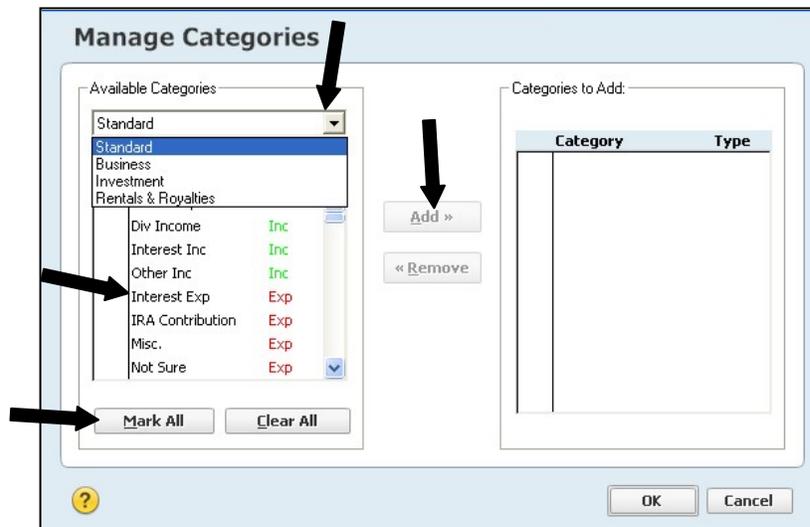
Once the categories are selected, click **Add** (middle of the window)

OK

> *Note: You will only be able to add from Category groups not already included in your category list. If Add cannot be selected because it is in grayscale, those categories are already included.*

To add categories that are not on any of the built-in lists, click on the **Add Category** button in the upper right-hand corner.

When creating new categories, you will want to designate tax-related items as such and select the correct tax form and line. Check with your accountant or tax preparer if you need guidance—you can make corrections later if necessary. Even if you select the tax line item for a category, it will not be recognized in the preset tax reports unless the tax-related box is checked. Let's assume that we want to create a new category that is a legitimate farm expense, that is, something we will link to a Schedule F tax line item. For schedule F categories, it is best to complete this screen in the following order:

1. Enter the Category <u>Name</u>: **Crop Advisory Service**.
2. Select **Expense**.
3. Click on the **Tax Reporting** tab.
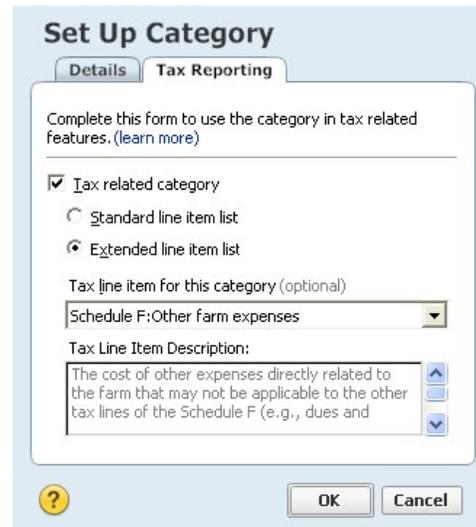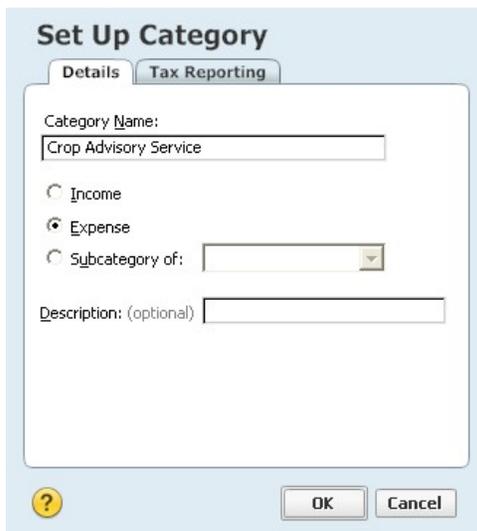
   a. Select the **Tax-related category** box. This box must be marked to allow transactions associated with this category to appear in tax schedule and tax summary reports.

   b. Select **Extended line item list.** Schedule F line items will now be made available in the <u>Tax Line Item</u> box. You have to scroll down through a long list to select the appropriate line.

1. In this case, select **Schedule F: Other farm expenses** from the <u>Tax line item</u>: drop-down menu.

OK

The category has now been added to the Expense section in **t**he category list on your screen.

Note: You may want to expand the screen by clicking the maximize icon.

Delete Categories

You can easily remove categories that aren't needed. Let's delete the **Auto and Transport: Public Transportation** category by **right-clicking on it (use the button on the right side of your mouse), click the action button to the right,** and then click **Delete** at the bottom of the list of options.

Click **OK**

> *Note: If you delete a main category, the linked subcategories will be deleted simultaneously.*

Add Subcategories

Setting up subcategories adds a second level of detail for reports and summaries. Fertilizer purchase records, for example, can be identified as lime or 18-46-0 and tracked separately rather than as one item under the Fertilizer & Lime category. At the same time, they will be subtotaled together in the Fertilizer & Lime main category.

> *Note: Start with a simple category list and don't get carried away adding subcategories. Subcategories should only be used for detailed information needed*

for financial reporting or management decisions. Add second levels as you find that you need them. Otherwise, record notes or additional information in the memo field as a reminder.

With Fertilizer & Lime highlighted, **right-click** and choose **Add subcategory**. Add information under Details as well as Tax Reporting:

Note: If a subcategory has different tax attributes from the category, select the correct tax line item. For example, if Office is the category, subcategories for farm office and business office would be attached to different tax schedules, Schedule F and Schedule C, respectively.

Click **OK**

Repeat the procedure above to add another subcategory for **18-46-0**.

Close the category list by clicking on either **Done** (bottom right) or the **X** (upper right corner) of the Category List window.

Don't stress about making mistakes in setting up categories—you may rename or edit categories as needed. To make corrections, go to the Category List and highlight the category name and click *Action* (on the right side), select *Edit*. Changes made to an existing category are immediately reflected in previously recorded transactions.

Set Up Tags

By using tags, you can add important report possibilities. We highly recommend using tags as a way of associating income and expenses with different farm enterprises (or perhaps crop

years or partnership shares). This allows you to print reports summarizing income and expenses for specific components of the farm operation, for example, the cow/calf, wheat, or alfalfa enterprise. When you imported the farm income and expense categories, several tags – CowCalf, Family Living, Hay, Milo, Oats, Overhead, Stocker, and Wheat – were also imported. Let's add an Alfalfa tag. From the main menu, click

> **Tools**
> > **Tag List** *(or press **Ctrl+L**)*
> > > **New** *(located in the lower left of the Tag List window)*

> Note: A Description may be added. Copy number: is used only if you are filing
> multiple copies of a particular tax form because you have more than one
> business entity and need to identify with which business this tag is associated.

Click **OK**

Add any other tags needed. Recording a tag along with a category for a transaction documents more specifically how the income was earned or how the expense item was used.

To edit a tag, highlight the appropriate tag name by clicking on it, and then click on the **Edit** button at the right.

> *Note: If the selected tag name has been used in transactions and you change it, all previously recorded transactions will automatically change.*

To delete a tag, **highlight the tag** line and click on the **Delete** button to the right.

> *Note: We recommend that you run a report sorted by Tag before deleting one to make sure there are no transactions which use it. For tags that will not be used in the future, we suggest clicking on the Hide field next to the tag. This will not remove it from previously recorded transactions, but will remove it from the tag list in normal view. Deleting a tag that has been used will cause those transactions to have a blank tag field.*

We have decided we don't need the Oats tag since we do not raise oats.

Click on the **Oats** tag.

> **Delete**

Using Double Tags in Quicken

Farmers and ranchers commonly rent cropland or pasture and may own multiple parcels of land. Using double tags can add a location such as a farm or landlord. For example, double tags will allow the analysis the cash flow of corn at the Smith Farm compared to the cash flow of corn on the Mathews Farm.

> **Tools**
>> **Tag List** *(or press Ctrl+L)*
>>> **New** *(located in the lower left of the Tag List window)*

Click **OK**

Repeat the process and add a tag for the Smith Farm.

Click **Done**

The Tags, Corn 2013 Mathews and Corn 2013 Smith, should now be included in the tag list.
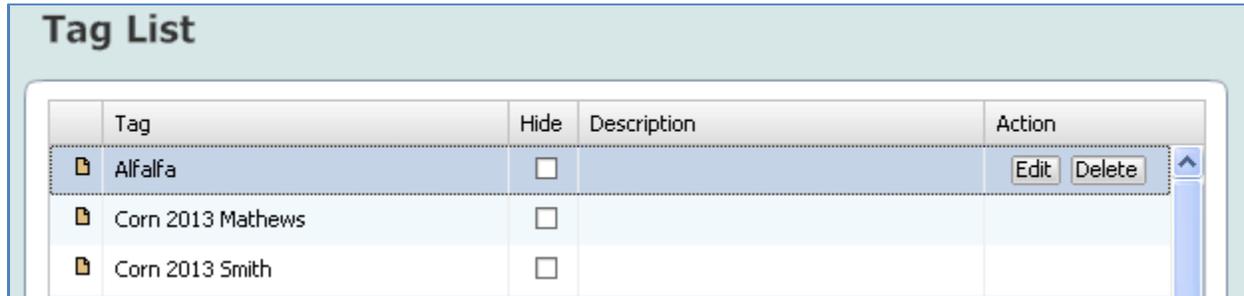
Now, go to **Checking** register and add the following transactions:

Date:	**10/20/2012**
Check Number:	**1101**
Payee:	**Cowboy Ag Service**
Payment:	**1,000.00**
Category:	**Fertilizer and Lime**
Tags:	**Corn 2013 Mathews**
Memo:	**enter your own details**

Date:	**10/21/2011**
Check Number:	**1102**
Payee:	**Cowboy Ag Service**
Payment:	**1,000.00**
Category:	**Fertilizer and Lime**
Tags:	**Corn 2013 Smith**
Memo:	**enter your own detail**

Let's review a report that includes these transactions. On the top toolbar:

Reports
    Banking
        Cash Flow by Tag

Date Range : Custom Dates, 1/1/2012 through 12/31/2012

Category	Untagged Tra...	Corn 2013 Mat...	Corn 2013 Smith	CowCalf	Family Living	Overhead
TOTAL Rent	0.00	0.00	0.00	1,575.00	0.00	0.00
Repairs and Maintenance	0.00	0.00	0.00	696.00	15.00	0.00
Subscriptions	0.00	0.00	0.00	0.00	60.00	0.00
Tax						
Fed	52.00	0.00	0.00	0.00	0.00	0.00
Medicare	6.25	0.00	0.00	0.00	0.00	0.00
SDI	0.00	0.00	0.00	0.00	0.00	0.00
Soc Sec	31.00	0.00	0.00	0.00	0.00	0.00
State	18.50	0.00	0.00	0.00	0.00	0.00
TOTAL Tax	107.75	0.00	0.00	0.00	0.00	0.00
Tax Spouse						
Fed	0.00	0.00	0.00	0.00	2,175.00	0.00
Medicare	0.00	0.00	0.00	0.00	334.50	0.00
Soc Sec	0.00	0.00	0.00	0.00	1,430.75	0.00
State	0.00	0.00	0.00	0.00	1,001.25	0.00
TOTAL Tax Spouse	0.00	0.00	0.00	0.00	4,941.50	0.00
Utilities	0.00	0.00	0.00	0.00	1,311.16	0.00
Telephone	0.00	0.00	0.00	0.00	684.40	0.00
TOTAL Utilities	0.00	0.00	0.00	0.00	1,995.56	0.00
Veterinary	0.00	0.00	0.00	1,756.50	0.00	0.00
TO Checking	38,500.00	0.00	0.00	0.00	0.00	5,000.00
TO Savings	200.00	0.00	0.00	0.00	0.00	0.00
TO Mastercard	740.91	0.00	0.00	0.00	0.00	0.00
TO CrdtLine	58,240.00	0.00	0.00	0.00	0.00	0.00
TO LandNote	4,731.00	0.00	0.00	0.00	0.00	0.00
TO PkupNote	7,545.10	0.00	0.00	0.00	0.00	0.00
TOTAL OUTFLOWS	**110,064.76**	**1,000.00**	**1,000.00**	**7,042.71**	**24,680.13**	**19,889.94**
OVERALL TOTAL	**10,392.25**	**-1,000.00**	**-1,000.00**	**30,967.29**	**-771.04**	**-14,862.27**

We can also view only the Corn 2013 Mathews and Corn 2013 Smith Tags. From the toolbar:

Reports
> **Banking**
>> **Cash Flow by Tag**

Date Range : Custom Dates, 1/1/2012 through 12/31/2012. Click **Customize**, spoke icon at top right, to only include the Tags: Corn 2013 Mathews and Corn 2013 Smith.

Click **OK**

Close the Tag List by clicking on the **X** in the upper right corner or clicking **Done** in the lower right corner. It is not necessary to save the reports.

Add Loan Accounts

Even if you do not use Quicken for maintaining a balance sheet, you may still want to amortize and/or record loans using the liability account features.

> *Note: Line of credit notes are best handled as credit card accounts in Quicken. See the line of credit account instructions under Various Topics for more details.*

> *Note: Users may want to evaluate Quicken features for tracking net worth. However, the balance sheet features in Quicken are not designed to maintain both cost and market value information, nor can you calculate and record depreciation from within Quicken. If you use Quicken to maintain a balance sheet, use the appropriate asset/debt accounts and be sure to update asset values periodically. If tracking assets at cost basis, use purchase price minus adjustments for depreciation as the beginning balance. See Balance Sheet instructions for more information.*

We have a land loan with a remaining balance of $70,192.86. The land note at origination was for $94,936 to be repaid over 15 years at 8.5% interest with annual payments (9 years of payments remain).

Add liability accounts

Tools
    Add Account
        Loan
          Click on create a **manual loan account** at the bottom of the window.

Add information as in the following screens.

Note that a payment amount, $11,556.50, has been calculated and now appears in Annual Payment (Principal + Interest amount only) field.

Next

On the right hand side of the screen there are two options: Extra principal determines total or Total determines extra principal. This can be changed to match your preference. For this example, Extra principal determines total is selected.

Next

Quicken 2013 has the feature of a loan reminder that will automatically remind you to pay the loan and enter the transaction in advance of the due date. For this example, the default of 7 days prior to the due date is used.

Next

The loan payment requires a split transaction as the principal paid is applied to the loan balance in the appropriate loan liability account (Land Note) while interest paid is recorded in the checking register as a farm mortgage interest expense.

To edit the default, change the *From account* to **Farm Checking**.
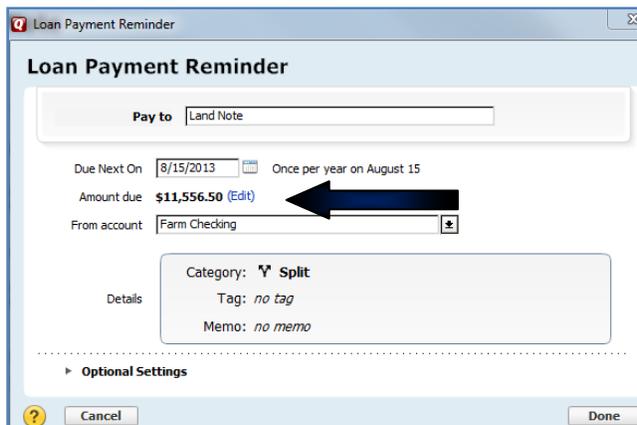
Click *Edit* (blue type), to view the following Split Transaction screen.

Quicken has preset categories for the interest paid at this point. We will use one of the farm categories that we imported earlier and change the interest category to **Farm Interest Expense:Farm Mortgage** and the tag, **Overhead** (note: this is not an intuitive process and the categories cannot be changed later when you are making a Loan Payment as was done in earlier versions).

Split Transaction

Enter multiple categories to itemize this transaction; use the Memo field to record more details.

	Category	Memo	Amount
1.	[Land Note]		5,463 32
2.	Loan Payment:Interest		6,093 18
3.	[Land Note]		0 00
4.	Farm Interest Expense:Farm Mortgage		0 00
5.		Next Edit ▼	
6.			
7.			
8.			
9.			
10.			
11.			
12.			
13.			
14.			
15.			
16.			

	Split Total:	11,556.50
Clear All Allocate	Remainder:	0.00
Adjust	Transaction Total:	11,556.50

Once you have edited the split, click **OK**. Now if you want to add the tag Overhead, again click on *Edit* – blue type for the Amount due – and you now have the option to add a Tag:

OK

The From account should include Farm Checking

The Loan Payment Reminder screen is now updated:

Note: if you want to create a balance sheet in Quicken and have an asset account for each piece of property, you would select an account. If you do not link an account now, you can always add asset information later. See the balance sheet instructions for more information. For this example, no asset account will be selected.

Done

Done

Note: In the Land Note register, notice the Balance Adjustment deducted from the original loan balance to bring it to the current date balance.

Finally, select the Payment Details tab and then the Edit Payment Details icon, as denoted by the arrows above. Then select **Payment Options**, and then select **Memorized Payee**.
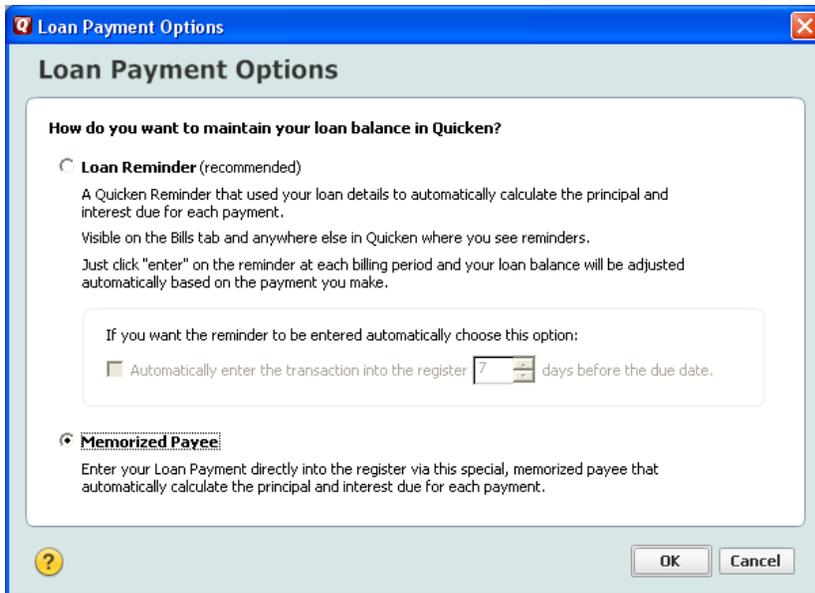
OK

Enter Transaction Data Using Categories, Subcategories, and Tags

Payments, transfers, and deposits are generally referred to as transactions in Quicken. We will begin by entering payments and deposits in the checking account. Each field in the register is described following the screen capture in which fields are numbered:
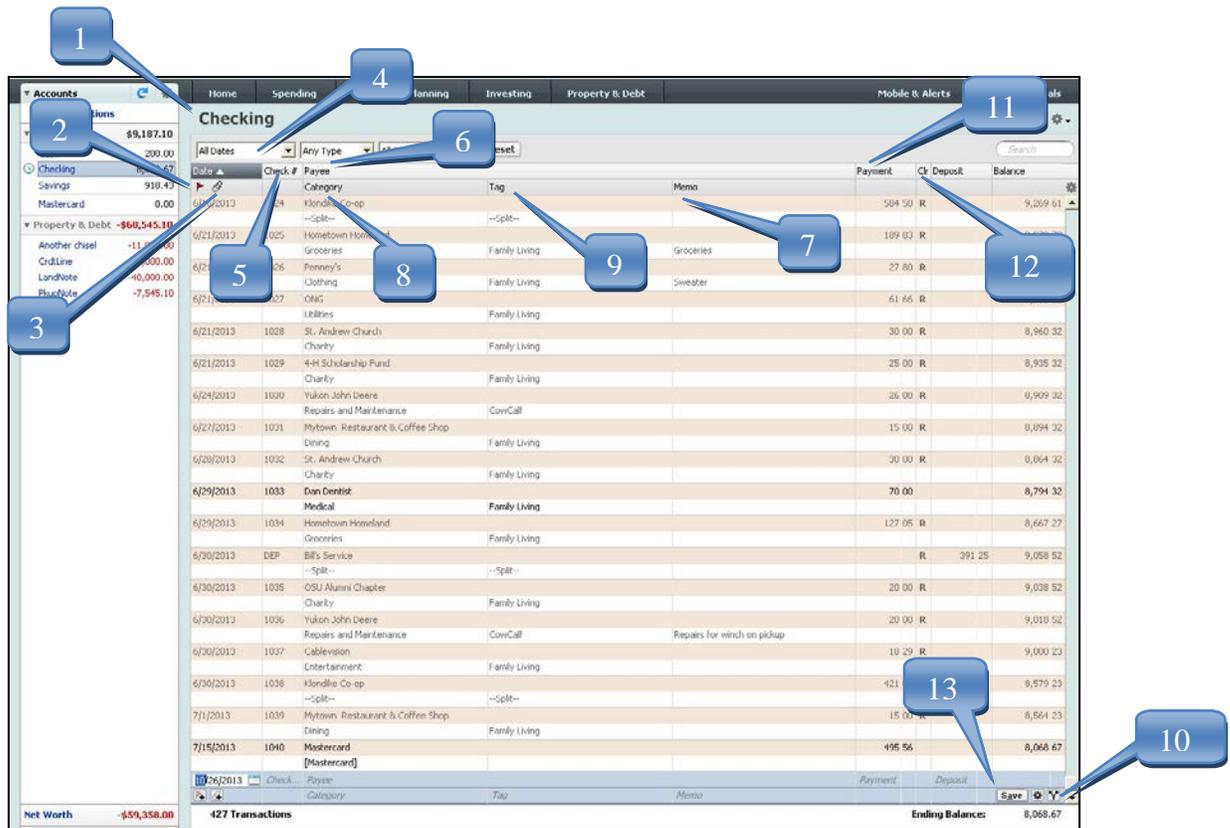
1. The name of the account register that is currently open is displayed here. In this case, we are viewing the **Checking** account register.

2. The Flag button allows you to add flags, notes, or Alerts to follow up on a transaction.

3. Click on the **Attach** button to insert attachments such as check images, bills, or other graphics.

4. The **Date** appears in the first column of the register. The Quicken default is the current date. To change it, simply type the date (01/01/2013), or click on the calendar icon and highlight the correct date, or press the [+] or [-] keys to select the correct date.

5. The **Check Number** (if applicable) may be typed in the second column. If the checks are in consecutive order, you may simply press the [+] or [-] key on your keyboard to increase or decrease the check number by one. Entering DEP for a deposit automatically moves the cursor to the Deposit column when entering the amount. Other choices include EFT (Electronic Funds Transfer), ATM (Automatic Teller Machine) transaction, or TXFR (Transfer) to another account.

6. The name of the **Payee** (for payments) and the **Paid by** (for receipts/deposits).

7. To add further details about the transaction, for example, pounds used or application rate, enter information in the **Memo** field. Memos are useful for recording quantities, signaling the potential need for a 1099 tax form, and for noting more detail about the transaction that might be beneficial for filtering reports.

8. The name of the category and subcategory goes in the next column. To be able to create reports summarizing income and expenses by category, you must specify a category for each transaction. The format for labeling a transaction is Category:Subcategory. The ":" after the category name signals that a subcategory will follow. Thus, at the **Category** prompt for a transaction involving the purchase of lime for the wheat enterprise, you could type Fertilizer & Lime:Lime where Fertilizer & Lime is the category and Lime is a subcategory.

9. The **Tag** may be used to denote an enterprise for which cost and return information is of interest. For instance, lime used on wheat ground could include Wheat as the tag so that those expenses are charged to the wheat enterprise.

10. The **Split** button allows you to divide payments and deposits among more than one category and/or tag. A loan payment is split into principal and interest portions. A payment to the co-op may include feed, fuel and fertilizer. Other examples are demonstrated later in the instructions.

11. A payment made to someone is recorded in the **Payment** column. If a payee name has been used previously, Quicken will recall the previous transaction amount (Quickfill). To enter the correct amount, highlight and type in the Check Number as a well as Payment amounts.

12. Deposits to the account are recorded in the **Deposit** column.

13. The **Clr** column indicates that a transaction has not been cleared when blank, cleared with a "**c**" or reconciled with an account statement when an "**R**" appears (see reconciliation section).

14. Click on the **Save** button when ready to record the transaction information. This saves the information to the file automatically.

Go to the checking register by clicking on **Farm Checking** under Banking *(on the left sidebar).*

Press the **F11** button on your keyboard to expand the register to full screen.

Once you type in a letter, Quicken will complete the word (QuickFill) by recalling from an internal list (the category and tag lists were created earlier; the payee list is developed as you record transactions). Once enough distinguishing letters are typed to get the correct Category name, [**Tab**] to the **Tag** field and enter the first letter of the tag name. Again, once enough distinguishing letters are typed to get the correct word, press [**Tab**] to move to the next field.

When you have finished typing in the information, click the **Save** button on the screen or press [Enter] on your keyboard.

> *Note: [Tab] is the default used to move between fields. If you prefer to use the Enter key, you can change the setting by going to Edit, Preferences, Data entry and QuickFill and checking "Use enter key to move between fields".   You may see a pop-up window asking if you want to use the [Enter] key which allows you to decide which is most comfortable. If you choose to use [Enter], you will have to*

use [Ctrl + Enter] or use your mouse to click the [Save] button on the screen to record the transaction.

We will record and display the *Memo* after the *Category*, choose **Edit, Preferences**, click on **Register***,* remove the check mark on **Show Memo before Category**.

OK

To have the register viewed as two-lines that has entry of Payment precede the Category and Tag, click on the **cog** button at top right, and under *Register Views and Preferences*, select **Two-line Display**.

Practice a sample entry using the information below. Remember to use the [**Tab**] key to move from one field to another.

Date:	**1/4/13**
Check Number:	**1001**
Payee:	**Yukon John Deere**
Memo:	**Winch on pickup**
Category:	**Repairs and Maintenance**
Tag:	**CowCalf**
Payment:	**20.00**

Save

Often a transaction with a particular company or payee will include items that should be allocated to different categories and tags. In this case, you will split the transaction as needed. For instance, the co-op bill might include Feed purchased for the CowCalf enterprise as well as Gas, Fuel & Oil used in the Wheat enterprise. First, enter the total amount of the check:

Date:	**1/4/13**
Check Number:	**1002**
Payee:	**Klondike Co-op**
Payment:	**421.00**

Now, click on Split (or click on the **Split** icon on the right of the line, or press [**Ctrl**+**S**]). Type in the following responses:
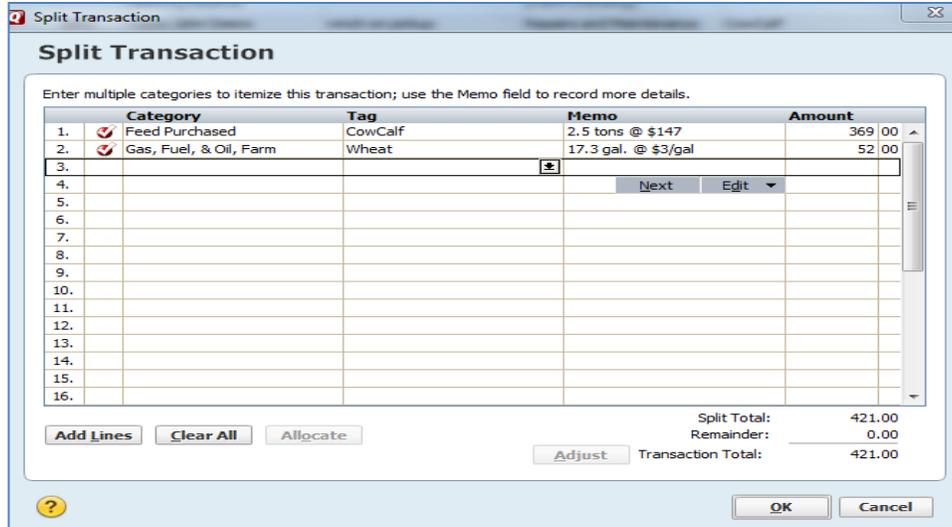
Note: Make sure the Split Total and Transaction Total match (bottom right of the screen). Otherwise, you will need to recalculate the splits or Adjust the Transaction Total that appears in the register.

Click **OK** after entering split information, then click on **Save** to record the transaction.

If you are writing a check to a business or individual for whom an earlier check was a split transaction, Quicken assumes that you want to use the same format as before. Let's say that you now want to enter a check to the Klondike Co-op which is for lime only.

Let's practice this:

> Date: **1/5/13**
> Check Number: **1003**
> Payee: **Klondike Co-op**

Click the red **X** (clear split lines) near the middle of the screen:
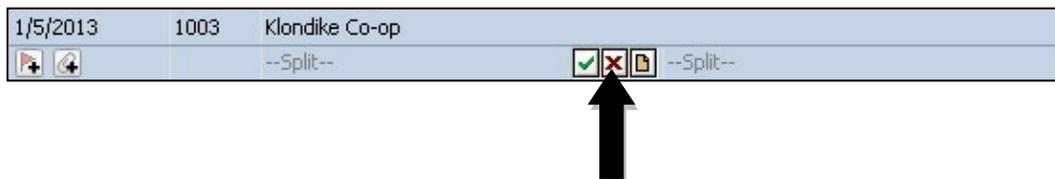
Click **Yes** to clear the split lines.

Enter in the category field, **Fertilizer & Lime:Lime**, and the tag, **Wheat.**

Payment**: 355**

Press [**Save**].

Review all split transactions, particularly those where the amount allocated to different categories varies each time. Deposits, as well as checks written to discount stores or the co-op, are good candidates for mistakes. If you don't clear all previous amounts and categories when you enter a new transaction, you can end up with unintended amounts in categories.

Now, to record a deposit.... Let's say that our farmer had some alfalfa hay in storage and recently sold some to a neighbor, Paul Bunyan. Go to a blank line and enter

Date: **1/11/13**
Check Number: **DEP** *(This will help ensure that your entry is made in the deposit column after you enter the Paid by name and [**Tab**])*
Payee: **Paul Bunyan**
Deposit: **800** *(If you didn't enter DEP in the Check Number column, be sure to [**Tab**] over so the cursor is in the Deposit column!)*

Category: **Raised Sales:OtherProducts**
Tag: **Alfalfa**
Memo: **8 tons hay**

Save

Now begin entering the transactions for our farmer using the printed transaction register (in the Reports following these instructions) from the Farm checking account. Begin at the top of the sheet and practice recording transactions until you feel comfortable with the process.

Record Loan Payments

Let's assume it is now August 2014 and time to record a payment on the amortized land loan. To add a payee name to the loan payment, click on

Tools
Memorized Payee List
Click on Land Note to highlight it
Click on Merge/Rename

Memorized Payee List

Description ▲	Never Auto-categorize	Type	Category	Tag	Memo	Amount	
Klondike Co-op	☐	Pmt	Fertilizer & Lime	Wheat		-355.00	
		Spl	Feed Purchased			-421.00	
Land Note	☐	Loan	[Land Note]			-11,556.38	
Stillwater National Bank	☐	Dep	Interest Inc			566.00	
WalMart	☐	Pmt	Food & Dining:Groceries	Family Living		-49.00	
Yukon John Deere	☐	Dep	Repairs and Maintenance	CowCalf	winch on pickup	20.00	

New Payee Options ▼   Merge / Rename Delete

? 🖨   Done

Merge and Rename Payees

This will rename the payee of the selected transactions.

New Name: Farm Credit

OK Cancel

Add a Renaming Rule

Change payee to: Farm Credit

Quicken will rename the downloaded payee:

If Payee contains   ▾   Land Note

?   OK   Cancel
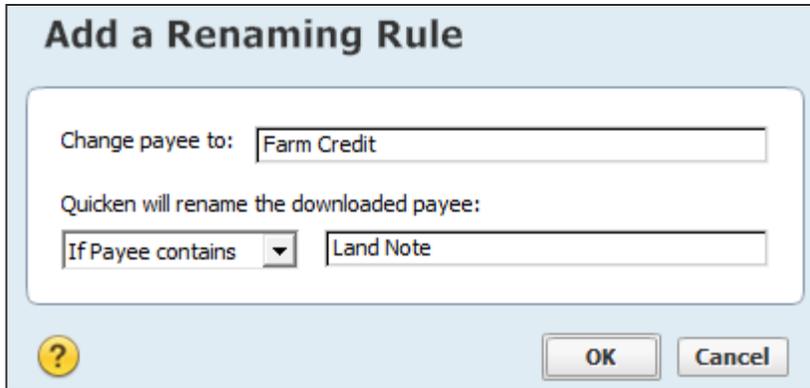
Done

Create Reports to Summarize Data Entered

Let's look at some sample reports that you might want to use in monitoring your financial performance:

- Cash flow summaries, including one by tag/enterprise *(which also gives the overall total)*
- A summary of payments made to a payee
- A tax schedule report

Because you may have entered only a few transactions in this file, we will close the file with your name and open the sample file, *LONDON13*.

Click **File**
            Open Quicken File

Click the small arrow next to the **Look in:** box to reveal the drop-down list.

Click **Local Disk (C:)**.

Double click **Workshop Files**.

Click **LONDON13.**

Click **OK**.

Click
Reports   (from the menu bar)
    Banking
        Cash Flow

Note: You may receive a message that data is not available. Click Yes to change the date range.

Select **Yearly** and **2012** as the date range. Click **Don't Subtotal** in the Column field. (The fields are circled in the screen below.)

Scroll through the report to view individual inflow and outflow items as well as totals using the arrow keys or [Page Up] or [Page Down] keys on your keyboard. A copy of the report (London Cash Flow - Yearly - 2012) is included in this tutorial. The annual cash flow statement provides a summary of cash income and expenses for the year using the categories associated with individual transactions. The cash flow report documents sources and uses of funds and can be useful in developing budgets for future years.

When you have the cursor over a number in a report and **see a magnifying glass**, a QuickZoom report is available. **Double click** to reveal the transactions that make up that number. Click on the **Back** button in the upper left to return to the Cash Flow report.

Perhaps your lender requires a monthly cash flow report. Click the **Customize** button (the icon appearing as a gear) to edit the *Title:* **London Monthly Cash Flow** and *Column:* **Month**.

OK

If you think you might want to use this report again, you can memorize its features by clicking **Save** (a *disk* icon in the taskbar).

Report Name: **Monthly Cash Flow**
Description: *(optional)*

Save in: use drop-down arrow to select <**create new report folder**>
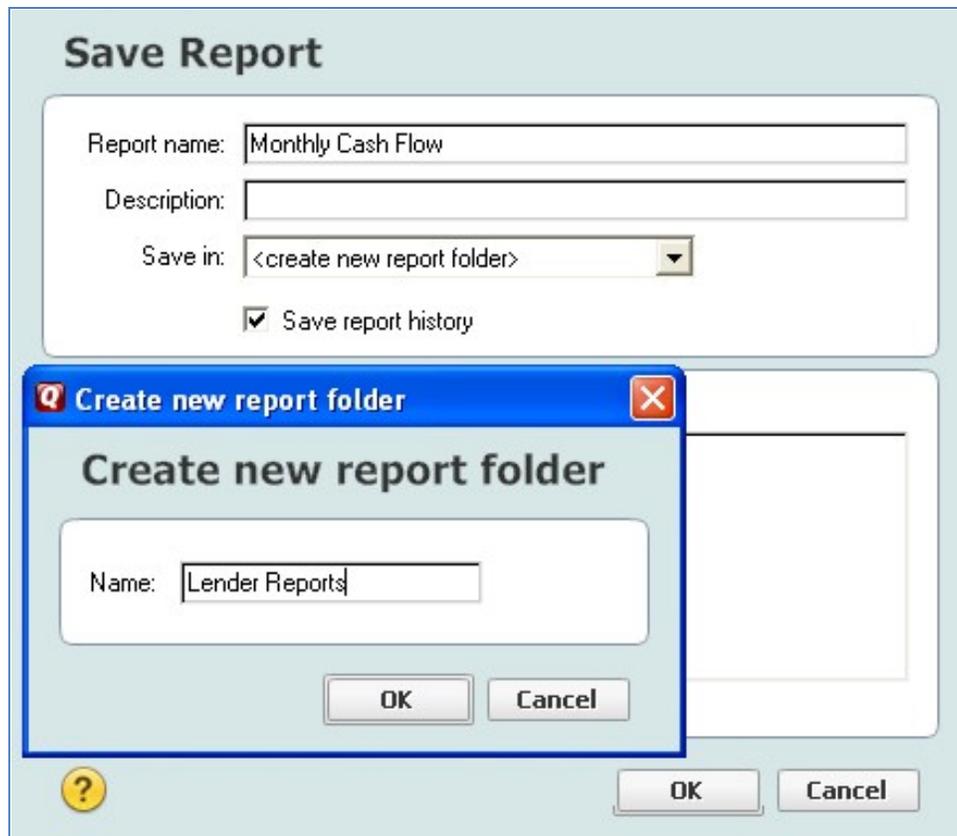
OK

> *Note: If you select <u>Save report history</u>, you can track each step in developing this report.*

Click **OK**.

Now, let's develop a cash flow report by tag (farm enterprise). You may want to change the title of the report. Click **Customize** at right (gear icon).

Type the *Title*, **London Cash Flow by Enterprise** and for the *Column* select **Tag**, as shown below.

Click **OK**.

A report showing a summary of cash inflows and outflows by tag (farm enterprise) for last year appears. Review it to see the cash generated and used by the CowCalf enterprise relative to the Wheat enterprise and to note totals by category for Family Living expenses (a printed copy is in the Reports section). You may memorize this report for future use by clicking the **Save** icon. Create a new folder and name it **Financial Reports.**

Check **Save report history**

Click **OK**

What if you want a summary of payments made to the Yukon John Deere dealer during the year?

Click the **Customize** button.

Type the *Title*, **Deere Transactions Summary.**

Click the **Payees** tab.

Click on **Clear All**, then scroll through the list of Payees at left to mark **Yukon John Deere**. Click **OK**. This assures that you have the correct spelling (and also have the opportunity to see similarly spelled words in case you have misspelled the name at some time and need to find/replace errors). (Alternatively, you can type Yukon John Deere in the Payee contains field; however, the spelling and spacing must be exactly the same as in transactions or they will not be included in this report.)

You will now have a summary of expenses at the Yukon John Deere dealership by category and tag (printed version in the Reports section). Click the **X** to close the window *(or press [Esc])* to leave the Deere Transactions Summary.

Don't Save

All of the previous reports have been examples of cash flow reports. We will now switch to a different kind of report, the tax schedule report. When you begin gathering information to take to the tax preparer, consider the differences between the tax schedule and tax summary reports. Tax schedule reports list all transactions (or splits of a transaction) assigned to a category that is attached to a specific tax form or schedule. Tax summary reports include transactions with categories that have been noted as tax-related, whether or not a specific tax schedule has been assigned. For example, capital sales items are noted as tax-related as they are needed for use in calculating capital gains but are not transferred directly to a tax schedule.

Click **Reports**
     Tax
        Tax Schedule

Select **Yearly** and **2012** as the date range

This report lists every transaction assigned to a category attached to a tax schedule. To prepare a report showing totals only (not individual transactions), click the **Customize** icon.

Modify the *Title*: **Tax Schedule – Totals Only**. In the **Show** section (as circled in the center of the Customize Tax Schedule screen below), select **Totals only**. We have also removed the fields for Num, Description, and Memo since they are not needed for this report.

Click **OK**.

You now have a summary of the information needed for tax reporting purposes by schedule. In our example, the report begins with **Schedule A** (deductions including charitable contributions), **Schedule B** (interest income), and continues to **Schedule F** (farm income and expense items) and ends with a **W-2** (wages and salary) summary.

Exit the Reports window by clicking on the **X** in the upper right corner. You can choose whether to save the report or not. (For training purposes, click Don't Save.)

View a Graph of Income and Expenses

It's said that a picture is worth a thousand words. Quicken makes it easy for you to get a quick picture of income relative to expenses, as well as income and expense composition.

Click **Reports**
        Graphs
                Income and Expense by Category

Select the date range, **Yearly** and **2012** and **Month** for the interval.
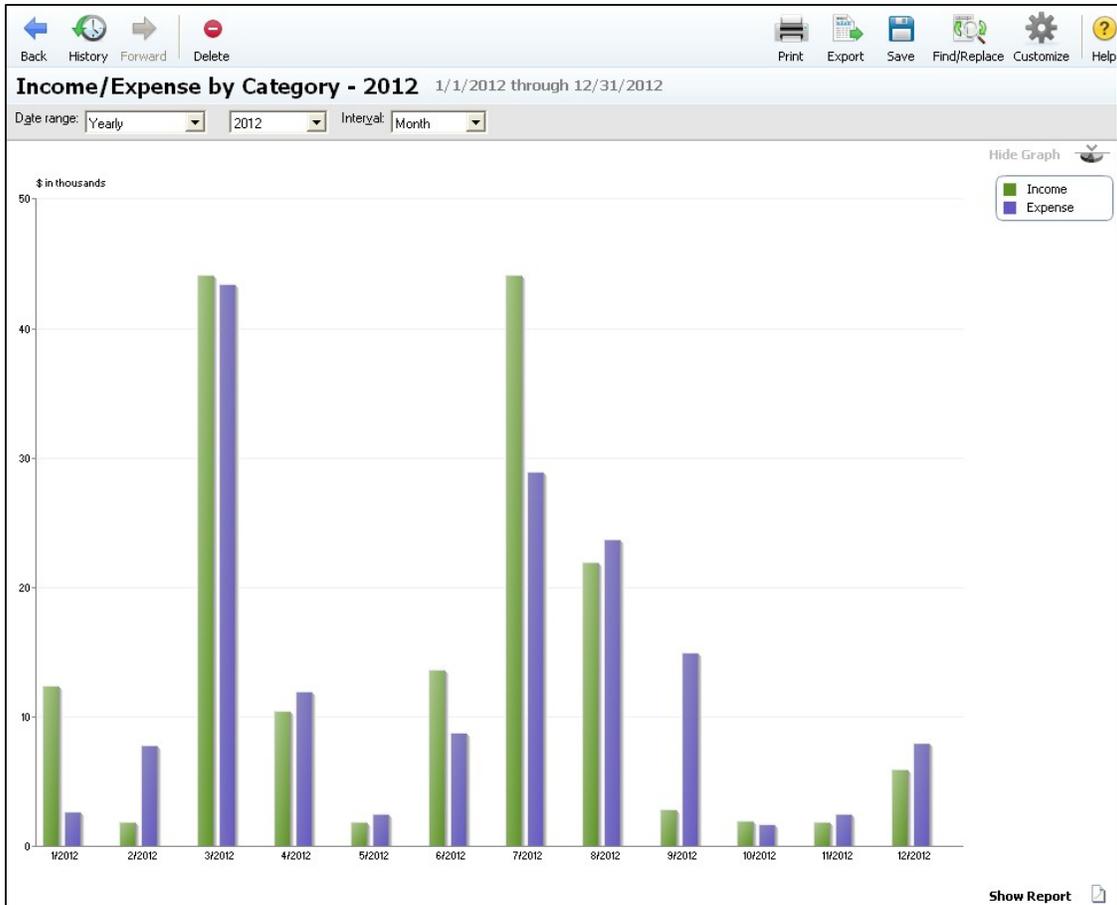
You will see a bar chart showing monthly income and expenses. By double clicking on an individual bar, you can see the categories, amounts, and percentage of the total for that month.

Click **X** to close the window.

As with the reports, you may memorize useful graphs. Click
Save

Report Name: **Monthly Income/Expense Chart**
Save in: use the drop down arrow and select (create new report folder) **Farm Reports**

OK

Exit the Income/Expense by Category window by clicking on the **X** in the upper right corner.

To view a chart showing how money has been spent throughout the year, close the current Report window and click

> **Reports**
>> **Spending**
>>> **Spending by Category**

Select the *Date range:* **Yearly** and **2012** with the *Column*: **None.** To focus on farm expenditures, click on
Customize (gear icon)

Title: **Farm Spending by Category**

Click on the **Tags** tab

Remove the check mark from **Family Living**.

OK
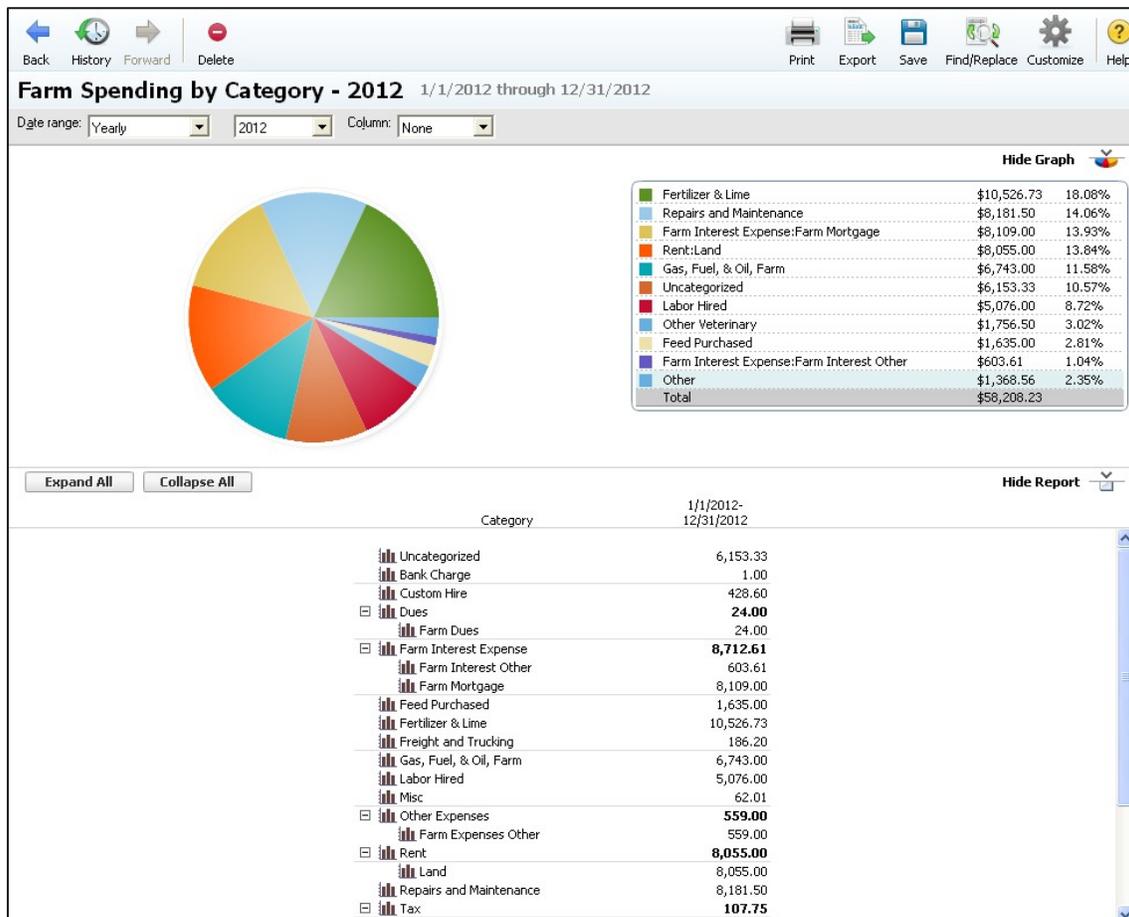
Click on the **Collapse All** button to show totals by main categories only in the report.

Click on **Save** report icon, Report Name: Farm Spending by Category, and choose the **Farm Reports** Folder.

OK

Close the Farm Spending by <u>Category - 2012</u> window by clicking the **X**.

To view your saved reports and graphs, click
>   **Reports**
>>   **Reports and Graph Center** (or *My Saved Reports & Graphs*)

Close the Reports and Graphs window by clicking the **X**.

Back Up Data

Quicken automatically saves the data that you have entered in the file on which you have been working as you enter transactions. However, regularly save a backup copy on a compact disc (CD), DVD, thumb drive, or online (paid service through Quicken) in the event of computer hardware problems. Instructions for backing up your data on a CD are given later in the manual. Since we copied the *LONDON13* file to the C: drive earlier and have been working from that file, we will back up our data on the D: drive. To back up your data, be sure your CD is in the computer and complete the information as indicated on the following screen. You can utilize the browse buttons to select both the file you want to back up and the backup location.
Select

File
>   **Backup and Restore**   *(or press Ctrl+B)*
>>   **Back up Quicken File**
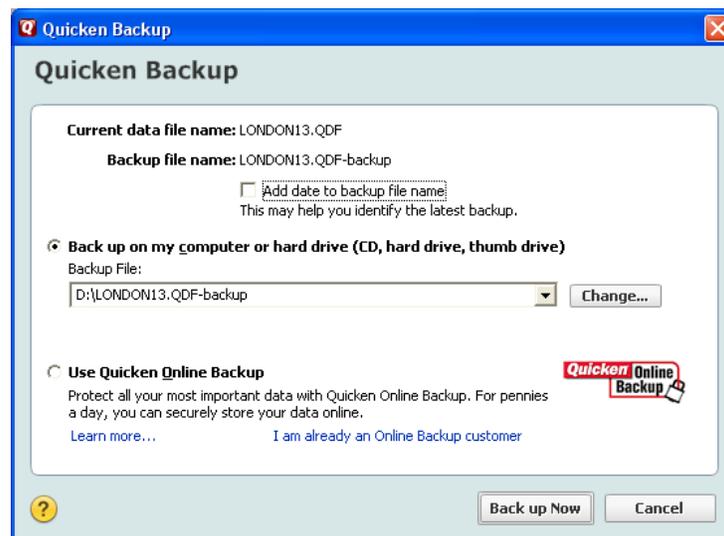
*Note: Clicking the **Add the date to backup file name attaches the date** to the file name for easier reference. This may not work if you are using certain removable data storage (zip, thumb drive) as it may not be able to handle a file name of more than 8 characters.*

Click **Back up Now**

You should receive a message that the file has been backed up successfully.

Click **OK**

Now, click **File**
         Exit (*This closes the Quicken program.)*
Note: It would be wise to back up your information on multiple CDs and back up often. Alternate the disks that you use so that you minimize the potential loss of information due to faulty disks

CONGRATULATIONS! You have now completed the basic Quicken workshop for farm financial records! Hopefully, you will want to apply your newly learned skills to your own farming operation. Refer to this tutorial and the Quicken manual for assistance in setting up your own record keeping system.

Category	Type	Description	Tax Line Item
Div Income	Income	Dividend Income	Schedule B:Dividend income T
Interest Inc	Income	Interest Income	Schedule B:Interest income T
Net Salary	Income	Your net paycheck after t...	
Net Salary Spouse	Income	Spouse's net paycheck af...	
Other Inc	Income	Other Income	Form 1040:Other income, misc. T

Standard Category List

Category	Type	Description	Tax Line Item
Auto & Transport	Expense	Auto & Transport	
Auto Insurance	Expense	Auto Insurance	
Auto Payment	Expense	Auto Payment	
Car Wash	Expense	Car Wash	
Gas & Fuel	Expense	Gas & Fuel	
Parking	Expense	Parking	
Public Transportation	Expense	Public Transportation	
Registration	Expense	Registration for your automo...	Schedule A:Personal property taxes T
Service & Parts	Expense	Service & Parts	
Tolls	Expense	Tolls for highways, bridges, ...	
Bills & Utilities	Expense	Bills & Utilities	
Credit Card Payment	Expense	Credit Card Payment	
Home Phone	Expense	Home Phone	
Internet	Expense	Internet	
Mobile Phone	Expense	Mobile Phone	
Television	Expense	Television	
Utilities	Expense	Utilities such as Gas, Electric...	
Cash & ATM	Expense	Cash & ATM	
Deposit to Savings	Expense	A deposit or transfer to your ...	
Education	Expense	Education	
Books & Supplies	Expense	Books & Supplies	
Student Loan	Expense	Student Loan	
Tuition	Expense	Tuition	
Entertainment	Expense	Entertainment	
Amusement	Expense	Amusement	
Arts	Expense	Arts	
Movies & DVDs	Expense	Movies & DVDs	
Music	Expense	Music	
Newspaper & Magazines	Expense	Newspaper & Magazines	
Fees & Charges	Expense	Fees & Charges	
ATM Fee	Expense	ATM Fee	
Bank Fee	Expense	Bank Fee	
Late Fee	Expense	Late Fee	
Service Fee	Expense	Service Fee	
Trade Commissions	Expense	Trade Commissions	
Financial	Expense	Financial	
Financial Advisor	Expense	Financial Advisor	Schedule A:Investment management fees T
Life Insurance	Expense	Life Insurance	
Food & Dining	Expense	Food & Dining	
Alcohol & Bars	Expense	Alcohol & Bars	
Coffee Shops	Expense	Coffee Shops	
Fast Food	Expense	Fast Food	
Groceries	Expense	Groceries	
Restaurants	Expense	Restaurants	
Gifts & Donations	Expense	Gifts & Donations	
Charity	Expense	Charity	Schedule A:Cash charity contributions T
Gift	Expense	Gift	
Health & Fitness	Expense	Health & Fitness	
Dentist	Expense	Dentist	Schedule A:Doctors, dentists, hospitals T
Doctor	Expense	Doctor	Schedule A:Doctors, dentists, hospitals T
Eyecare	Expense	Eyecare	Schedule A:Doctors, dentists, hospitals T
Gym	Expense	Gym	
Health Insurance	Expense	Health Insurance	

Standard Category List

Category	Type	Description	Tax Line Item
Pharmacy	Expense	Pharmacy	
Sports	Expense	Sports	
Home	Expense	Home	
Furnishings	Expense	Furnishings	
HOA Dues	Expense	Homeowner's Association D...	
Home Improvement	Expense	Home Improvement	
Home Insurance	Expense	Home Insurance	
Home Services	Expense	Home Services	
Home Supplies	Expense	Home Supplies	
Lawn & Garden	Expense	Lawn & Garden	
Mortgage	Expense	Mortgage	
Mortgage & Rent	Expense	Mortgage & Rent	
Mortgage Interest	Expense	The interest portion of your ...	Schedule A:Home mortgage interest (1098) T
Interest Exp	Expense	Finance charges, like loan or...	
IRA Contribution	Expense	IRA Contribution	Form 1040:IRA contribution, self T
Kids	Expense	Kids	
Allowance	Expense	Allowance	
Baby Supplies	Expense	Baby Supplies	
Babysitter & Daycare	Expense	Babysitter & Daycare	Form 2441:Qualifying childcare expenses T
Child Support	Expense	Child Support	
Kids Activities	Expense	Kids Activities	
Toys	Expense	Toys	
Misc.	Expense	Miscellaneous Expenses	
Not Sure	Expense	Expenses I am not sure about.	
Personal Care	Expense	Personal Care	
Hair	Expense	Hair	
Laundry	Expense	Laundry	
Spa & Massage	Expense	Spa & Massage	
Pets	Expense	Pets	
Pet Food & Supplies	Expense	Pet Food & Supplies	
Pet Grooming	Expense	Pet Grooming	
Vet	Expense	Vet	
Shopping	Expense	Shopping	
Books	Expense	Books	
Clothing	Expense	Clothing	
Electronics & Software	Expense	Electronics & Software	
Hobbies	Expense	Hobbies	
Sporting Goods	Expense	Sporting Goods	
Tax	Expense	Taxes	T
Fed	Expense	Federal Tax	W-2:Federal tax withheld, self T
Property Tax	Expense	Property Tax	Schedule A:Real estate taxes T
State	Expense	State Tax	W-2:State tax withheld, self T
Travel	Expense	Travel	
Air Travel	Expense	Air Travel	
Hotel	Expense	Hotel	
Rental Car & Taxi	Expense	Rental Car & Taxi	
Vacation	Expense	Vacation	

Business Category List

Category	Type	Description	Group	Tax Line Item
Consulting Income ...	Income	Consulting Income f...	Business In...	Schedule C:Gross receipts or sales T
Other Income (Busi...	Income	Other Business Inco...	Business In...	Schedule C:Other business income T
Sales (Business)	Income	Gross Sales for your...	Business In...	Schedule C:Gross receipts or sales T

Business Category List

Category	Type	Description	Group	Tax Line Item
Advertising (Busin...	Expense	Advertising expenss...	Business E...	Schedule C:Advertising T
Car & Truck (Busin...	Expense	Car & Truck expens...	Business E...	Schedule C:Car and truck expenses T
Discounts (Busines...	Expense	Discount expense fo...	Business E...	Schedule C:Returns and allowances T
Insurance (Business)	Expense	Business insurance (...	Business E...	Schedule C:Insurance, other than healt...
Meals & Entertainm...	Expense	Meals & Entertainme...	Business E...	Schedule C:Meals and entertainment T
Misc. Expense (Bu...	Expense	Misc. Business Expe...	Business E...	Schedule C:Other business expenses T
Not Sure, Biz	Expense	Schedule C Expense...	Business E...	Schedule C:Unspecified Business Expe...
Office Expenses (B...	Expense	Office Expenses for ...	Business E...	Schedule C:Office expenses T
Postage and Delive...	Expense	Postage and Deliver...	Business E...	Schedule C:Other business expenses T
Printing and Repro...	Expense	Printing and Reprod...	Business E...	Schedule C:Other business expenses T
Prof and Legal Fees	Expense	Professional and Le...	Business E...	Schedule C:Legal and professional fee...
Supplies (Business)	Expense	Supplies for your bu...	Business E...	Schedule C:Supplies (not from COGS) T
Taxes (Business)	Expense	Taxes & Licenses for...	Business E...	Schedule C:Taxes and licenses T
Licenses (Business)	Expense	Licenses for your bu...	Business E...	Schedule C:Taxes and licenses T
Local Tax (Business)	Expense	Local Tax on your bu...	Business E...	Schedule C:Taxes and licenses T
Travel (Business)	Expense	Business Travel Exp...	Business E...	Schedule C:Travel T
Utilities (Business)	Expense	Business Utilities	Business E...	Schedule C:Utilities T
Internet (Business)	Expense	Internet Connection ...	Business E...	Schedule C:Utilities T
Telephone (Busine...	Expense	Telephone expenses...	Business E...	Schedule C:Utilities T

Investment Category List

Category	Type	Description	Tax Line Item
_UnrlzdGain	Income	Unrealized Gain/Loss	
_ST CapGnDst	Income	Short Term Cap Gain Dist	Schedule B:Dividend income T
_RlzdGain	Income	Realized Gain/Loss	T
_MT CapGnDst	Income	Mid Term Cap Gain Dist	Schedule D:Div. income, cap gain distrib. T
_LT CapGnDst	Income	Long Term Cap Gain Dist	Schedule D:Div. income, cap gain distrib. T
_IntIncTaxFree	Income	Tax-Free Inv Interest Inc	Schedule B:Int. income, non-taxable T
_IntInc	Income	Investment Interest Income	Schedule B:Interest income T
_DivInc	Income	Dividend	Schedule B:Dividend income T
_ESPP Spouse Income	Income	ESPP Spouse Income	W-2:Salary or wages, spouse T
_ESPP Self Income	Income	ESPP Self Income	W-2:Salary or wages, self T
_EmpStkOptIncSpouse	Income	Employee Stock Option Inc f...	W-2:Salary or wages, spouse T
_EmpStkOptInc	Income	Employee Stock Option Inc	W-2:Salary or wages, self T
_DivIncTaxFree	Income	Tax-Free Dividend	Schedule B:Div. income, non-taxable T
_Accrued Int TaxFree	Expense	Tax-Free Accrued Interest	Schedule B:Int. income, non-taxable T
_Accrued Int	Expense	Accrued Interest	Schedule B:Interest income T
_IntExp	Expense	Investment Interest Expenses	Form 4952:Investment interest expense T

Rentals and Royalties Category List

Category	Type	Description	Tax Line Item
Security Deposit Forfeit	Income	Security Deposit Forfeit	Schedule E:Rents received T
Tenant Late Fee (Rental)	Income	Late Fee on Rents from Te...	Schedule E:Rents received T
Rents Received	Income	Rents Received	Schedule E:Rents received T
Royalties Received	Income	Royalties Received	Schedule E:Royalties received T
HOA Dues (Rental)	Expense	Homeowners Association D...	Schedule E:Other expenses T
Legal & Professional Fee...	Expense	Legal & Professional Fees ...	Schedule E:Legal and professional fees T
Management Fees (Rental)	Expense	Management Fees on Rent...	Schedule E:Management fees T
Mortgage Interest Expens...	Expense	Mortgage Interest Expense ...	Schedule E:Mortgage interest expense T
Not Sure, Rental	Expense	Schedule E Expense, but T...	Schedule E:Unspecified Rental Expense T
Commissions (Rental)	Expense	Commissions on Rental Pr...	Schedule E:Commissions T
Other Interest Expense (R...	Expense	Other Interest Expense on ...	Schedule E:Other interest expense T
Rental Insurance (Rental)	Expense	Insurance on Rental Property	Schedule E:Insurance T
Taxes (Rental)	Expense	Taxes on Rental Property	Schedule E:Taxes T
Repairs (Rental)	Expense	Repairs on Rental Property	Schedule E:Repairs T
Supplies (Rental)	Expense	Supplies for Rental Property	Schedule E:Supplies T
Utilities (Rental)	Expense	Water, Gas, Electric and ot...	Schedule E:Utilities T
Cleaning and Maintenanc...	Expense	Cleaning and Maintenance ...	Schedule E:Cleaning and maintenance T
Auto and Travel (Rental)	Expense	Auto and Travel expenses f...	Schedule E:Auto expense T
Other Expenses (Rental)	Expense	Other Expenses on Rental ...	Schedule E:Other expenses T
Advertising (Rental)	Expense	Advertising for Rental Prop...	Schedule E:Advertising T

Farm Category List

Category	Type	Description	Tax Line Item
Capital Sales, Farm	Income	Capital Sales	T
CCC Loans Forfeited	Income	CCC Loans Forfeited/Repaid	Schedule F:CCC loans forfeited or repaid T
CCC Received	Income	CCC Loans Received	Schedule F:CCC loans reported/election T
Co-op Distributions	Income	Co-op Distributions	Schedule F:Total co-op. distributions T
Crop Insurance Benefits	Income	Crop Insurance Benefits Received & Federa...	Schedule F:Crop ins. proceeds received T
Crop Insurance Deferred Proceeds	Income	Crop Insurance Proceeds, Deferred	Schedule F:Crop ins. proceeds deferred T
Custom Income, Farm	Income	Custom Hire Income	Schedule F:Custom hire income T
Government Payments	Income	Govt. program payments	Schedule F:Agricultural program payments T
Margin Income	Income	Margin Income	Schedule F:Other farm income T
Marketing Income	Income	Marketing Income	Schedule F:Other farm income T
Other Farm Income	Income	Other Farm Income	Schedule F:Other farm income T
Raised Sales	Income		Schedule F:Sales livestock/product raised T
Grain	Income	Sale of Raised Grain	Schedule F:Sales livestock/product raised T
Livestock	Income	Sale of Raised Livestock	Schedule F:Sales livestock/product raised T
Other Products	Income	Sale of Other Raised Prod	Schedule F:Sales livestock/product raised T
Capital Purchases	Expense	Capital Purchases, Farm	T
Car & Truck, Farm	Expense	Farm Vehicles	Schedule F:Car and truck expenses T
Chemicals	Expense	Ag Chemicals	Schedule F:Chemicals T
Conservation	Expense	Conservation Expense	Schedule F:Conservation expenses T
Consultants, Farm	Expense	Consulting Expense	Schedule F:Other farm expenses T
Custom Hire	Expense	Custom Hire Expense	Schedule F:Custom hire expenses T
Dues	Expense	Dues	Schedule F:Other farm expenses T
Farm Dues	Expense	Farm Dues	Schedule F:Other farm expenses
Employee Benefits, Farm	Expense	Employee Benefits	Schedule F:Employee benefit programs T
Farm Interest Expense	Expense	Interest Expense	Schedule F:Interest expense, other T
Farm Interest Other	Expense	Interest (not mortgage)	Schedule F:Interest expense, other T
Farm Mortgage	Expense	Farm Mortgage Interest	Schedule F:Interest expense, mortgage T
Feed Purchased	Expense	Feed Purchased	Schedule F:Feed purchased T
Fertilizer & Lime	Expense	Fertilizer and Lime	Schedule F:Fertilizers and lime T
Freight and Trucking	Expense	Freight and Trucking	Schedule F:Freight and trucking T

Farm Category List

Category	Type	Description	Tax Line Item
Gas, Fuel, & Oil, Farm	Expense	Gas, Fuel, Oil	Schedule F:Gasoline, fuel, and oil T
Insurance	Expense	Insurance	
Farm Insurance	Expense	Liability, Disability, etc, (Not Health)	Schedule F:Insurance, other than health T
Labor Hired	Expense	Labor Hired	Schedule F:Labor hired T
Livestock Basis	Expense	Resale Livestock Cost/Basis	Schedule F:Cost of resale livestock/items T
Margin Expense	Expense	Margin Expense	Schedule F:Other farm expenses T
Marketing Expense	Expense	Marketing Expense	Schedule F:Other farm expenses T
Office	Expense	Office Expenses	T
Farm Office	Expense	Farm Office Expense	Schedule F:Other farm expenses T
Other Expenses	Expense	Other Expenses	T
Farm Expenses Other	Expense	Other Farm Expenses	Schedule F:Other farm expenses T
Pension & Profit Sharing, Farm	Expense	Contribution to Employee Farm Pension & ...	Schedule F:Pension/profit sharing plans T
Rent	Expense		T
Land	Expense	Land Rental Expenses	Schedule F:Rent/lease land, animals T
Livestock	Expense	Rent Animals, Misc.	Schedule F:Rent/lease land, animals T
Vehicles, Machinery, Equipment	Expense	Rent Vehicle,Mach, Equip	Schedule F:Rent/lease vehicles, equip. T
Repairs and Maintenance	Expense	Repairs	Schedule F:Repairs and maintenance T
Seed and Plants	Expense	Seeds and Plants Purchased	Schedule F:Seeds and plants purchased T
Storage and Warehousing	Expense	Storage & Warehousing	Schedule F:Storage and warehousing T
Subscriptions	Expense	Subscriptions	
Farm Subscriptions	Expense	Farm Subscriptions	Schedule F:Other farm expenses T
Supplies	Expense	Supplies	Schedule F:Supplies purchased T
Tax	Expense	Taxes	T
Farm Property Taxes	Expense	Farm Property Taxes	Schedule F:Taxes T
Farm Taxes Other	Expense	Other Farm Taxes	Schedule F:Taxes T
Utilities	Expense	Water, Gas, Electric	
Farm Utilities	Expense	Farm Utilities	Schedule F:Utilities T
Veterinary	Expense	Veterinary fees & med	Schedule F:Vet, breeding, and medicine T
Breeding Fees	Expense	Semen, AI Services	Schedule F:Vet, breeding, and medicine T
Medicine	Expense	Livestock Medicine	Schedule F:Vet, breeding, and medicine T

Transaction

2/1/2012 through 4/1/2012

Date	Account	Num	Description	Memo	Category	Tag	Clr	Amount
BALANCE 1/31/2012								**-98,657.39**
2/1/2012	Checking	733	Mytown Res...		Dining	Family...	R	-15.00
2/2/2012	Checking	DEP	... Julie London salary		--Split--	--Split--	R	739.61
2/5/2012	Checking	EFT	Manulife		Insurance	Family...	R	-32.59
2/7/2012	Checking	734	Southwester...		Utilities:Tele...	Family...	R	-96.25
2/7/2012	Checking	735	Eastside Cle...		Clothing	Family...	R	-24.10
2/12/2012	Checking	736	St. Andrew ...		Charity	Family...	R	-30.00
2/14/2012	Checking	737	James Herriot		Veterinary	CowCalf	R	-508.00
2/15/2012	Checking	738	REC		Utilities	Family...	R	-35.07
2/16/2012	Checking	I	Interest Earn...		Interest Inc	Family...	R	4.12
2/16/2012	Checking	SC	Service Char...		Bank Charge	Family...	R	-1.00
2/16/2012	Checking	DEP	... Julie London salary		--Split--	--Split--	R	739.61
2/18/2012	Checking	740	Hometown H...		Groceries	Family...	R	-99.89
2/18/2012	Checking	739	St. Andrew ...		Charity	Family...	R	-30.00
2/18/2012	Checking	741	Tener's		Clothing	Family...	R	-27.77
2/19/2012	Checking	742	Hometown H...	Groceries	Groceries	Family...	R	-33.99
2/19/2012	Checking	743	St. Andrew ...		Charity	Family...	R	-30.00
2/21/2012	Checking	744	S Klondike Co-...		--Split--	--Split--	R	-4,062.23
2/25/2012	Checking	747	REC		Utilities	Family...	R	-32.18
2/25/2012	Checking	746	ONG		Utilities	Family...	R	-57.00
2/25/2012	Checking	745	Cablevision		Entertainment	Family...	R	-18.30
2/28/2012	Checking	748	Yukon John ...	Pickup Rep...	Repairs and ...	CowCalf	R	-20.00
2/28/2012	Checking	749	S J & M Farm ...		--Split--	--Split--	R	-2,228.00
3/2/2012	Checking	DEP	... Julie London salary		--Split--	--Split--	R	739.61
3/5/2012	Checking	EFT	Manulife		Insurance	Family...	R	-32.59
3/8/2012	Checking	DEP	Steer Sales	28 hd @ 7....	Raised Sale...	CowCalf	R	18,375.00
3/8/2012	Checking	DEP	Heifer Sales	34 hd @ 7....	Raised Sale...	CowCalf	R	19,635.00
3/8/2012	Checking	754	Southwester...		Utilities:Tele...	Family...	R	-119.18
3/8/2012	Checking	751	OK Farm Bu...		Insurance	Family...	R	-330.90
3/8/2012	Checking	750	Eddie Electric		Home Rpair	Family...	R	-35.00
3/8/2012	Checking	752	Overhead D...	Invoice 424...	Home Repair	Family...	R	-610.74
3/8/2012	Checking		Pay down cr...		[CrdtLine]		R	-30,000.00
3/8/2012	Checking	753	**VOID**				R	0.00
3/14/2012	Checking	1013	Mastercard		[Mastercard]		R	-118.40
3/16/2012	Checking	DEP	... Julie London salary		--Split--	--Split--	R	739.61
3/16/2012	Checking	I	Interest Earn...		Interest Inc	Family...	R	4.72
3/16/2012	Checking	SC	Service Char...		Bank Charge	Family...	R	-1.00
3/17/2012	Checking	755	Penney's		Clothing	Family...	R	-32.00
3/18/2012	Checking	756	St. Andrew ...		Charity	Family...	R	-30.00
3/19/2012	Checking	757	Rafter H Tru...	98 miles @...	Freight and ...	CowCalf	R	-186.20
3/20/2012	Checking	758	Hometown H...		Groceries	Family...	R	-176.43
3/23/2012	Checking	759	Eastside		Clothing	Family...	R	-8.00
3/23/2012	Checking	760	Hometown H...		Groceries	Family...	R	-71.83
3/25/2012	Checking	761	St. Andrew ...		Charity	Family...	R	-30.00
3/29/2012	Checking	765	Klondike Co-...		Gas, Fuel, & ...	CowCalf	R	-56.50
3/29/2012	Checking	763	REC		Utilities	Family...	R	-29.56
3/29/2012	Checking	764	ONG		Utilities	Family...	R	-47.81
3/29/2012	Checking	766	Postmaster		Misc	Family...	R	-32.18
3/30/2012	Checking	773	Klondike Co-...		Gas, Fuel, & ...	CowCalf	R	-52.00
3/30/2012	Checking	769	Yukon John ...		Repairs and ...	CowCalf	R	-20.00
3/30/2012	Checking	DEP	Deposit ASC...		Government ...	Wheat	R	3,112.00

Date	Account	Num	Description	Memo	Category	Tag	Clr	Amount
3/30/2012	Checking	770	Hi Pro Anim...		Veterinary	CowCalf	R	-283.00
3/30/2012	Checking	DEP	... Julie London	salary	--Split--	--Split--	R	739.61
3/30/2012	Checking	772	Southwester...		Utilities:Tele...	Family...	R	-99.58
3/30/2012	Checking	771	Mytown New...	4-10 to 10-...	Subscriptions	Family...	R	-45.00
3/30/2012	Checking	767	St. Andrew ...		Charity	Family...	R	-30.00
3/30/2012	Checking	768	Cablevision		Entertainment	Family...	R	-18.30
3/31/2012	Checking		Pay down cr...		[CrdtLine]		R	-10,240.00
4/1/2012	Checking	774	Annie Accou...		Consultants, ...	Family...	R	-150.00
4/1/2012	Checking	775	Atwood's		Misc	CowCalf	R	-62.01
4/1/2012	Checking		Beyond Hard...	Riding lawn...	Misc	Family...	R	-1,995.56
3/14/2012	Mastercard		Mastercard		[Checking]			118.40
3/8/2012	CrdtLine		Pay down cr...		[Checking]			30,000.00
3/31/2012	CrdtLine		Pay down cr...		[Checking]			10,240.00
2/1/2012 - 4/1/2012								**32,862.15**

BALANCE 4/1/2012   **-65,795.24**

TOTAL INFLOWS	**85,187.29**
TOTAL OUTFLOWS	**-52,325.14**
NET TOTAL	**32,862.15**

Cash Flow - 2012

1/1/2012 through 12/31/2012

Category	1/1/2012- 12/31/2012
INFLOWS	
Uncategorized	0.00
Capital Sales, Farm	10,000.00
Co-op Distributions	27.67
Government Payments	3,112.00
Interest Inc	92.73
Raised Sales	
Grain	42,169.64
Livestock	38,010.00
TOTAL Raised Sales	80,179.64
Salary	500.00
Salary Spouse	23,816.36
TOTAL INFLOWS	**117,728.40**
OUTFLOWS	
Uncategorized	6,931.87
Auto	262.88
Service	182.58
TOTAL Auto	445.46
Bank Charge	14.80
Charity	1,185.00
Clothing	998.27
Consultants, Farm	150.00
Custom Hire	428.60
Dining	414.36
Dues	
Farm Dues	24.00
TOTAL Dues	24.00
Entertainment	3,281.02
Farm Interest Expense	
Farm Interest Other	603.61
Farm Mortgage	8,109.00
TOTAL Farm Interest Expense	8,712.61
Feed Purchased	1,635.00
Fertilizer & Lime	10,526.73
Freight and Trucking	186.20
Gas, Fuel, & Oil, Farm	6,743.00
Gifts	426.66
Groceries	2,617.73
Home Repair	1,585.74
Home Rpair	35.00
Household	157.64
Insurance	2,816.99
Labor Hired	5,076.00
Medical	533.79
Misc	2,289.08
Other Expenses	
Farm Expenses Other	559.00
TOTAL Other Expenses	559.00
Rent	

Cash Flow - 2012
1/1/2012 through 12/31/2012

Category	1/1/2012- 12/31/2012
Land	8,055.00
TOTAL Rent	8,055.00
Repairs and Maintenance	8,196.50
Subscriptions	60.00
Tax	
Fed	52.00
Medicare	6.25
SDI	0.00
Soc Sec	31.00
State	18.50
TOTAL Tax	107.75
Tax Spouse	
Fed	2,175.00
Medicare	334.50
Soc Sec	1,430.75
State	1,001.25
TOTAL Tax Spouse	4,941.50
Utilities	1,311.16
Telephone	684.40
TOTAL Utilities	1,995.56
Veterinary	1,756.50
TOTAL OUTFLOWS	**82,887.36**
OVERALL TOTAL	**34,841.04**

London Monthly Cash Flow - 2012

1/1/2012 through 4/30/2012

Category	1/1/2012-1/31/2012	2/1/2012-2/29/2012	3/1/2012-3/31/2012	4/1/2012-4/30/2012
INFLOWS				
Uncategorized	0.00	0.00	0.00	0.00
Capital Sales, Farm	10,000.00	0.00	0.00	0.00
Government Payments	0.00	0.00	3,112.00	0.00
Interest Inc	0.00	4.12	4.72	6.31
Raised Sales				
Livestock	0.00	0.00	38,010.00	0.00
TOTAL Raised Sales	0.00	0.00	38,010.00	0.00
Salary	0.00	0.00	0.00	500.00
Salary Spouse	1,846.14	1,846.14	2,769.21	1,846.14
TOTAL INFLOWS	**11,846.14**	**1,850.26**	**43,895.93**	**2,352.45**
OUTFLOWS				
Bank Charge	0.00	1.00	1.00	1.00
Charity	135.00	90.00	90.00	90.00
Clothing	27.80	51.87	40.00	0.00
Consultants, Farm	0.00	0.00	0.00	150.00
Dining	15.00	15.00	0.00	64.75
Entertainment	18.29	18.30	18.30	9.51
Farm Interest Expense				
Farm Interest Other	0.00	0.00	0.00	603.61
TOTAL Farm Interest Expense	0.00	0.00	0.00	603.61
Feed Purchased	897.00	0.00	0.00	0.00
Fertilizer & Lime	0.00	6,181.73	0.00	0.00
Freight and Trucking	0.00	0.00	186.20	0.00
Gas, Fuel, & Oil, Farm	108.50	108.50	108.50	102.00
Gifts	0.00	0.00	0.00	103.44
Groceries	316.88	133.88	248.26	181.93
Home Repair	0.00	0.00	610.74	0.00
Home Rpair	0.00	0.00	35.00	0.00
Insurance	32.59	32.59	363.49	32.59
Medical	70.00	0.00	0.00	20.00
Misc	0.00	0.00	32.18	2,080.02
Repairs and Maintenance	66.00	20.00	20.00	20.00
Subscriptions	0.00	0.00	45.00	0.00
Tax				
Fed	0.00	0.00	0.00	52.00
Medicare	0.00	0.00	0.00	6.25
SDI	0.00	0.00	0.00	0.00
Soc Sec	0.00	0.00	0.00	31.00
State	0.00	0.00	0.00	18.50
TOTAL Tax	0.00	0.00	0.00	107.75
Tax Spouse				
Fed	174.00	174.00	261.00	174.00
Medicare	26.76	26.76	40.14	26.76
Soc Sec	114.46	114.46	171.69	114.46
State	51.70	51.70	77.55	406.70
TOTAL Tax Spouse	366.92	366.92	550.38	721.92
Utilities	61.66	124.25	77.37	64.23

London Monthly Cash Flow - 2012

1/1/2012 through 4/30/2012

Category	1/1/2012-1/31/2012	2/1/2012-2/29/2012	3/1/2012-3/31/2012	4/1/2012-4/30/2012
Telephone	0.00	96.25	218.76	0.00
TOTAL Utilities	61.66	220.50	296.13	64.23
Veterinary	0.00	508.00	283.00	0.00
TOTAL OUTFLOWS	**2,115.64**	**7,748.29**	**2,928.18**	**4,352.75**
OVERALL TOTAL	**9,730.50**	**-5,898.03**	**40,967.75**	**-2,000.30**

London Cash Flow by Enterprise - 2012

1/1/2012 through 12/31/2012

Category	Untagged Trans...	CowCalf	Family Living	Overhead	Wheat	OVERALL TOTAL
INFLOWS						
Uncategorized	0.00	0.00	0.00	0.00	0.00	0.00
Capital Sales, Farm	10,000.00	0.00	0.00	0.00	0.00	10,000.00
Co-op Distributions	0.00	0.00	0.00	27.67	0.00	27.67
Government Payments	0.00	0.00	0.00	0.00	3,112.00	3,112.00
Interest Inc	0.00	0.00	92.73	0.00	0.00	92.73
Raised Sales						
Grain	0.00	0.00	0.00	0.00	42,169.64	42,169.64
Livestock	0.00	38,010.00	0.00	0.00	0.00	38,010.00
TOTAL Raised Sales	0.00	38,010.00	0.00	0.00	42,169.64	80,179.64
Salary	500.00	0.00	0.00	0.00	0.00	500.00
Salary Spouse	0.00	0.00	23,816.36	0.00	0.00	23,816.36
TOTAL INFLOWS	**10,500.00**	**38,010.00**	**23,909.09**	**27.67**	**45,281.64**	**117,728.40**
OUTFLOWS						
Uncategorized	0.00	0.00	778.54	6,153.33	0.00	6,931.87
Auto	0.00	0.00	262.88	0.00	0.00	262.88
Service	0.00	0.00	182.58	0.00	0.00	182.58
TOTAL Auto	0.00	0.00	445.46	0.00	0.00	445.46
Bank Charge	0.00	0.00	14.80	0.00	0.00	14.80
Charity	0.00	0.00	1,185.00	0.00	0.00	1,185.00
Clothing	0.00	0.00	998.27	0.00	0.00	998.27
Consultants, Farm	0.00	0.00	150.00	0.00	0.00	150.00
Custom Hire	0.00	0.00	0.00	0.00	428.60	428.60
Dining	0.00	0.00	414.36	0.00	0.00	414.36
Dues						
Farm Dues	0.00	0.00	0.00	24.00	0.00	24.00
TOTAL Dues	0.00	0.00	0.00	24.00	0.00	24.00
Entertainment	0.00	0.00	3,281.02	0.00	0.00	3,281.02
Farm Interest Expense						
Farm Interest Other	0.00	0.00	0.00	603.61	0.00	603.61
Farm Mortgage	0.00	0.00	0.00	8,109.00	0.00	8,109.00
TOTAL Farm Interest Expense	0.00	0.00	0.00	8,712.61	0.00	8,712.61
Feed Purchased	0.00	1,635.00	0.00	0.00	0.00	1,635.00
Fertilizer & Lime	0.00	0.00	0.00	0.00	10,526.73	10,526.73
Freight and Trucking	0.00	186.20	0.00	0.00	0.00	186.20

London Cash Flow by Enterprise - 2012

1/1/2012 through 12/31/2012

Category	Untagged Trans...	CowCalf	Family Living	Overhead	Wheat	OVERALL TOTAL
Gas, Fuel, & Oil, Farm	0.00	801.00	0.00	0.00	5,942.00	6,743.00
Gifts	0.00	0.00	426.66	0.00	0.00	426.66
Groceries	0.00	0.00	2,617.73	0.00	0.00	2,617.73
Home Repair	0.00	0.00	1,585.74	0.00	0.00	1,585.74
Home Rpair	0.00	0.00	35.00	0.00	0.00	35.00
Household	0.00	0.00	157.64	0.00	0.00	157.64
Insurance	0.00	0.00	2,816.99	0.00	0.00	2,816.99
Labor Hired	0.00	0.00	0.00	0.00	5,076.00	5,076.00
Medical	0.00	0.00	533.79	0.00	0.00	533.79
Misc	0.00	62.01	2,227.07	0.00	0.00	2,289.08
Other Expenses						
Farm Expenses Other	0.00	331.00	0.00	0.00	228.00	559.00
TOTAL Other Expenses	0.00	331.00	0.00	0.00	228.00	559.00
Rent						
Land	0.00	1,575.00	0.00	0.00	6,480.00	8,055.00
TOTAL Rent	0.00	1,575.00	0.00	0.00	6,480.00	8,055.00
Repairs and Maintenance	0.00	696.00	15.00	0.00	7,485.50	8,196.50
Subscriptions	0.00	0.00	60.00	0.00	0.00	60.00
Tax						
Fed	52.00	0.00	0.00	0.00	0.00	52.00
Medicare	6.25	0.00	0.00	0.00	0.00	6.25
SDI	0.00	0.00	0.00	0.00	0.00	0.00
Soc Sec	31.00	0.00	0.00	0.00	0.00	31.00
State	18.50	0.00	0.00	0.00	0.00	18.50
TOTAL Tax	107.75	0.00	0.00	0.00	0.00	107.75
Tax Spouse						
Fed	0.00	0.00	2,175.00	0.00	0.00	2,175.00
Medicare	0.00	0.00	334.50	0.00	0.00	334.50
Soc Sec	0.00	0.00	1,430.75	0.00	0.00	1,430.75
State	0.00	0.00	1,001.25	0.00	0.00	1,001.25
TOTAL Tax Spouse	0.00	0.00	4,941.50	0.00	0.00	4,941.50
Utilities	0.00	0.00	1,311.16	0.00	0.00	1,311.16
Telephone	0.00	0.00	684.40	0.00	0.00	684.40
TOTAL Utilities	0.00	0.00	1,995.56	0.00	0.00	1,995.56
Veterinary	0.00	1,756.50	0.00	0.00	0.00	1,756.50
TOTAL OUTFLOWS	**107.75**	**7,042.71**	**24,680.13**	**14,889.94**	**36,166.83**	**82,887.36**

London Cash Flow by Enterprise - 2012

1/1/2012 through 12/31/2012

Category	Untagged Trans...	CowCalf	Family Living	Overhead	Wheat	OVERALL TOTAL
OVERALL TOTAL	**10,392.25**	**30,967.29**	**-771.04**	**-14,862.27**	**9,114.81**	**34,841.04**

Tax Schedule - Current Year

1/1/2012 through 12/31/2012

Date	Account	Num	Description	Memo	Category	Tag	Clr	Amount
Schedule A								
Medicine and drugs								**-533.79**
1/29/2012	Checking	727	Dan Dentist		Medical	Family Living	R	-70.00
4/12/2012	Checking	781	Mytown Medic...		Medical	Family Living	R	-20.00
8/12/2012	Checking	878	S Albertson's		Medical	Family Living	R	-6.59
8/16/2012	Checking	881	Care Clinic		Medical	Family Living	R	-26.00
8/18/2012	Checking	888	Don Dentist, ...	Exam & X-rays	Medical	Family Living	R	-225.00
8/19/2012	Checking	890	Care Clinic		Medical	Family Living	R	-6.50
9/17/2012	Checking	921	Care Clinic		Medical	Family Living	R	-30.00
9/30/2012	Checking	933	Care Clinic		Medical	Family Living	R	-13.00
10/9/2012	Checking	940	Alan's Pharm...		Medical	Family Living	R	-14.89
10/28/2012	Checking	948	Care Clinic		Medical	Family Living	R	-13.00
11/6/2012	Checking	960	Tiger Drug		Medical	Family Living	R	-28.19
11/25/2012	Checking	969	Care Clinic		Medical	Family Living	R	-13.00
11/29/2012	Checking	972	Tiger Drug		Medical	Family Living	R	-10.82
12/10/2012	Checking	985	Mytown Medic...Medical		Medical	Family Living	R	-56.80
Cash charity contributions								**-1,185.00**
1/15/2012	Checking	717	St. Andrew C...		Charity	Family Living	R	-30.00
1/21/2012	Checking	722	St. Andrew C...		Charity	Family Living	R	-30.00
1/21/2012	Checking	723	4-H Scholarsh...		Charity	Family Living	R	-25.00
1/28/2012	Checking	726	St. Andrew C...		Charity	Family Living	R	-30.00
1/30/2012	Checking	729	OSU Alumni ...		Charity	Family Living	R	-20.00
2/12/2012	Checking	736	St. Andrew C...		Charity	Family Living	R	-30.00
2/18/2012	Checking	739	St. Andrew C...		Charity	Family Living	R	-30.00
2/19/2012	Checking	743	St. Andrew C...		Charity	Family Living	R	-30.00
3/18/2012	Checking	756	St. Andrew C...		Charity	Family Living	R	-30.00
3/25/2012	Checking	761	St. Andrew C...		Charity	Family Living	R	-30.00
3/30/2012	Checking	767	St. Andrew C...		Charity	Family Living	R	-30.00
4/8/2012	Checking	779	St. Andrew C...		Charity	Family Living	R	-30.00
4/21/2012	Checking	784	St. Andrew C...		Charity	Family Living	R	-30.00
4/29/2012	Checking	793	St. Andrew C...		Charity	Family Living	R	-30.00
5/7/2012	Checking	799	St. Andrew C...		Charity	Family Living	R	-30.00
5/9/2012	Checking	802	St. Andrew C...		Charity	Family Living	R	-30.00
5/21/2012	Checking	806	St. Andrew C...		Charity	Family Living	R	-30.00
5/30/2012	Checking	820	St. Andrew C...		Charity	Family Living	R	-30.00
6/4/2012	Checking	824	St. Andrew C...		Charity	Family Living	R	-30.00

Date	Account	Num	Description	Memo	Category	Tag	Clr	Amount
6/17/2012	Checking	833	St. Andrew C...		Charity	Family Living	R	-30.00
6/24/2012	Checking	835	St. Andrew C...		Charity	Family Living	R	-30.00
7/1/2012	Checking	847	St. Andrew C...		Charity	Family Living	R	-30.00
8/2/2012	Checking	867	St. Andrew C...		Charity	Family Living	R	-30.00
8/17/2012	Checking	884	St. Andrew C...		Charity	Family Living	R	-30.00
8/19/2012	Checking	889	St. Andrew C...		Charity	Family Living	R	-30.00
8/26/2012	Checking	902	St. Andrew C...		Charity	Family Living	R	-30.00
9/10/2012	Checking	915	St. Andrew C...		Charity	Family Living	R	-30.00
9/23/2012	Checking	923	St. Andrew C...		Charity	Family Living	R	-30.00
9/24/2012	Checking	924	St. Andrew C...		Charity	Family Living	R	-30.00
10/1/2012	Checking	935	St. Andrew C...		Charity	Family Living	R	-30.00
10/7/2012	Checking	939	St. Andrew C...		Charity	Family Living	R	-30.00
10/28/2012	Checking	951	St. Andrew C...		Charity	Family Living	R	-30.00
10/28/2012	Checking	952	St. Andrew C...		Charity	Family Living	R	-30.00
11/2/2012	Checking	958	St. Andrew C...		Charity	Family Living	R	-30.00
11/18/2012	Checking	963	St. Andrew C...		Charity	Family Living	R	-30.00
11/19/2012	Checking	964	St. Andrew C...		Charity	Family Living	R	-30.00
11/25/2012	Checking	967	St. Andrew C...		Charity	Family Living	R	-30.00
12/4/2012	Checking	978	St. Andrew C...		Charity	Family Living	R	-30.00
12/10/2012	Checking	986	St. Andrew C...		Charity	Family Living	R	-30.00
12/17/2012	Checking	995	St. Andrew C...		Charity	Family Living	R	-30.00

Schedule B

Interest income   **92.73**

Date	Account	Num	Description	Memo	Category	Tag	Clr	Amount
2/16/2012	Checking	I	Interest Earned		Interest Inc	Family Living	R	4.12
3/16/2012	Checking	I	Interest Earned		Interest Inc	Family Living	R	4.72
4/18/2012	Checking	I	Interest Earned		Interest Inc	Family Living	R	6.31
5/16/2012	Checking	I	Interest Earned		Interest Inc	Family Living	R	7.18
6/16/2012	Checking	I	Interest Earned		Interest Inc	Family Living	R	5.08
7/19/2012	Checking	I	Interest Earned		Interest Inc	Family Living	R	7.38
8/16/2012	Checking	I	Interest Earned		Interest Inc	Family Living	R	5.31
9/19/2012	Checking	I	Interest Earned		Interest Inc	Family Living	R	8.42
10/18/2012	Checking	I	Interest Earned		Interest Inc	Family Living	R	3.45
11/16/2012	Checking	I	Interest Earned		Interest Inc	Family Living	R	4.19
12/18/2012	Checking	I	Interest Earned		Interest Inc	Family Living	R	3.23
12/29/2012	Checking	DEP	Interest from ...	interest	Interest Inc	Family Living	R	33.34

Tax Schedule - Current Year
1/1/2012 through 12/31/2012

Date	Account	Num		Description	Memo	Category	Tag	Clr	Amount
Schedule F									
Sales livestock/product raised									**80,179.64**
Total co-op. distributions									**27.67**
Agricultural program payments									**3,112.00**
3/30/2012	Checking	DEP		Deposit ASC...		Government Payments	Wheat	R	3,112.00
Custom hire expenses									**-428.60**
Feed purchased									**-1,635.00**
Fertilizers and lime									**-10,526.73**
2/21/2012	Checking	744	S	Klondike Co-op		Fertilizer & Lime	Wheat	R	-4,005.73
2/28/2012	Checking	749	S	J & M Farm ...		Fertilizer & Lime	Wheat	R	-2,176.00
9/30/2012	Checking	932	S	Klondike Co-op		Fertilizer & Lime	Wheat	R	-4,345.00
Freight and trucking									**-186.20**
Gasoline, fuel, and oil									**-6,743.00**
Interest expense, mortgage									**-8,109.00**
8/15/2012	Checking	880	S	Farm Credit		Farm Interest Expense...	Overhead	R	-8,109.00
Interest expense, other									**-603.61**
Labor hired									**-5,076.00**
6/30/2012	Checking	841		Whitey Fang		Labor Hired	Wheat	R	-1,523.00
7/30/2012	Checking	860		Whitey Fang		Labor Hired	Wheat	R	-963.00
7/30/2012	Checking	862		Whitey Fang		Labor Hired	Wheat	R	-1,066.00
8/14/2012	Checking	879		Whitey Fang		Labor Hired	Wheat	R	-782.00
9/15/2012	Checking	920		Whitey Fang		Labor Hired	Wheat	R	-742.00
Rent/lease land, animals									**-8,055.00**
Repairs and maintenance									**-8,196.50**
Vet, breeding, and medicine									**-1,756.50**
Other farm expenses									**-733.00**

W-2

Tax Schedule - Totals Only - 2012

1/1/2012 through 12/31/2012

Date	Account	Category	Tag	Clr	Amount

Schedule A

Medicine and drugs					-533.79
Cash charity contributions					-1,185.00

Schedule B

Interest income					92.73

Schedule F

Sales livestock/product raised					80,179.64
Total co-op. distributions					27.67
Agricultural program payments					3,112.00
Custom hire expenses					-428.60
Feed purchased					-1,635.00
Fertilizers and lime					-10,526.73
Freight and trucking					-186.20
Gasoline, fuel, and oil					-6,743.00
Interest expense, mortgage					-8,109.00
Interest expense, other					-603.61
Labor hired					-5,076.00
Rent/lease land, animals					-8,055.00
Repairs and maintenance					-8,196.50
Vet, breeding, and medicine					-1,756.50
Other farm expenses					-733.00

W-2

Salary or wages, spouse					23,816.36
Federal tax withheld, spouse					-2,175.00
Soc. Sec. tax withheld, spouse					-1,430.75
Medicare tax withheld, spouse					-334.50
State tax withheld, spouse					-1,001.25
Federal tax withheld, self [Bill's Service]					-52.00
Soc. Sec. tax withheld, self [Bill's Service]					-31.00
Medicare tax withheld, self [Bill's Service]					-6.25
State tax withheld, self [Bill's Service]					-18.50
Local tax withheld, self [Bill's Service]					0.00

65

Reconciling the Bank Statement

Reconciling a Quicken account with a bank statement serves as a good "check" on the completeness and accuracy of your data entries. The reconciliation process includes:

- Entering information from your bank statement.
- Marking cleared transactions in the Statement Summary window. You may add missing transactions or edit existing transactions as you go.
- Comparing the cleared balance with your bank ending balance to see whether a difference exists.

If you are not currently reconciling your bank statements in Quicken, you should be! This is why:

- Banks can make mistakes.
- It is possible to type numbers incorrectly, duplicate transactions, or forget to record a transaction.
- Identity theft is on the rise. Reconciling your account may help you to catch irregular activity on your account, for example, transaction(s) you did not make, misuse of an ATM card, or incorrect electronic transfers.
- Transactions must be reconciled for the Year-End Copy feature in Quicken to work properly.

Using the LONDON13 file with the *Checking* register open, click the **Account Actions** button, which is a small gear symbol at the top right of the check register screen. From the drop down menu, select **Reconcile** (*or click Tools, Reconcile an account*). Using the bank statement on the next page, enter the requested information on the screen:

OK

NOWATER NATIONAL BANK AND TRUST COMPANY
Sixth and Main Streets • P.O. Box 2157 • Nowater, Oklahoma 74076 •
(555) 397-2157
Offices in Nowater, Tulsa, and Oklahoma City • Member F.D.I.C.

Statement Date: 07/05/13
Services available. Call for details.

Jack and Julie London   Account No. 1-101-816
Rt. 1, Box 23
Nowater, OK 74076

Checking Statement Summary
Previous Statement 6/5/13, Balance of $9,511.42
3 Deposits or other credits totaling   784.94
18 Checks or other debits totaling   1,662.13
Current Balance as of 7/05/13 $8,634.23

Deposits and other Credits

Date Cleared	Amount	Transaction Description
6/15	391.25	Direct deposit
6/30	391.25	Direct deposit
7/05	2.44	Interest earned

Miscellaneous Debits

Date Cleared	Amount	Transaction Description
7/05	1.00	Service Fee

Date Cleared	Check No.	Amount		Date	Check No.	Amount
06/11	1022	20.00		06/27	1031	15.00
06/15	1023	30.00		06/27	1032	30.00
06/16	1024	584.50		06/29	1034*	127.05
06/21	1025	189.83		06/30	1035	20.00
06/21	1026	27.80		06/27	1036	20.00
06/21	1027	61.66		06/30	1038	421.00
06/21	1028	30.00		06/30	1037	18.29
06/21	1029	25.00		07/01	1039	15.00
06/24	1030	26.00				

The entries you made for service charge and interest earned in the opening screen are recorded as transactions and marked as cleared in the reconciliation screen that follows. Payments and Checks are listed at left and Deposits at right:
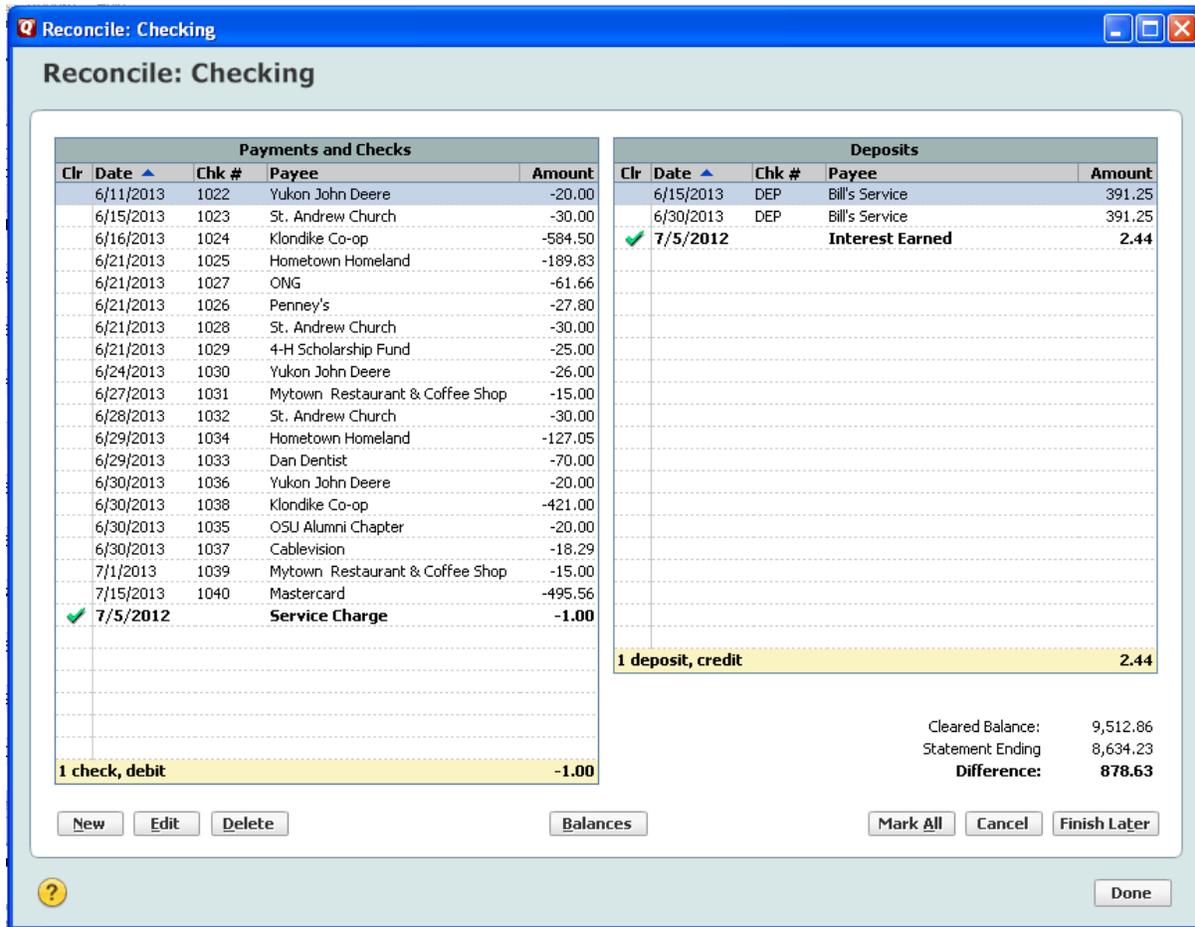
Continue the reconciliation process by using the space bar or clicking with the mouse to add a check mark by transactions that cleared the bank. Use the bank statement on the previous page to identify and mark cleared transactions.

You may add missing transactions, delete duplicate transactions or edit entries with mistakes as you reconcile. If you find that you forgot to enter a transaction, click **New** *(bottom left of the Reconcile window)* to be taken to the Checking register. Enter the transaction and click **Save**. You can get back to reconcile by clicking the **Return to Reconcile** button in the upper right of the register window.

> *Note: If you begin to reconcile the bank statement but are unable to complete it at the time, you can click **Finish Later**. Your work will be saved and you can finish the reconciliation at your convenience. Clicking Cancel will not save the work you have done.*

Continue verifying entries with the Nowater National Bank Statement. If you've managed

to enter a transaction twice *(you may want to view the duplicate entries in the Checking register, then edit one transaction to be sure all the appropriate information is stored in one transaction to save)*, highlight the duplicate entry and click the gear icon (directly after the save icon) find and click **Delete**. Confirm that you want to delete the current transaction by clicking **Yes.**

Have you ever transposed a number in your entry or recorded the wrong amount? With the transaction highlighted, click **Edit** in the reconcile window. You are taken to the original entry in the checking register and can make the necessary changes in the register and record the entry by clicking **Save**. Again, click **Return to Reconcile**, which will return you to the <u>Reconcile</u> window.

Once you have marked all cleared payments, checks, and deposits, the difference listed in the bottom right corner should be 0.00 (see below). If it is correct, congratulations!

Done

Yes   (Workshop participants may not be able to print).
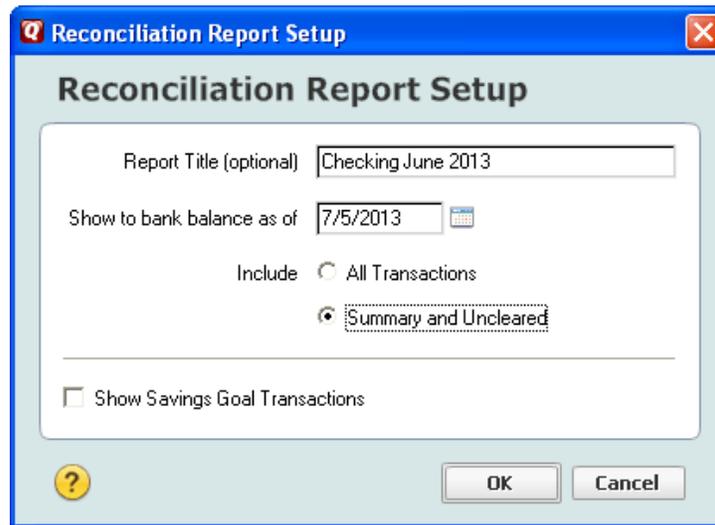
Enter the fields needed and select **OK**.
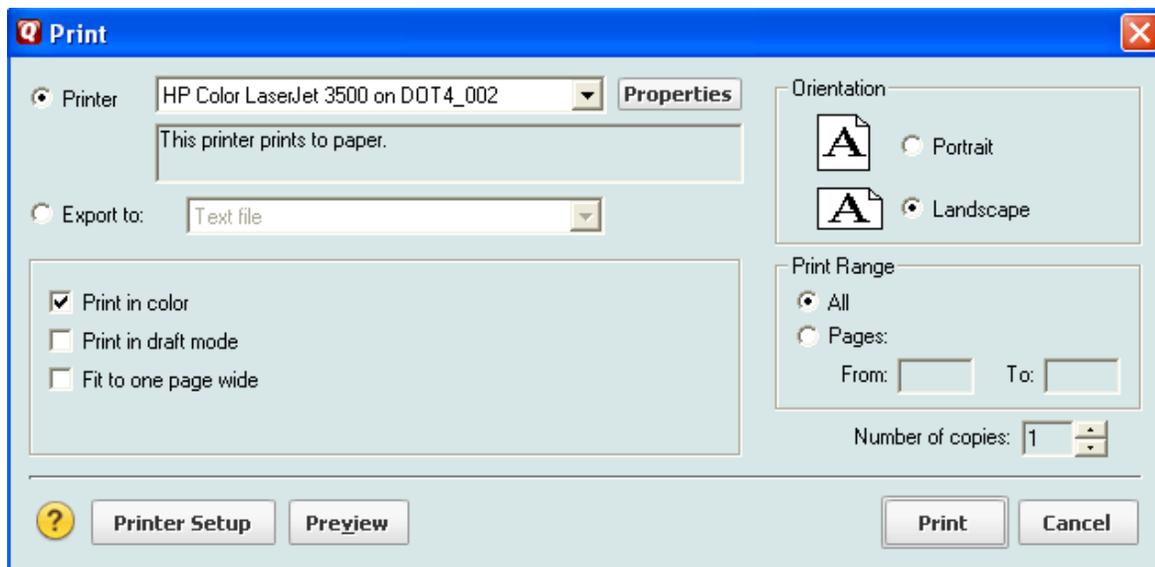
Adjust the print settings to match your needs. You can click **Preview** to see how it will

appear on paper.

Print

> *Note: One of the unique features of Quicken is the ability to change transactions. However, be advised that changing a previously <u>reconciled</u> transaction (date, amount, or reconciled clear status) can cause problems with future reconciliations. If you attempt to modify a reconciled transaction, a popup window will ask you if you wish to change a reconciled transaction. Quicken 2013 handles an altered amount from a previously reconciled transaction by automatically adjusting the starting reconciliation balance the next time you reconcile. You may want to use the flag or note feature to note the change for future reference.*

> *If you track an account online, you can also choose to reconcile the account online. You should choose either manual or online reconciliation and stick with one method. It will be hard to switch back and forth as the online reconciliation works each time you download while a paper statement is generally monthly.*

Reconciling Other Types of Accounts

The process for reconciling savings accounts is the same as for checking. Credit card accounts have a different opening screen:

The reconciliation process is similar to the other cash flow center accounts.

Highlight **Mastercard** in the <u>Banking</u> section, left side of screen. Then select **Account Actions** and **Reconcile** on the right side of the screen.

   Cash accounts do not have a reconcile process. You should record transactions as they happen to keep the account up-to-date. However, if you forget to record transactions or get terribly behind and can't find documents of cash expenses, the balance can be updated. From the *Cash* account click the **Account Actions** button and select **Update Balance**. Enter the amount of cash in the account, and an adjusting entry will be made and categorized as Misc.

OK

Using Quicken for Financial Planning

Quicken has a number of features that facilitate financial planning. From the menu line at the top of the Quicken program screen, click

Planning
> **Planning Tools** (button at the right with drop down arrow)

You will see the following calculators listed: Retirement, College, Refinance, Savings, and Loan.

Retirement Calculator

In the Retirement Calculator, you choose between calculating for:
- Expected *Annual retirement income* given current savings and expected annual contributions
- *Annual contribution* to determine savings needed to achieve a certain level of income
- *Current savings* needed to have a certain level of income at retirement

Information that is required includes the Current age of the candidate for retirement, Retirement age, Annual yield on savings, the Withdrawal until age (stop benefit payout), Other income (Social Security income, etc.), the Tax rate information of the investment whether tax-sheltered or not, current and retirement tax rates, and Inflation rates.

Julie London is 45 and her husband, Jack, is 48. Their children are now (mostly) self-supporting. Julie and Jack have started to wonder whether they are adequately preparing for retirement. Julie is a teacher and Jack manages their family farm. They have $16,000 in a savings account and expect to be able to add $4,000 to their savings each year. Their non-tax sheltered investments yield an average of 8% per year and economists expect inflation to continue at a modest 3% annually.

Let's calculate Jack and Julie's expected retirement income.
Retirement Calculator

Select **Annual retirement income**. Enter the information as shown on the following screen:

Click **Calculate**.

Expected annual income after taxes in this scenario is only $7,354.66 if you choose to click on "**Show in today's $**". This offers insights into the buying power after inflation. Delaying retirement for even a couple of years can increase significantly the amount of annual income after taxes. For instance, at the $4,000 contribution level, delaying retirement until age 70 increases the annual income after taxes in today's dollars to $11,230. What if they want to retire at age 65 but are able to double their annual contribution to $8,000? What does that mean for annual income after retirement? It increases to $12,835, still not a very comfortable level of support. The moral of the story is save early and save often!

Click **Done**

In the above analysis, we focused solely on the cash savings. Assume the family farm is paid for and some of the assets are sold at retirement (not given to children). Let's assume that part of the owned farm assets are expected to generate $200,000 after taxes when sold. This time focus solely on earnings from the farm assets at retirement. Again, select **Retirement**

Calculator under **Planning Tools,** then select **Annual retirement income**. Enter the following information and click **Calculate**:

Thus, selling part of the farm assets at retirement and putting them into an alternative investment earning 8% annually will generate about $13,805 in annual income. A caution: While an 8% return may be possible in a long run investment with some risk, it may be difficult to find an investment with an annual 8% return for the short term. A combination of savings to generate income from off-farm investments in combination with the sale or lease of farm assets may generate the income needed in retirement but careful planning is needed to ensure that income objectives can be met.

You can view how the income is distributed by clicking on **View Schedule**.

75

Click **Done** to close the Deposit Schedule window.

Click **Done** to close the Retirement Calculator window**.**

College Calculator

Jamie is 13 and plans to attend college (OSU, of course) where tuition currently averages $3,000 per semester ($6,000 annually). She will study hard and graduate in 4 years. She is a smart girl and knows that she should start saving money now for her college expenses. She can determine how much she and her parents need to save each year.

Click **Planning**
      Planning Tools
            College Calculator

      In the College Calculator window, select the calculation that you want to make at the bottom right of the screen. In this case, it is the **Annual contribution**. Enter:

College Calculator

Calculate: ○ Annual college costs
○ Current college savings
◉ Annual contribution

Annual college costs: 6,000.00

Years until enrollment: 5
Number of years enrolled: 4

Current college savings: 0.00
Annual yield: 8.000%
Inflation Rate: 4.000%

Annual contribution: 2,610.62
☑ Adjust based on inflation rate

[Calculate] [Schedule...]
*All calculations assume saving until the student graduates.

(?)   [Done]

Because college expenses have recently risen faster than the general consumer price index, we use 4% predicted inflation. Click **Calculate** to see the needed Annual contribution of $2,610.62. This is the amount that Jamie and her family will need to save and invest annually to pay the tuition for Jamie to attend college. Click **Schedule** to see the deposit schedule.

College Savings Plan

This deposit schedule assumes that your ability to make yearly contributions keeps pace with a 4.0% annual inflation rate.

Year	Deposit	Tuition	Balance
0	0.00	0.00	0.00
2012	2,610.62	0.00	2,610.62
2013	2,715.04	0.00	5,534.51
2014	2,823.65	0.00	8,800.92
2015	2,936.59	0.00	12,441.59
2016	3,054.06	0.00	16,490.97
2017	3,176.22	7,299.92	13,102.56

Click **Done** to return to the College Calculator.

Click **Done** to leave the College Calculator.

Refinance Calculator

Interest rates moved lower in recent months and Jack and Julie are wondering whether they should refinance the house they bought 5 years ago.

Click **Planning**
        Planning Tools
                Refinance Calculator

Click **Calculate**.

The refinance analysis indicates that approximately 21 months are needed to recoup the refinancing costs and break even. Monthly principal and interest payments are $355.07, and total closing costs are $4,200. If the family plans to remain in the house at least this long, then refinancing looks like a good deal. Click **Done** to leave the Refinance Calculator.

Savings Calculator

Your family wants to be able to pay $100,000 cash for a different combine in 6 years. Currently you have $4,000 in savings. How much do you need to save each year to meet this goal if savings are earning 5% interest?

Click **Planning**
        Planning Tools
            Savings Calculator

Calculate For:
    Regular contribution

Then enter:

Click **Calculate**.

The Quicken calculator indicates that $16,766.58 per year must be saved to meet this goal.

Click **View Schedule** to see the deposit schedule. Click **Done** to return to the Savings Calculator. Click **Done** to leave the savings calculator.

Loan Calculator

The loan calculator allows you to estimate either a loan amount (given an interest rate, number of years, periods per year, compounding periods, and payments per period) or payment per period (given a loan amount, interest rate, number of years, compounding periods, and periods per year).

Click **Planning**
　　　　Planning Tools
　　　　　　Loan Calculator

Look at the top of the <u>Loan Calculator</u> screen. When **Payment per period** is selected, Quicken calculates the regular payments for a loan of a given amount based on your entries for the loan amount, annual interest rate, number of years (loan repayment period), interest compounding periods, and the number of payments per year. For instance, let's say that you are considering purchasing a new truck. The truck that you have chosen, a four-wheel drive, has a sticker price of $35,000, but you talk the salesman down to $33,000. You have saved $4,000 to be used for a down payment so you need to borrow $29,000. The loan will be for 5 years at 6.5% interest with monthly payments. Enter the following information:

The anticipated *Payment per period* is $567.42 monthly. You can see how much of your total payment is principal and how much is interest in a given month by clicking **View Schedule** to display the payment schedule.

To leave the schedule, click the **X**.

     A different question to answer with Quicken's loan calculator is "How much can you afford to pay for a new truck?" If you know how much you have available for regular payments, the loan calculator can also be used to solve for the amount you could afford. Let's say that you have around $350 per month to apply toward the purchase of a new truck. The expected interest rate is 6.0%. On the Loan Calculator screen, you want to calculate the loan amount instead of the payment, so select **Loan amount**, and enter the following information:

Click **Calculate**

     The maximum principal amount you could borrow with these repayment terms is *$18,103.95*. You can see the breakdown for principal and interest by clicking on **View Schedule**, click the **X** to leave view schedule. To leave the loan calculator, click **Done**.

Various Topics

In this section of instructions, we will use the *LONDON13* file.

Click **File**
> **Open** (or press *[Ctrl+O]*)
>> **C:\ Workshop Files\LONDON13**

Click **OK**

Line of Credit/Credit Card Accounts and Alerts

A line of credit or short-term operating note is often best tracked using a credit card account. Money can be transferred into checking and payments made as money becomes available. You can also set alerts to warn you when you are approaching the account limit.
To set up a line of credit note/credit card account, click

> **Add an Account** (bottom left of <u>Account List</u> window. Or for the menu line, choose Tools Add Account)

In the <u>Quicken Account Setup</u> window, choose

Credit Card

Click **Next** (if you have an internet connection it will go online to search for institution names)

Click on: **Advance Setup** in blue text at bottom

I want to enter my transactions manually.

Next

Type **Line of Credit** to name this account.

Next

Enter **1/1/13** as the *Statement Ending Date* and **75,632.24** as the *Statement Ending Balance*.

Click **Next**

Finish

Now choose the Line of Credit from the account list and click on **Actions** (the gear icon in the upper right corner)

Click on **Edit Account Details.**

Set the *Credit Limit* at **$100,000**.

Click **OK.**

If you now click on the Account listing to go to the register for that account, the credit remaining relative to the maximum will be displayed at the bottom of the register.

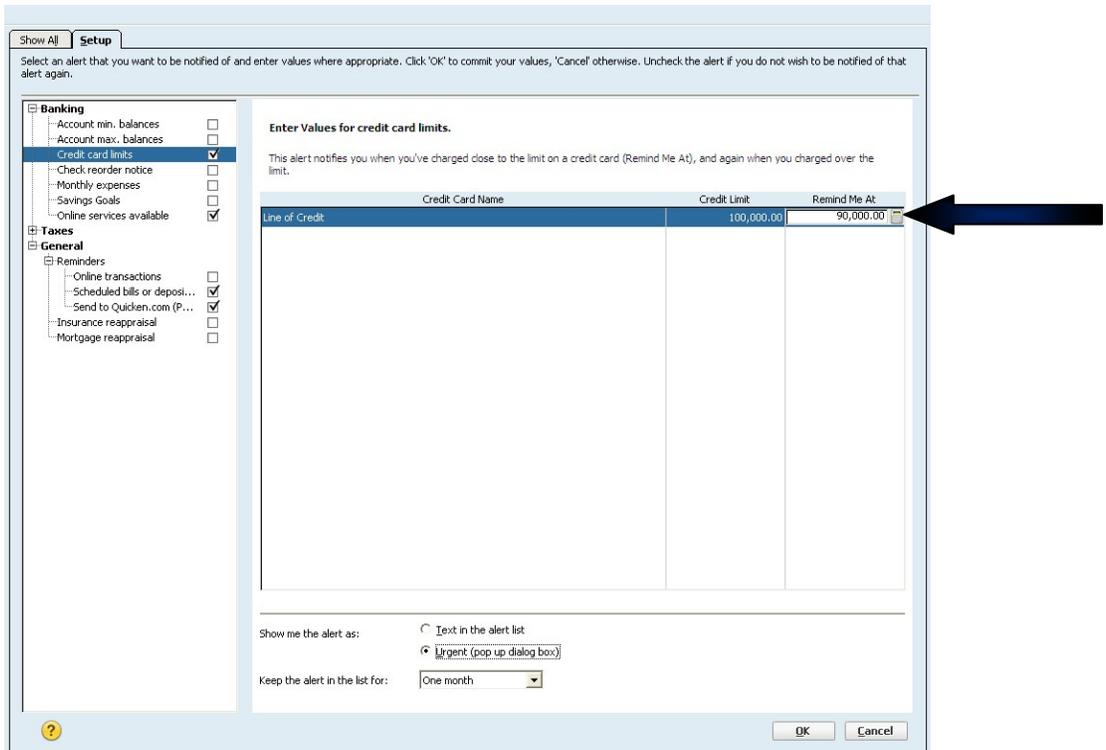To have Quicken warn when you are approaching your credit limit, click

Tools
    Alerts Center

Click on the **Setup** tab and choose **Banking**.
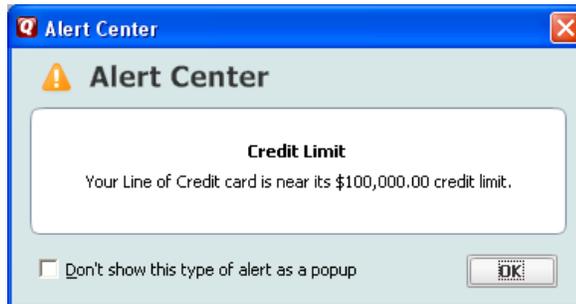
Click on the plus sign to expand the list.

Choose **Credit card limits**

Select the **Line of Credit** and place **90,000** in the **Remind Me At** box:

Click **OK**.

If you exceed your account alert limit, a notice is placed in the Alert section of the home page and a pop up message appears the next time Quicken is opened.

OK

To record a transfer of funds into the *Checking* account from the *Line of Credit*, open the **Line of Credit** account, Enter information from the following screen.

Click **Save**.

To record a transfer of money from the checking account to the **Line of Credit** to pay down the balance, select the **FarmChecking** account from the Accounts list on the left.

Enter the **Date** and select **Transfer** for the Num. field. The payee is Transfer to Line of Credit, enter the amount of the **Payment** and then enter **Line of Credit** for the category and click **Save.**

This account can be reconciled with a loan statement just as the credit card account can be reconciled with the credit card statement. Information needed from the loan statement includes charges and cash advances, interest charges, payments and credits to the account, and the ending balance.

Saving and Locating Information for 1099s

One means of noting that a transaction may contribute to the need for a tax form 1099 is to type 1099 on the memo line in appropriate transactions in the account register. You can then generate reports that list or summarize all transactions with this notation in the memo line. For instance, let's say that you write check number 3267 on June 12 for $628.13 to Joe Bob Baling for custom baling of alfalfa hay.

Click on the **Farm Checking** account name at left (or click Tools, Account List, Farm Checking)

The checking register will appear. Type the following information into the checking register:

Date:	**06/12/13**
Num:	**3267**
Payee:	**Joe Bob Baling**
Payment:	**628.13**
Category:	**Custom Hire**
Tag:	**Alfalfa**
Memo:	**1099**

Click **Save**.

Future payments should follow the same format with the payee spelled exactly the same and 1099 entered in the memo line. This allows Quicken to recognize transactions as a match when filtered reports are developed at the end of the year. You can then determine how much was paid to a specific payee where 1099 is in the memo field. You will develop a filtered cash flow report summarized by payee to show the amount.

Let's look at last year's information. To generate the report, click:
        Reports (top of the screen)

Click the **Customize** button (top right of screen), *Date:* **Yearly 2012**. Change the title of the report to **1099 Report**, and select **Payee** for the *Row* heading.

Click the **Categories** tab. Under the *Matching* column at the right in the *Memo contains:* field, type **1099**.
Click **OK**

The report will pick up any memo notations (for example, invoice numbers, dates, weights) that include 1099, so thoroughly check the report. Click on the individual payees to review the supporting transactions.

Our sample report demonstrates the importance of being consistent in how names are entered because Hepplers and Heppler's Machine Shop are viewed as different vendors. To

correct this error, click the **Find & Replace** button on the report task bar (top right with a magnifying glass). At the top of the screen, enter **Payee, Hepplers Machine Shop** and click **Find**:


Next, add a check mark to the transaction and enter the data at the bottom of the above screen: **Payee, Heppler's Machine Shop** and click **Replace All**. The report is automatically updated.

     To save this report, click on the **Save** report icon on the task bar. If you want, create a **Tax** folder in which to save it. You can do this by clicking the dropdown arrow for 'Save in', click on **create new report folder**, **name the folder**, then click **OK**.
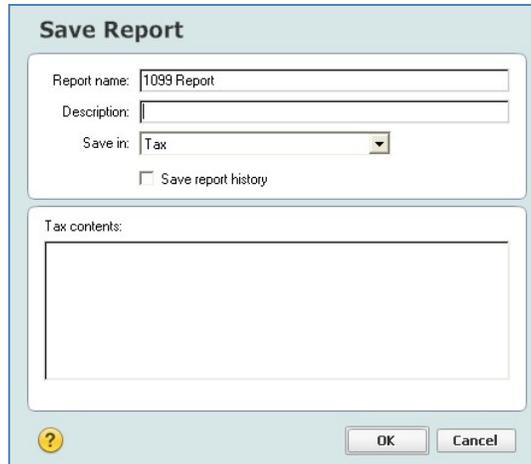
Click **OK**

Close the window by clicking on the **X** in the upper right corner.

Click **Done** to close the Find and Replace window.

Recording Futures Market Transactions

Options

    An option allows a producer to pay a premium for a type of commodity price "insurance". Many producers use "put" options to provide a floor price for their stocker cattle. For example, let's say you have 75 head of stocker steers that will weigh approximately 650 pounds in May and want to insure a $90 floor price for their May sale. A feeder cattle contract is 50,000 pounds or 500 cwt, so one contract could protect the price for your 75 steers. You call a broker and purchase a $90 May feeder cattle put option for $1.20/cwt premium. The cost of the option purchase would be $600 ($1.20 x 500 cwt) plus a commission of $75. To record the purchase of the "put" using funds from the checking account, go to the **Checking** register and enter

Date:	**1/7/13**
Num:	**3456**
Payee:	**ABC Brokerage**
Payment:	**675**
Category:	**Marketing Expense**
Tag**:**	**Stocker**
Memo:	**$90 put @ $1.20 for 500 cwt & $75 commission**

Click **Save**.

    Often your option will expire without any value. However, if you realize any income from the option, you would record it as *Marketing Income*. This income is *tax-related* and should be linked to the tax form and line, *Schedule F: Other Farm Income*. You would then make the appropriate deposit entry. For example, in May, feeder cattle are trading at $88 and your $90 put is now worth $2/cwt or $1,000. You would sell your put and enter the deposit in the *Marketing Income* category.

Date:	**5/6/13**
Num:	**DEP**
Payee:	**ABC Brokerage**
Deposit:	**1000** (the Quickfill payment value of $675.00 should be removed when you enter the deposit amount)
Category:	**Marketing Income**
Tag:	**Stocker**
Memo:	**Settlement of put option**

Click **Save**

Hedges

    Hedges can be a bit more complicated to record because daily changes in market prices may also affect the margin money required for the trade. Enter your realized gain or loss after you have offset your hedged position in Margin Income or Margin Expense categories as appropriate.

Scheduled Transactions

   If you want to be reminded of due dates for monthly bills, you can set up one or more scheduled transactions. For example, each month you get utility and cable television bills which are due on the first of the month. There are several ways to set up a scheduled transaction for a payment that has not been previously entered in the register.

Click **Tools**
      Manage Bill & Income Reminders List (or press [Ctrl+J])

Click **Create New** from the Menu line

Select **Bill Reminder**

Pay to **Local Cablevision**, select **Bill Reminder**. **Click Next**. Add info and click on **Add category, tag or memo**

Click **OK**

Click **Done** to close the <u>Add Bill Reminder</u> window. You will be taken back to the summary reminder screen for the scheduled transactions.

Repeat the process for other scheduled transactions. If you open Quicken within three days of the date on which the bills are due, you will be reminded that you have bills to pay.

Close the <u>Bill and Income Reminders</u> window by clicking on the **X** in the upper right corner.

Writing Checks with Quicken

Quicken acts as a register for transactions and also allows you to write and print checks from the computer (with the appropriate paper form). The check writing feature allows you to "write" the check as well as record a memo, category and tag.

Before you print out checks, choose the appropriate printer settings.

Click **File**
   Printer Setup
     For Printing Checks
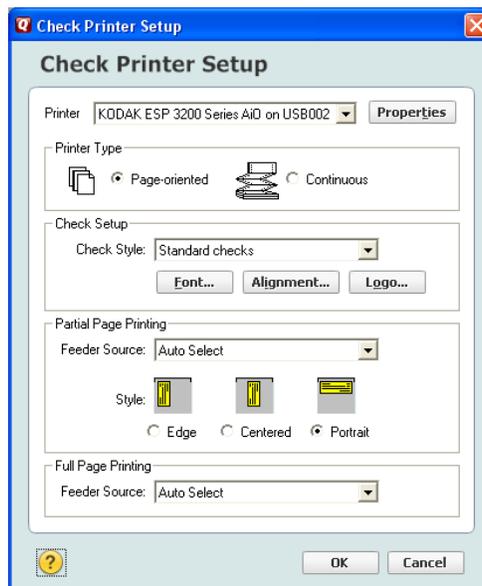
Click **OK**

Click **Tools** (from the menu line)
   Write and Print Checks (or [CTRL+W])

As seen above, enter the **Date**, **Pay to the Order** of (payee), and **$** (dollar amount); the written dollar amount fills in automatically. The Address and Memo are optional. The category is entered below the check. Click on the Split icon to reveal the category and tag field. Clicking the Split button or pressing [Ctrl+S] will allow you to enter information for a split transaction as well.

Click the **Record Check** button to enter the transaction in the register.

Select the appropriate page and printing style for the type of checks you will use.

Click **Done**

Go to the **Account List** and you will see a small printer icon next to Checking, click on the icon. Then select **You have 1 check to print.** Finally, select the appropriate date, 1/8/2013, and click on **Print** button (lower right).

To print the checks that are prepared, click on **Account Actions**, **Write Checks**. This takes you to the same screen in which you entered the checks. Click on **Print** button (lower right). (Or, you can choose File, Print Checks.)

If you select to **print**, a screen will appear asking if the check has printed.

Click **Cancel** since we do not actually wish to print this check.

Close <u>Write Checks</u> by clicking the X.

Use the <u>Help</u> menu by pressing the **F1** button on your keyboard, for additional information on how to print checks on partial pages, to add logos, etc.

Year-End Copy: Start New Year and Archive

At the beginning of a new year or when files start getting large, people wonder whether they should reduce the size of their files or remove some data. Now that large files can be backed up on CD or thumb drive, this is a less frequent concern. We encourage you to maintain several years of data in the current file so that comparison reports showing performance by year can be easily created. However, if you must shrink the file size, the Year-End Copy feature allows you to reduce the size of your working file and/or archive older information. Click:

File
    File Operations
        Year-End Copy

Archive file only

Under the *Current Data File* heading, select ***Do nothing.*** Your current file will then remain the same. You can create an archive copy to backup your data (good for storing in a different place for emergency purposes). Under the *ArchiveData File*: select **Give the archive file a name and location**. Then select the end date for the archive file (all transactions up to this date will be copied).

Click **OK**

Click **OK** to continue using the Current file.

> *Note: Archiving differs from making a backup copy as you have control over the dates included in the file. As with a backup copy, the transactions are saved first. Attachments are included only if space is available.*

Reduce current file and archive

Let's say that you've been entering financial records in Quicken since 2003 in a file called *FARM*. Now you want to modify the current file to include data starting January 1, 2008. Click

   File
     File Operations
       Year-End Copy
To modify the current data file, click on **I only want transactions…** as in the screen that follows and indicate the **1/1/2008** starting date.
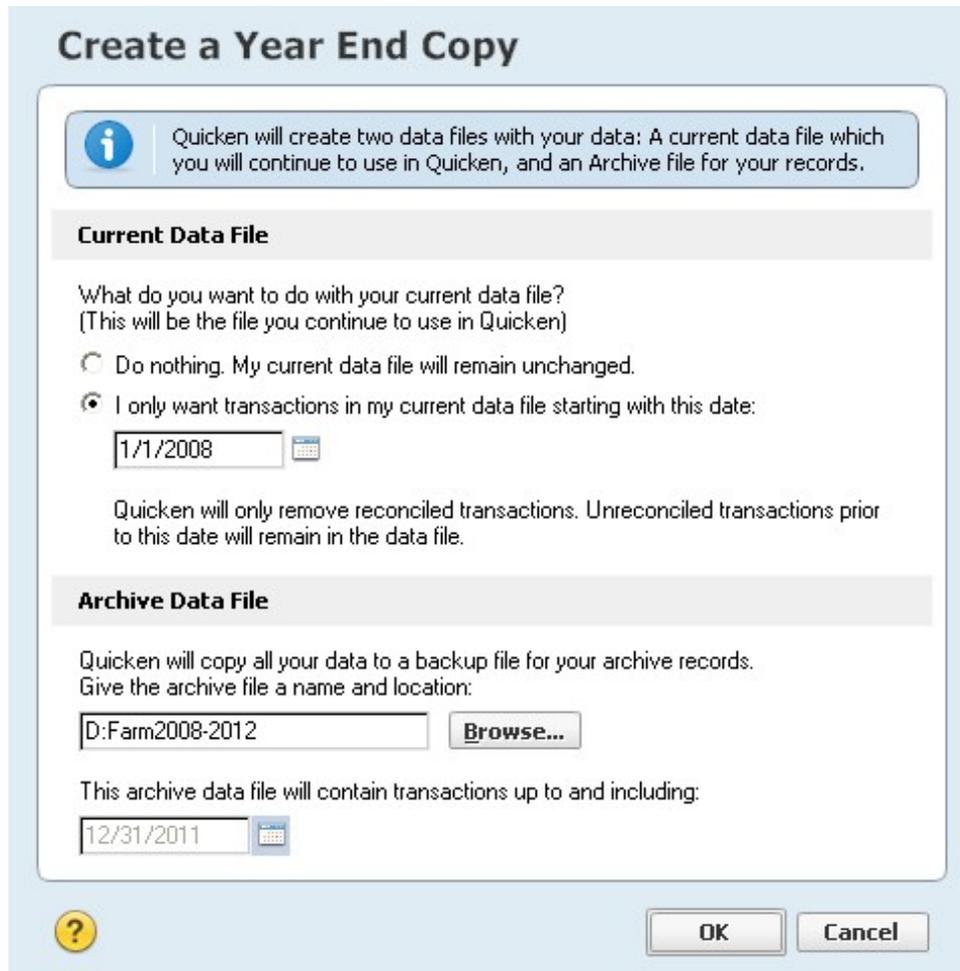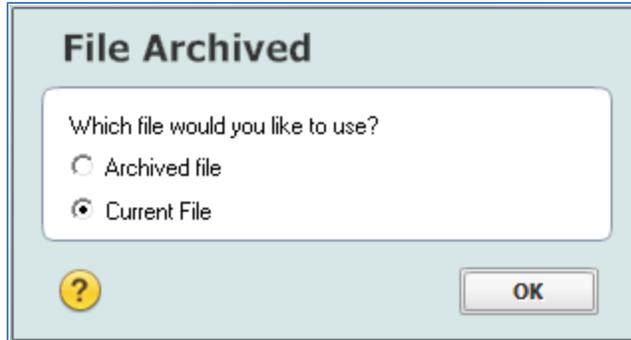
Click **OK**.

The new file created will be reduced to transactions for the date selected and forward (see note below) and will be given a new name that matches the archive file name. An archive file will automatically be created at the same time with the name and location you choose. The archive file includes everything in the current file.

Note: If you have not reconciled your accounts, the transactions will transfer with the file even if they are outside of the date range selected. Investment transactions will transfer regardless of cleared status.

When the data file has been updated (if selected) and the archive file has been created, you will choose which file to use. In our example, we created a new file using the last five years only, so we will select the **Current File**.

Click **OK**

We recommend keeping several years of data in one file for comparison purposes, but if information becomes dated, this is a good way to move forward without starting a new file.

Category Clean Up

Have you checked your category list lately? You may need to "clean it up" by eliminating unused categories and removing duplication so that your reports will be clear and meaningful. One way to determine the categories you do use is to print an *Itemized Categories* report.
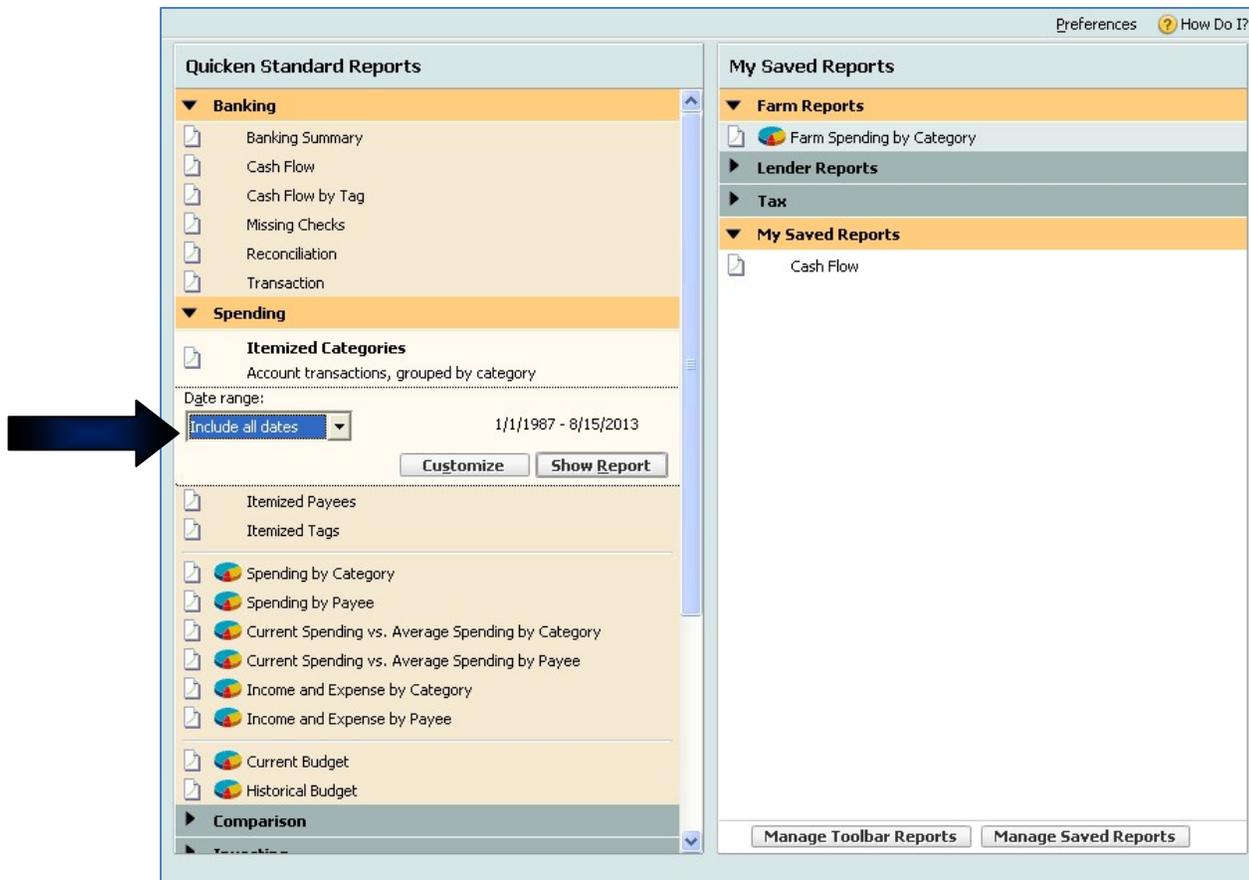
Click
> **Reports** – from the menu line
>> **Reports & Graphs Center** (at left)
>>> **Spending**
>>>> **Itemized Categories**

Customize the <u>Date Range</u>: **Include all dates**

Click **Show Report**, and then click the **Print** icon. Have it at hand while you view the category list on screen.

Leave the report screen open while cleaning up the category list so you can QuickZoom to the associated transactions.

Now open the Category list by going to **Tools, Category List**.

Delete or hide unused categories

You can either Delete or Hide any categories in the list that do not appear in the printed category report and that you do not intend to use in the future. To **Hide** categories, click on the box in the Hide column at right. To delete a category, highlight the category and then click the **Delete** button to the right.

Find and select the **Bonus** category, click on the Actions button to the right, and select **Delete**.
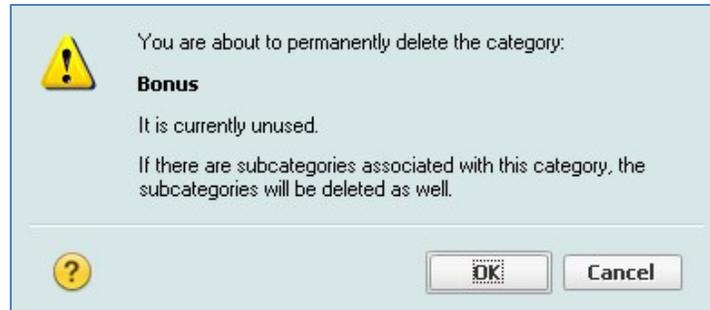
Click **OK**. A Quicken default category can always be retrieved later if you need it.

Merge or Recategorize Categories

If you have created two or more categories that should be under one name, you can merge the duplicate category titles and assign the associated transactions to one category. In our Itemized Categories report, we see that we have both *Home Repair* and *Home Rpair*. We can click on the report symbol sign to the left of each of these categories to reveal the transactions. (You may want to print the list of transactions out as a backup or reference.)

You should be able to click the *Category List* button at the bottom of the screen if you did not close it earlier. (If you did, go to Tools in the main menu and select Category List.)

Select **Home Rpair** in the category list. With Home Rpair highlighted, click on the Action button to the right (or right-click) and select **Merge with another category** .

Because we do not want two categories for Home Repair, check the **Delete the category for Home Rpair.**

Click **OK**

Click **X** to close the Category List

Click **Done**

Click **X** to close Reports and Graphs

If rather than merging two categories, you want to recategorize some transactions, choose **Tools, Recategorize**

1. Find **Transactions** with category: **Entertainment**. Do not click Exact match. We had used this category for our cable TV bills and now prefer these transactions use the category, *Bills & Utilities: Television.*
2. Click on **Find** to bring up all the transactions with *Entertainment* as the category.
3. Check **Show matches within split**.
4. Check the transactions (be sure to scroll through the whole list) that have **Cablevision** as the payee.
5. Recategorize selected transaction(s) with: Bills & **Utilities:Television**. (The tag Family Living will stay the same so we do not need to include it in the recategorize. If you wanted to change tags, enter as *Bills & Utilities:Television/Tag*). The "/" character signals that a tag will follow the category and subcategory.
6. Click **Replace Selected** and you should see the selected transactions have changed categories.

Click **Done**.

Checking your category list is like a spring-cleaning task. It's not something you enjoy doing, but it provides benefits in the long run. If your category list is in order, you will have tidier reports and budgets.

You can **close** the <u>Category List</u> and <u>Itemized Categories Reports</u> windows.

If prompted: 'Do you wish to save this report for later use?', choose No.

Backup Preferences

Quicken automatically saves a backup copy of your working data file on a regular basis (the default is every five times that Quicken is run and saves up to five backup files). This can be adjusted by going to:

Edit
  Preferences

<u>Setup</u>
  Backup
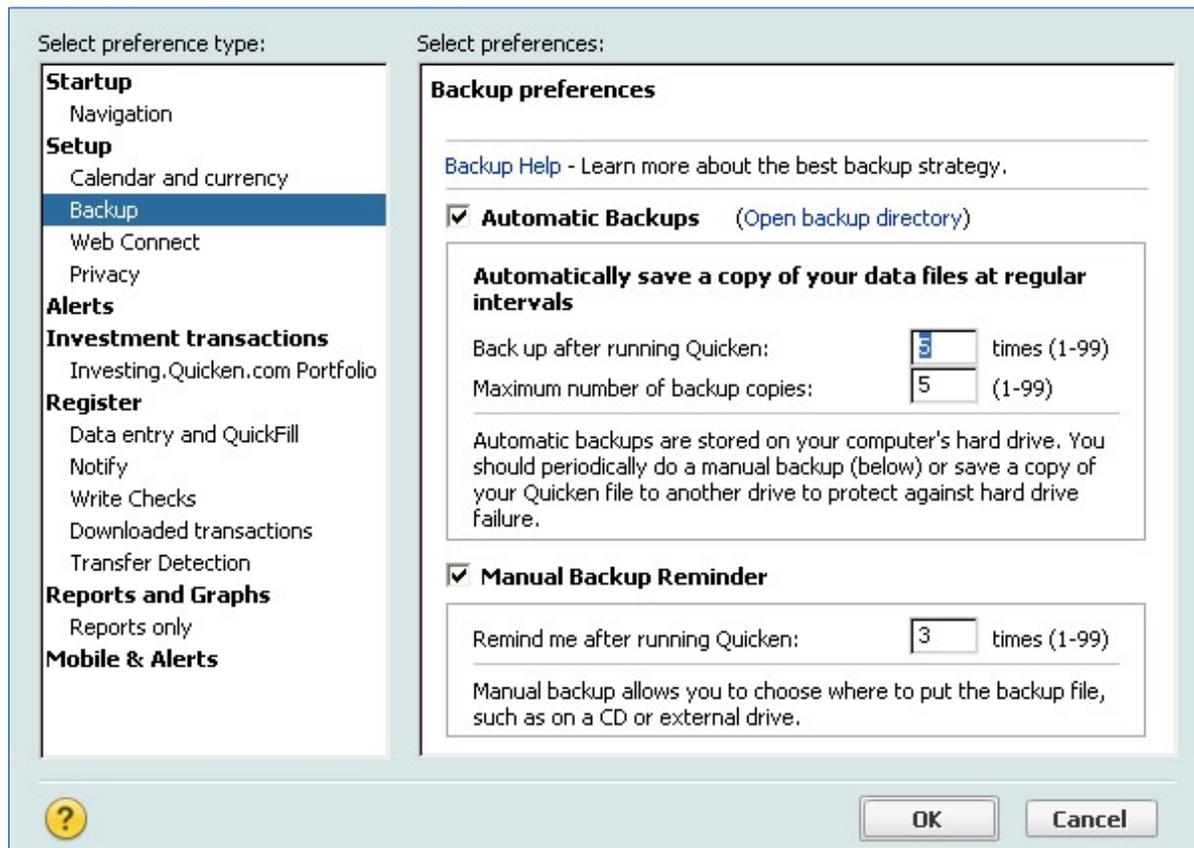
1. The Maximum number of backup copies refers to the automatic backups.

   Note: attachments are not included in the automatic backups at all.

2. The <u>Remind me after running Quicken:</u> refers to how often you want to be reminded to create a manual backup. We recommend every time if it will encourage you to make a backup and especially if you enter transactions infrequently.

Click **OK**

Restoring a Quicken File

If a Quicken data file is accidentally deleted or isn't functioning, a current backup file that you have created should be your first line of defense. If you don't have a manual backup file that is current, then find the Quicken automatic backup. Click

File
   Backup and Restore
          Restore from Backup File (click on Open backup directory if necessary)
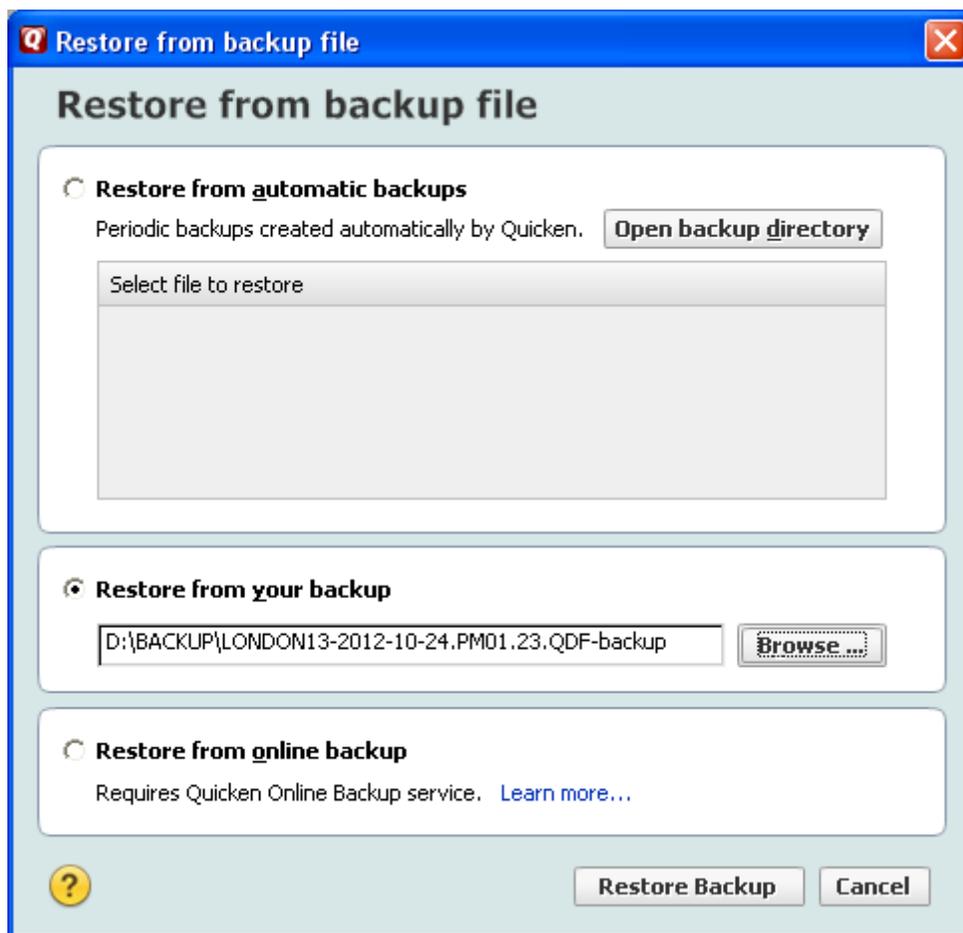
Note: It is important to note that the automatic backup is not a reliable backup method. This type of backup can be useless if the computer hardware is damaged. The best backup method is to manually back up to a series of different compact discs (CD) or other media and store at least one copy off-site.

Select the most current automatic backup and click on **Restore Backup**.

Choose the option that best suits your situation; however, it is probably best not to overwrite an existing file. Determine what is going on and then proceed. Delete the file that isn't needed.

Click **Restore Backup**

OK
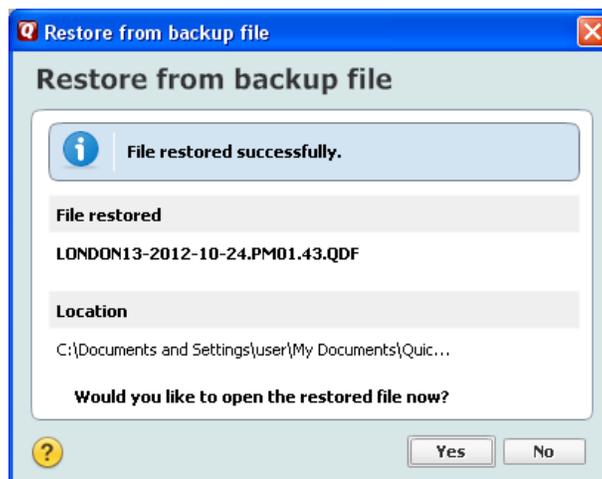
Click **Yes**

Backing Up Quicken Files to Compact Disc (CD) or DVD

A pat on the back to those who back up Quicken data on a regular basis! It is important to ensure backup files will be valid and not corrupted if you need them in the event of hardware or software failure. Quicken offers some suggestions for ensuring backup files will be there when you need them. Quicken files may be backed up onto compact discs (CDs) or DVDs. CDs/DVDs are a long lasting source of data storage when handled properly. (From this point forward, CD will be used to refer to both CDs or DVDs.) Windows XP is able to create CDs without third-party software (it is built in), but earlier Windows versions will require third-party software (for example, Roxio or Easy CD Creator). The software needs to be compatible with your CD burner hardware.

> *Note: For previous versions of Windows, format the CD for data using the CD software before attempting to backup files on an empty CD for the first time. Generally, the preferred format style needs to be "drag and drop" which allows you to copy and paste files directly to a CD. Formatting can vary among CD players, so make sure that the file is "compatible" for play on most CD drives. This may come from an additional step in the software or a selection from a file menu. Some CD burning software is not capable of handling long file names so name files carefully. Otherwise, the file name may be automatically shortened by the software or cause an error (true of some jump/thumb drives).*

The steps in this section may not be exactly the same as what you will need to do, so use them as a guideline and read up on CD formatting in the Help section for Windows or the computer's CD burner software. For non-XP versions of Windows, insert the CD and a window similar to this may open:

OK

Name the CD and click Start:
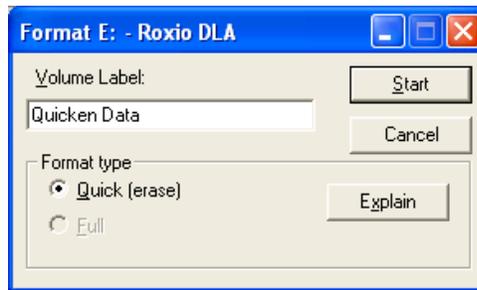
   You will get a warning that any files on the CD will be lost and then a message that the CD has been formatted.

   For Windows XP you can go directly to **My Computer,** select **CD Drive (D):** and click on **File, Format**.

Once your CD is prepared, in Quicken, click

File
    Backup & Restore
        Back up Quicken File
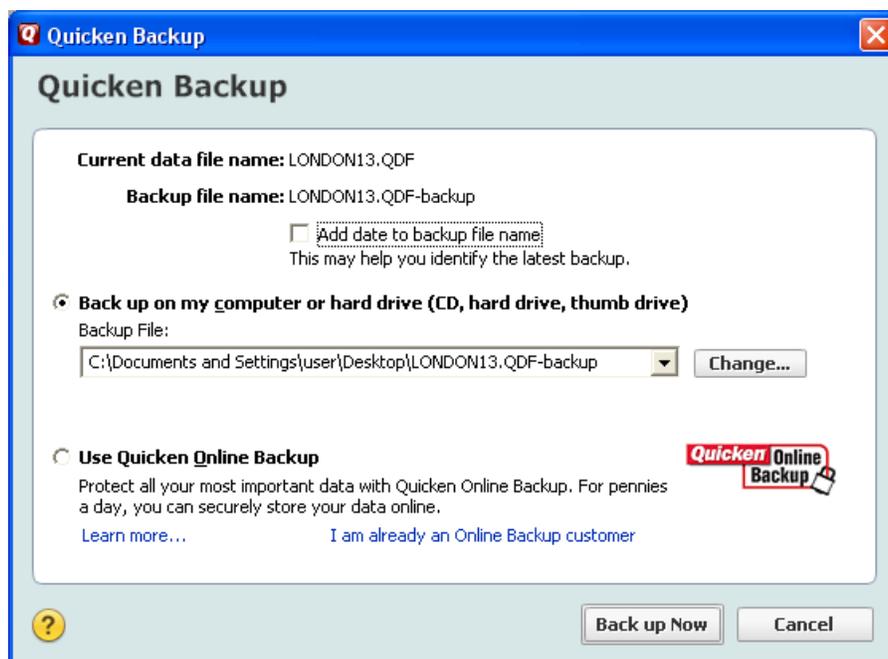
Click **Back up Now**

   When you receive the message **File backed up successfully**, click **OK**. At this point, your CD burner software may ask how to handle the closing of the CD. Generally, you will want to be

able to open the files with any CD player, but keep the CD "open" to allow additional files to be written to it until it is full.

   If backing up directly to CD does not work, you may need to back your file up to a "staging" area such as a temporary folder, then "drag and drop" it to the formatted CD.

Storing Compact Discs

   CDs need to be protected from scratches and bending and need to be handled properly. Damage to CDs can be caused by:
   - Dust. Dust on the CD can cause scratching, so keep in a jewel case or CD jacket.
   - Flexing. Store CDs in a case and store vertically to minimize bending/flexing of the CD.
   - Fingerprints. Fingerprints or smudges can distort how information is read. Handle CDs from the edges and wipe off smudges with a soft lint-free cloth.

Tracking Pre-Paid Expenses Across Years[3]

Farmers and ranchers at times pre-pay expenses in one calendar year for input costs in the following calendar year. This practice is done to manage income tax liability, secure physical guarantee of needed inputs and/or receive discounted prices. This may save farms 5-10% for seed and chemicals. Cost savings on fertilizer are market driven and risks exist that pre-paid prices can be higher than the in-season prices. Year specific Quicken Tags will be used to track pre-paid expenses across calendar years.

Date:	**10/20/2013**
Check Number:	**1100**
Payee:	**Klondike Co-op**
Payment:	**25,000.00**
Category and Tags:	**Split Transactions**
Memo:	

Note: Pre-paid expenses are estimates for future input costs. If the use of actual purchases differ from the estimate, the original split transaction details will need to be edited to track production expenses to the proper category and tag. Do not edit the gross amount of the original check.

---

[3] We would like to thank Bruce Clevenger, Ohio State University for contributing to this segment.

Using Double Tags in Quicken[4]

Farmers and ranchers commonly rent cropland or pasture and may own multiple parcels of land. Tags can be used to track expenses and income by enterprise such as corn, soybeans, cow/calf, alfalfa. Using double tags can add a location such as a farm or landlord. For example, double tags will allow the analysis the cash flow of corn at the Smith Place compared to the cash flow of corn on the Mathews Place.

Date: **10/20/2013**
Check Number: **1101**
Payee: **Klondike Co-op**
Payment: **1,000.00**
Category: **Fertilizer and Lime: 28% N**
Tags: **Corn 2013:Smith Place**
Memo: **enter your own details**

Date: **10/21/2013**
Check Number: **1102**

Payee:	**Klondike Co-op**
Payment:	**1,000.00**
Category:	**Fertilizer and Lime: 28% N**
Tags:	**Corn 2013:Mathews Place**
Memo:	**enter your own details**

Date:	**10/21/2013**
Check Number:	**1103**
Payee:	**Klondike Co-op**
Payment:	**1,000.00**
Category:	**Seed and Plants**
Tags:	**Corn 2013:Mathews Place**
Memo:	**enter your own details**

Date:	**10/21/2013**
Check Number:	**1104**
Payee:	**Klondike Co-op**
Payment:	**1,000.00**
Category:	**Seed and Plants**
Tags:	**Corn 2013:Smith Place**
Memo:	**enter your own details**

Reports

    Banking

        Cash Flow by Tag

The report date range should include the necessary enterprise date range. In this case, we entered Custom Dates, 8/1/2013 – 10/31/2013.

Cash Flow by Tag — 8/1/2013 through 10/31/2013

Category	Corn 2013	Corn 2013 Mathews Place	Corn 2013 Smith Place	Soybean 2013	OVERALL TOTAL
OUTFLOWS					
Fertilizer & Lime					
18-46-00	0.00	0.00	0.00	2,000.00	2,000.00
28% N	8,000.00	1,000.00	1,000.00	0.00	10,000.00
TOTAL Fertilizer & Lime	8,000.00	1,000.00	1,000.00	2,000.00	12,000.00
Herbicide					
Residual	3,000.00	0.00	0.00	2,000.00	5,000.00
TOTAL Herbicide	3,000.00	0.00	0.00	2,000.00	5,000.00
Seed and Plants	7,500.00	1,000.00	1,000.00	2,500.00	12,000.00
TOTAL OUTFLOWS	**18,500.00**	**2,000.00**	**2,000.00**	**6,500.00**	**29,000.00**
OVERALL TOTAL	**-18,500.00**	**-2,000.00**	**-2,000.00**	**-6,500.00**	**-29,000.00**

Reports
  Banking
    Cash Flow by Tag

Customize to just include Tag Corn 2013 which will include Tags Corn 2013 and the Double Tags of Mathews Place and Smith Place. In this case, we entered Custom Dates, 1/1/2013 – 12/31/2013.

Note: We would like to thank Bruce Clevenger, Ohio State University, for contributing to the segments on Tracking Pre-Paid Expenses across Years and Using Double Tags in Quicken.

Building a Farm/Ranch Balance Sheet

To develop a fairly complete picture of an individual business' financial situation, a cash flow statement, an income statement and two balance sheets (beginning and ending) are needed for an accounting period. The balance sheet shows what is owned and what is owed at a point in time. Since Quicken is a cash accounting program and not intended for accrual accounting, some effort is required to record capital sales and purchases, change in values of assets owned or liabilities owed, and change in inventory, all of which are essential to generate an accurate balance sheet. And, because Quicken is designed to record financial data and not physical data (e.g. number of head or bushels, weight and price per cwt of livestock sold), it may be more difficult to record and summarize unit information in a Quicken balance sheet than it would be in a spreadsheet or hand record system.[5]

The instructions that follow suggest one way of developing a balance sheet using market values for assets within Quicken.[6] You should:
- Inventory assets and liabilities
- Establish asset and liability accounts in Quicken with accurate beginning balances
- Adjust asset accounts to reflect:
  - Asset purchases and additions to assets
  - Asset sales
  - Changes in inventories
  - Changes in asset values
- Adjust liability accounts to reflect
  - Repayment of liabilities
  - Accrued expenses

Step-by-step instructions follow for entering data and making adjustments during or at the end of the year.

Develop a Complete Inventory of Farm/Ranch Assets and Liabilities

OSU Fact Sheet AGEC-752 explains the development of a balance sheet and contains a worksheet which will help you develop an inventory list. Be sure your list of assets owned and

---

[5] Integrated Farm Financial Statements (IFFS), an Excel spreadsheet-based program created at Oklahoma State University, is an alternative for creating balance sheets and other financial statements. IFFS is designed specifically for farm financial planning. While also lacking the ability to maintain a depreciation schedule, it has better features for maintaining and updating balance sheets and whole farm financial statements. Cash flow information from Quicken records can be imported into IFFS. For more information go to: www.agecon.okstate.edu/iffs/

[4] The Farm Financial Standards Council (www.ffsc.org/) recommends that both cost and market value of some assets should be documented in the balance sheet. In Quicken, you cannot record both cost and market values for an individual item in the same account (the investment accounts are an exception). Two separate asset account series would need to be developed to record both cost and market values.

liabilities owed is complete and as accurate as possible. Document sources for prices of assets (for example, local auction or trade magazine ad) and balances of liabilities (for example, loan statement from a lender). We will use the LONDON13 sample file.
Click **File**

        Open *(or [Ctrl+O])*

Select **C:\ Files\LONDON13**

Import Asset Accounts

   To develop a balance sheet, you will first establish a variety of asset and liability accounts. The types of accounts in Quicken include:
- checking
- savings
- credit card
- cash
- brokerage
- IRA, SEP, Keogh
- 401(k), 403(b)
- single mutual fund
- house (with or without mortgage)
- vehicle (with or without loan)
- asset
- liability

   Several accounts of one type can be developed, for instance, one liability account for each outstanding debt. A sample Quicken farm account list is included with accounts receivable, buildings and improvements, capital leases, purchased feed, market livestock and so on. In our sample list, the accounts are labeled with letters so that they are listed from most to least liquid, that is, accounts with items most easily converted to cash are listed first, the traditional order for balance sheet items.

> *Note: Current assets are assets expected to be used up or sold in one year and are listed first. Examples include marketable securities, market livestock, and inventory. Non-current assets are ones that are used for longer periods of time in the farm operation. Examples include breeding livestock, machinery and equipment, vehicles, land, buildings and improvements. These designations were developed by the Farm Financial Standards Council. The account, h Other Farm Current Assets, is for farm current assets not included in other labeled lines. The account, r Other Farm Noncurrent Assets, is for non-current (both intermediate and fixed) farm assets. For additional information, see OSU Facts AGEC-751, "Developing a Cash Flow Plan"; AGEC-752, "Developing a Balance Sheet"; AGEC-753, "Developing an Income Statement"; AGEC-791, "Schedule of Assets"; and AGEC-792, "Liabilities Schedule." These can be found at www.osuextra.com.*

Click **File**
>   **File Import**
>   >   **QIF file**

Complete the information as shown on the following screen:

Click Import

Quicken will give you a message verifying that items have been successfully imported.

Click **Done**.

Click **Tools**, **Account List** (or press [Ctrl+A] and scroll through the <u>Asset</u> Accounts list) to verify that it contains the accounts **a Marketable Securities**, **b Raised Market Livestock**, etc. The accounts will be listed under **Asset in the Net Worth Tab.**

The account list can be modified easily. Let's say that you don't expect to use the *Capital Leases* account and want to delete that account from the list. In the <u>Account List</u>, click the account **n Capital Leases, click on Edit, then click Delete Account.**

Type **Yes** to confirm, and click **OK.**

Enter Beginning Balances in Asset Accounts

The beginning balance in an asset account may be the sum of the market values of all assets in that group or an entry may be made for the beginning balance of each individual asset. The latter form ensures that you have a record of the values assigned to each item. Then, if an asset (for example, a disk harrow) is sold during the year, the harrow's market value is subtracted from the asset account so that the end-of-year balance sheet will be accurate.

Begin updating the beginning balances in the London's individual asset accounts. Double click on the account **b Raised Market Livestock.** On a blank transaction line, enter the value of raised market livestock on hand January 1:

Date:	**1/1/2013**
Payee:	**Mixed stockers**
Category:	(make sure to remove the category if one appears)
Memo:	**45 hd @ 6 cwt @ $120/cwt**
Increase:	**32400** *(Be sure to [Tab] over to the Increase column.)*

Press **Enter**.

Note: If you want to change the order so that the memo appears before the category in the register, in the main menu line, click Edit, Preferences, Register (click directly on bold type), in <u>Register Fields</u>:✓Show Memo before Category, OK.

You may get a message asking if you want to select a category. Select **Don't show this message again** at the bottom of the screen, and click **No.**

Now choose **c Purchased Market Livestock** from the account list at left. On a blank transaction line, enter the value of purchased market livestock on hand:

Date: **1/1/2013**
Ref:
Payee: **Stocker Steers**
Increase: **82320** *(Be sure to [**Tab**] over to the **Increase** column.)*
Memo: **112 hd @ 7 cwt @ $105/cwt**

Note: If you want to later create a report listing number of head of livestock, you must be consistent in the use of labels in the memo field. For instance, you must always use head (or hd) for a filtered report to include this information.

Press **Enter**.

If you purchase more than one lot of stockers, you may want to give different names to the lots in the **Payee** line. When you are finished entering values for purchased market livestock, choose **d Inventory** from the account list at left. In this account, you will enter the value of stored crops, feed and supplies. For example, on a blank transaction line, enter

Date: **1/1/2013**
Ref:
Payee: **Stored Wheat**
Increase: **5125** *(Be sure to [**Tab**] over to the **Increase** column.)*
Memo: **1025 bu @ $5/bu**

Press **Enter**.

Values for growing crops should include expenses incurred to date in the production of the crop. Choose **g Growing Crops** from the account list at left. On a blank transaction line, enter

Date: **1/1/2013**
Ref:
Payee: **Wheat**
Increase: **40500**
Memo: **450 acres @ $90/a**

Press **Enter**.

As with the market livestock accounts, two accounts are included for breeding livestock, one account used for raised and one for purchased. Here the market value of raised breeding livestock-cows, sows, replacement heifers or gilts, boars and bulls-is recorded. For example, select **j Raised Breeding Livestock** from the account list at left. Enter

Date:	**1/1/2013**
Ref:	
Payee:	**5-Year-Old Cows**
Increase:	**16500**
Memo:	**15 @ $1100 ea**

Press **Enter**.

Note: You may add additional accounts if you have several livestock enterprises and want to maintain separate accounts for different species.

Select **k Purchased Breeding Livestock** from the account list. Enter the values of purchased breeding livestock--purchased cows or sows, replacement heifers or gilts, herd bulls or boars. For example, on a blank transaction line, enter

Date:	**1/1/2013**
Ref:	
Payee:	**OBI Herd Bull**
Increase:	**4500**
Memo:	**3 years old @ $4500**

Press **Enter**.

Select **l Machinery-Equipment** from the account list. Enter market values for each piece of owned machinery and equipment.

Date:	**1/1/2013**
Ref:	
Payee:	**1996 Allis Tractor**
Increase:	**65000**
Memo:	
Category:	

Press **Enter**.

Date:	**1/1/2013**
Ref:	
Payee:	**1995 Disk**
Increase:	**500**
Memo:	

Press **Enter**.

Select **p Land** from the account list. Record market values for each piece of land owned.

        Date: **1/1/2013**
        Ref:
        Payee: **Smith Place**
        Increase: **96000**
        Memo: **80 a. cropland @ $1200/a.**

Press **Enter**.

Select **q Buildings-Improvements** from the account list. On a blank transaction line, enter:

        Date: **1/1/2013**
        Ref:
        Payee: **Barns**
        Increase: **47000**
        Memo: **Home place**

Press **Enter**.

Continue until all assets owned are listed in the appropriate accounts.

Recording the Purchase of an Asset

Cash purchase

    Paying cash for the full purchase price of an asset results in the conversion of one asset, cash from either a cash account or bank account, into another. For example, let's say the Londons purchase a used pickup on January 12 from My Town Motors using money in their checking account.

    Select the **Checking** account from the upper left account list *(or press [**Ctrl+A**], highlight the checking account name and press [**Enter**])*. In the check register, type:

        Date: **1/12/2013**
        Num: **3414**
        Payee: **My Town Motors**
        Payment: **9000**
        Memo: **2006 Ford Ranger**
        Category: **[m Vehicles]** *(or press [**Ctrl+C**] for the category list, scroll to the bottom and click **m Vehicles**)*
        Tag:

Note: The brackets around the "category" name indicate that an account, m Vehicles, is involved in the transaction as a transfer of funds.

Press **Enter.**

To verify that the purchase price has been listed as an increase in value in the **m Vehicles** asset account, right-click the transaction and choose **Go To Matching transfer** to switch to the asset account. Right-click on this entry and then choose **Go To Matching transfer** again to return to the checking account.

Credit purchase

When credit rather than cash is used to purchase an asset, the purchase will result in an increase in a liability account equal to the increase in an asset account. If the Londons purchase a chisel with financing from Yukon John Deere, a new liability account must be established and an increase in an existing equipment asset account (in our list, *l Machinery-Equipment*) must be recorded.

Setting up a loan is an activity facilitated by Quicken. Information is entered about the amount borrowed, payment period, interest rate, etc. Loan payments are then recorded using a split transaction with one line for principal and another for interest. The principal payment amount is automatically applied to the loan balance when the appropriate loan liability account is listed as the category for the principal payment.

Let's practice recording a credit purchase for the Londons. The Londons are buying a new John Deere chisel for $11,000 and repaying the loan over 3 years with semi-annual payments at 7.00% interest. Begin by setting up the liability account. From the main menu bar, located at the top screen, click:

Tools
    Add Account
        Loan

Click **Next**

Click **Next**

Click **Next**

Click **Next**.

Enter the information as above. Select **Farm Checking** as the account from which payment is made. Click on **Split** to select a category. Select **Farm Interest Expense** and the subcategory (**Farm Interest Other**) and add the **Overhead** tag for interest in the tag field.
Click **Done.**

A screen will appear asking if you would like to create an asset account to go along with this loan. We have an existing account for machinery and equipment assets so we will not enter an account. Click **Done**.

Now, since the Londons own more assets (title has changed hands even though the equipment has been purchased with credit), the balance in the machinery and equipment account needs to be updated. Click **l Machinery-Equipment** *(press [Ctrl+A] if necessary to get the account list)* and enter

Date:	**1/13/2013**
Ref:	
Payee:	**John Deere Chisel**
Increase:	**11000**
Memo:	
Category:	

Press **Enter**.

Recording Additions to Capital Assets

Improvements on capital assets such as terracing or major renovations or repairs to buildings would be handled in the same way as the purchase of an asset. What about additions to capital assets? Let's say that the Londons build an addition onto an existing barn. Cash expenses are recorded in the cash or checking account as appropriate.

Click **Farm Checking** in the account list. On a blank transaction line, enter

Date:	**2/15/2013**
Num:	**3598**
Payee:	**Nutherlands**
Payment:	**984.33**
Memo:	**Barn addition materials**
Category:	**[q Buildings-Improvements]** (*The brackets around the name indicate a transfer to an account.*)

Press **Enter**.

Recording the Sale of an Asset

Cash received for the sale of an asset is recorded in the checking or cash account register as appropriate. A second entry should be made to remove the value of the asset sold from the appropriate asset account. Procedures for recording sales of capital assets will differ slightly from those of current assets such as market livestock.

For example, on March 21, 108 of the 112 purchased stocker steers were sold and the cash deposited in the checking account (four head died-we'll deal with them later). On a blank transaction line in the checking account register, enter

Date:	**3/21/2013**
Num:	**DEP**
Payee:	**Fred Feedlot**
Deposit:	**82620**
Memo:	**108 hd @ 8.5 cwt @ $90/cwt**
Category:	**Livestock Resale:Stocker Steers**
Tag:	**Stockers**

Press **Enter**.

Choose the **c Purchased Market Livestock** account from the list and record the decrease in assets on hand. Subtract the per head market value used at the beginning of the year times the number of live head. *(Do not use the amount of cash deposited after the sale).*

Date:	**3/21/2013**
Ref:	
Payee:	**Stocker Steers**
Decrease:	**71820**
Memo:	**108 hd @ 7 cwt @ $95/cwt**
Category:	

Press **Enter**.

We will use a separate income category for proceeds from sales of capital assets (it can be set up "on the fly" if necessary). This is important so that the total amount is in a separate line in the cash flow statement and can be analyzed separately for tax purposes. Remember that not all income from the sale of capital assets is taxable (check with a tax consultant for details).

> *Note: No tax schedule is selected since only capital gains or losses are reported for tax purposes. The total sales value will be used to calculate the gains or losses to be reported on Schedule D. However, the Tax-related box should be selected on the Capital Sales category so that transactions with this category will appear in a tax summary report.*

Now, let's say that a used tandem disk was sold for cash on July 31. Two entries would be made: one to record the deposit in the checking account with the proceeds assigned to the capital sales category and a second to reflect the decrease in the value of assets owned.

Click **Farm Checking** on the account list. On a blank transaction line, enter

Date:	**7/31/2013**
Num:	DEP
Payee:	**Tom Jones**
Deposit:	**600**
Memo:	**1996 Disk**
Category:	**Capital Sales, Farm**
Tag:	**Overhead**

Press **Enter**.

Now choose **l Machinery-Equipment** from the account list. On a blank transaction line, enter

Date:	**7/1/2013**
Ref:	
Payee:	**1994 Disk**
Decrease:	**500** (This is the value entered at the beginning of the year, not the amount for which the asset was sold.)
Memo:	
Category:	

Press **Enter**.

Recording Changes in Inventory

To generate an accurate balance sheet on a specific date, each asset account must be updated to reflect changes in inventory including both physical quantities and changes in values of the existing quantities. Let's say the Londons used 500 bushels of their stored wheat for feed. It is now the end of the year and they want to update the balance in the **d Inventory** account.

Click **d Inventory** in the account list.

Date:	**12/31/2013**
Ref:	
Payee:	**Stored wheat**
Decrease:	**2500**
Memo:	**500 bu @ $5/bu used for feed** *(Use the price at which the inventory was valued in the beginning inventory, not the current market price.)*

Press **Enter**.

What about those four purchased stockers that died before being sold? Click **c Purchased Market Livestock** in the account list.

Date:	**3/1/2013**
Ref:	
Payee:	**Stocker Steers**
Decrease:	**2940**
Memo:	**Died: 4 hd @ 7 cwt @ $105/cwt** *(Again, note that we used the per head value used in the beginning balance, not the current market weight or price.)*

Press **Enter**.

Aunt Minnie purchased and gifted the Londons two bred heifers for Jack's birthday on October 24. From the account list, click **k Purchased Breeding Livestock**.[7]

Date:	**10/24/2013**
Ref:	
Payee:	**Bred heifers**
Increase:	**2400**
Memo:	**2 hd @ $1200/hd, Aunt Minnie**

Press **Enter**.

Recording Changes in Values of Assets

---

[7]Remember that these instructions are designed for a market-value balance sheet. Records for tax purposes are kept separately. For more information on estimating taxes, see OSU CR-954.

At the end of an accounting period, the balance sheet may need to be updated to reflect changes in market values. For instance, if land values increased 3% during the year, an entry reflecting the inflation in value should be recorded. One transaction for price adjustments could be entered that reflects the total increase in value for all land or an adjustment could be entered for each piece of property:

Click **p Land** in the account list.

Date:	**12/31/2013**
Ref:	
Payee:	**Smith Place**
Increase:	**2880**
Memo:	**3% increase in land values**
Category:	

Press **Enter**.

Repeat the process as necessary so that the total values reflect market conditions on the date that the balance sheet will be generated. The same process would be followed if the market price of an asset were to decrease during the year, only the dollar amount of change would be entered in the decrease rather than increase column.

Recording a Loan Payment

Let's assume it is time to record a payment to Yukon John Deere for the chisel purchased.

Tools
    Loan Details

Choose Loan (at the bottom of the screen) and select **JD Chisel, OK** (if you have more than one loan)

Make Payment
        Regularly scheduled loan payment

Enter the check number and any other information not already on screen.

OK

Close the <u>View Loans</u> screen by clicking **Done** (or the **X** in the upper right corner of that window).

In the checking account register, click the loan transaction you just recorded. You can view the amounts applied to principal and interest by clicking **Split** *(or press [**Ctrl+S**]).*

You will see that Quicken has allocated the appropriate amounts of the fixed total payment to principal in the liability account ($1,679.35) and interest ($385).

To verify that the principal payment has been subtracted from the outstanding balance of the John Deere Chisel note, highlight the account name, **JD Chisel.** The principal portion of the payment from the checking account has automatically been applied to the loan balance using the category information. Thus, the remaining balance has been reduced from the opening amount to reflect the principal payment.

> *Note: You can check your loan balances at any time by looking at the account list (choose Tools, Account List from the main menu), or by choosing Reports, Net Worth & Balances, Account Balances.*

Estimating and Recording Accrued Expenses

For the liability section of the balance sheet to accurately portray the financial position of the business, expenses that have been incurred but not yet paid are included. The biggest potential liabilities are interest on loans (lines of credit, operating notes, real estate notes) and taxes (ad valorem, income tax, and payroll). Here we will focus on the accrued interest liability using the London's chisel loan as an example. The Londons plan to generate a balance sheet at the end of the year and want to know what amount they should include for accrued interest on the chisel loan. Recall that $11,000 was borrowed on January 12 at 7% interest and that the first semi-

125

annual payment was made on July 12. The principal portion of that payment was $1,679.35 reducing the balance of the loan to $9,320.65.

The formula for calculating interest accrued is

Loan Balance x Fraction of year for which the balance is outstanding x Annual interest rate
=
Accrued interest

Thus, the accrued interest on December 31 for the London chisel loan is approximately

$$\$9,320.65 \times \frac{5.5 \text{ months}}{12 \text{ months}} \times 7\% = \$299.04$$

To record the accrued interest for non-real estate in Quicken, choose **cc Accrued Interest-Nonreal Estate** from the account list. On a blank transaction line, enter the accrued amount:

Date:	**12/31/2013**
Ref:	
Payee:	**Accrued interest-JD Chisel**
Increase:	**299.04**

Press **Enter**.

Similar calculations and entries should be made for each outstanding loan.

Generating a Balance Sheet Report

Once all assets and liabilities are recorded, generate a balance sheet by clicking

> **Reports**
> > **Net Worth and Balances**
> > **Net Worth**

Change the date range to **Custom Dates** and the dates to **1/1/2013** and **12/31/2013**

Click **OK**.

If you like the format of this report and think that you might want to reuse it later, you may want to memorize it. Click the **Save Report** button. Name the report **London Balance Sheet**, and save in **Farm Reports**.

Click **OK**.

Click the **X** in the Balance Sheet window to close it.

Backing Up Your Data

Quicken automatically saves data that you have entered in the file on which you have been working when you exit the program. However, you will want to regularly save a backup copy on a floppy disk or CD, as well. See the backup instructions earlier in this manual if you need assistance. **CONGRATULATIONS! You've completed the introduction to building a balance sheet.**

Accounts List

<u>Asset Accounts</u>

a Marketable Securities	Marketable securities
b Raised Market Livestock	Raised market livestock
c Purchased Market Livestock	Purchased market livestock
d Inventory	Stored crops, feed, supplies
e Accounts Receivable	Accounts receivable
f Prepaid Expense	Prepaid expenses - insurance
g Growing Crops	Cash invested in growing crops
h Other Farm Current Assets	Other farm current assets
i Notes Receivable	Notes receivable
j Raised Breeding Livestock	Raised breeding livestock
k Purchased Breeding Livestock	Purchased breeding livestock
l Machinery-Equipment	Machinery & equipment
m Vehicles	Vehicles
n Capital Leases	Capital Leases
o Investment in Coops	Investment in coops
p Land	Land
q Buildings-Improvements	Buildings & improvements
r Other Farm Noncurrent Assets	Other farm noncurrent assets

<u>Liability Accounts</u>

aa Accounts Payable	Accounts payable
bb Accrued Interest - Operating	Accrued Interest - operating note
cc Accrued Interest - Nonreal Estate	Accrued Interest - nonreal estate
dd Accrued Interest-Real Estate	Accrued Interest-real estate
ee Ad Valorem Tax Payable	Ad valorem tax payable
ff Income Tax Payable	Income tax payable
gg Payroll Taxes Payable	Payroll taxes payable
hh Accrued Expenses	Accrued expenses

Glossary of Quicken and Financial Terms

Account: A collection of transactions. Account reports are similar to bank or credit card statements. Several types of accounts can be contained in a given file: checking, savings, credit card, cash, investment, asset (items you own and their value) and liability (the amounts owed).

Amortize: (Amortization Schedule) Spread loan repayment over a number of time periods with interest paid on the remaining balance. An amortization schedule shows the split for interest and principal paid in regular payments over the life of a loan. Typically, the majority of the payment is for interest at the beginning of loan repayment. As the principal balance decreases, more of the payment goes toward principal and less toward interest.

Category: Similar to a chart of accounts in accounting. Categories are used to separate income and expenses so that you can track how your money is being made and spent. Examples of categories are Salary, Interest earned, Feed and Clothing.

Class (see Tag)

Cleared transaction: Transactions that have been processed (posted) by the financial institution and are listed on statements from the institution. In Quicken, cleared transactions are marked in the register under the Clr column with a "c".

Credit: A means of purchasing something now with borrowed money and typically repaid in installments. In addition to repaying the amount borrowed, interest will be paid along with fees for establishing a loan. Examples of credit are credit cards, personal loans, and home mortgages.

Compounding interest: Process by which the interest earnings on an investment are added to the original investment, leading to faster growth as interest is paid on the accrued interest. Likewise, compounded interest on credit increases the balance owed because interest is charged on the balance and unpaid interest.

Deposit: A transaction for which money is added into an account. Deposits increase an account balance.

Expense: A transactions for which money passes to another person, business or organization. Expenses reduce an account balance. Keeping track of expenses helps evaluate how and where money is spent.

File: In Quicken, a collection of accounts with the associated transactions, similar to a file cabinet with folders for financial information. Information entered in Quicken is automatically saved to the file, but backing up files helps insure that information is not lost due to computer failure.

Income: Money you collect from someone else. Income increases the amount of money available to you. Income can be earned (for example, wages) or unearned (for example, gifts or interest income).

Inflation: The rise in the price of products and services over time. Typically, the amount of money it takes today to buy products today will not be enough to buy the same products in the next few years; hence, the importance of planning for inflation (historically about 3%) to meet or exceed future costs.

Interest: The fee that you pay for borrowing money on credit. The interest rate (percentage) is set when the loan is made. Some interest rates are "fixed" which means one rate is charged for the length of the loan; others are "variable rate", meaning that the interest rate changes periodically to reflect changes in the interest base rates.

Memo: A field in the register to record important information for the transaction, for example, an invoice number or item description such as the number of products, weight or price per unit.

Payee: The person, organization, or business that is to receive payment. For expenses, the payee is the name of the person or business being paid; for income or deposits, the payee field lists the source of the money.

Principal: The amount of money borrowed for a purchase or improvement. Additional fees or interest are based on the principal amount loaned.

Reconcile: The process of matching records to a statement received from a financial institution or service, and making them come into agreement. Quicken includes features to reconcile accounts. In the register, a reconciled transaction is identified by an "R" in the Clr column.

Reports: An information summary showing how money is being spent and earned. For instance, a cash flow report can show the inflow and outflow of cash by year, by quarter or by month or other specified time period. Other examples of reports are a transaction report, tax summary report, account balance and balance sheet report.

Tag: A means of labeling a transaction that is independent of the category assigned. For farmers/ranchers, using tags allows tracking of income and expenses by enterprise (crops and livestock). For example, tags can be used to differentiate between income and costs for Wheat, Cow-calf, Stockers, and Alfalfa. Tags may also be used to record partnership shares or field/farm level detail. (In earlier versions of Quicken, the "class" feature was used to accomplish this.)

Tax-related categories: A feature of the category list which allows information to be summarized in ways useful for tax planning and reporting. The appropriate tax form or schedule (such as Schedule F for farm income and expenses or Schedule C for business) can be designated for individual income and expense categories so that a report can be generated that lists transactions by schedule or form.

Transaction: The record for a change in the value of an account. Examples are a purchase using a check, the transfer of money from checking to savings, or a deposit of cash into savings.

Transfer: Movement of funds from one account to another, for example, moving money from a checking account to a savings account.

Uncleared (outstanding) transaction: Outstanding checks or deposits. An uncleared transaction has taken place (a check has been issued or deposit made), but the transaction has not yet been processed and cleared through an account at the financial institution.