



Newsletter

VOLUME 4, No. 4

OCTOBER 2004

Tax Updates

Two income tax bills have been approved in the last month. The first one extended several current provisions through 2010, including:

- the \$1,000 child tax credit;
- elimination of the marriage penalty in the 15 % tax bracket;
- the standard deduction for married, filing jointly at twice the single amount;
- the expanded 10% tax bracket.

While the first bill affected future years, the second bill has items that might affect this year's taxes:

- large SUVs will be limited to \$25,000 of expensing at some point during the year;
- Alternative Minimum Tax (AMT) will be coordinated so that farm income averaging will not increase AMT.

Trade-ins on machinery are back to being handled the "old way" with an election. The remaining book value of the traded item will be added to the basis of the new item, which will then depreciate as usual. This differs from the past few years where the traded item *remained* on the schedule and continued depreciating on its own.

Year-End Reminders

Wednesday, November 3, 2004: Deadline to have records to the Telfarm Center in order to be included in your **Tentative Depreciation Schedule and Tax Package**. Remember, LEVEL I clients do NOT need to send a disk to Telfarm (*only Form 3 information*).

Friday, December 17, 2004: Date to have your annual **Telfarm Enrollment Contract** to the Telfarm Center in order to receive **supplies** and/or computer **program updates** in time to begin your record keeping in January. (*Clients requesting PEN-SOFT PAYROLL PLUS® should return enrollments as soon as possible after receipt!*) Enrollments will be mailed to you in late November. Supplies and updates will be sent upon receipt of a 2005 Enrollment after December 17.

FORM 3 RECONCILIATIONS: Remember to match all Form 3 entries with a corresponding entry in Accounting for MACHPURCH, DAIRY-PURCH, etc. in order for your records to be complete and accurate at year-end.

30-50% ADDITIONAL DEPRECIATION or 179 DIRECT EXPENSING: Be sure to let us know *after* your Check-In Meeting if you wish to take these additional deductions. We will make those changes after we receive the correction from you or your local Extension Agent.

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Current Software Versions

<i>Telfarm for Windows Accountant/Ckwriter</i>	1.2.5
<i>Microtel DOS Accountant</i>	7.1.0
<i>Microtel DOS Payroll</i>	7.1.2

You should always apply the latest patches to keep your software performing at its best. Download patches on our website at: www.canr.msu.edu/telfarm/ or call us at (517)355-4700 if do not have web access.

Telfarm for Windows® Workshops Coming in 2005!



NEW THIS YEAR – HANDS-ON TRAINING! WORKSHOP PARTICIPANTS WILL BE ABLE TO WORK IN TEAMS OF TWO ON LAPTOP COMPUTERS AND PRINTERS!

Telfarm's Training Coordinator, Nancy Harms, is currently working to prepare the **Telfarm for Windows® Workshops for 2005**, which will be scheduled from late January through early March. This timing will help clients get off to a good start on their new year's record keeping. Topics to be covered include new *Telfarm for Windows Accountant®* (TfWA) features, making corrections, moving TfWA to a new computer, and other items participants wish to address as time allows. Participants interested in payroll options will have the opportunity to have questions answered regarding our affiliation with Peninsular Software and their **PENSOFT® PAYROLL PLUS** software.

Watch for more specific information regarding dates, locations, and topics for the workshops with your **2005 Telfarm Enrollment** and year-end update information.

Windows Payroll Training

Classes are still available for the FREE "Speaking of Payroll" training by Telfarm. Nancy Harms will introduce participants to **PENSOFT® PAYROLL PLUS**, which Telfarm will offer as a program option to our payroll clients for 2005. Please call the Telfarm Center at **(517) 355-4700** for more information on these classes; each class will be limited by the number of computers available. *Lunch will be arranged; cost is on your own.* Dates available are:

- ▶ **Tuesday, October 26**
Gratiot County RESD
- ▶ **Wednesday, October 27**
Ogemaw County Extension Office
- ▶ **Thursday, November 4**
Berrien County Extension Office
- ▶ **Tuesday, November 9**
Barry County Extension Office
- ▶ **Wednesday, November 10**
Newaygo County Extension Office
- ▶ **Thursday, November 11**
Missaukee County
MSU Research Station
- ▶ **Tuesday, November 30**
Leelanau County
NW MI Horticulture Research Str.

Payroll Clients—

W2 Ordering Reminder

Don't forget to order your W2s early from *Nelco* to receive discounts. You will pay **full price** for laser/ink jet style **after October 2, 2004** and for dot matrix printer style **after November 14, 2004.**

Microtel Payroll clients can order *up to 20 W2s* from the Telfarm Center *at no charge* by calling our office at **517-355-4700** or by sending us an email at **telfarm@msu.edu**.

NEW e-mail Address for Telfarm!

MSU Extension will no longer have a separate e-mail carrier than the rest of the University; therefore, our address will no longer have the ".msue" extension. Be sure to change your e-mail address book to reflect our NEW e-mail address:

telfarm@msu.edu

New Windows-based Payroll Program for 2005!

This Fall, Telfarm will begin a partnership with **PenSoft Payroll Solutions** of Newport News, Virginia as a distributor/supporter of their **PAYROLL PLUS®** program. **PAYROLL PLUS®** will be compatible for linking with *Telfarm for Windows Accountant®* and will be similar in pricing and support to our in-house products. Features of the software include:

- Multiple companies
- Michigan Tax Tables
- Expanded individual employee setup
- Enhanced payroll data entry
- Attendance management
- Direct deposit capabilities
- Job codes equating to enterprising
- 401 (k) and cafeteria plan tracking
- Tracking of vacation, holiday, and sick plans
- Prints checks and tax reports
- W2 tracking, processing, printing, MagMedia W2s
- Many management, state, and federal reports

We are pleased to be able to offer **PENSOFT PAYROLL PLUS®** as a companion to *TfWA* for those of you who need both payroll *and* accounting software for your farm businesses. Because **PAYROLL PLUS®** is suitable for businesses other than just agricultural, Telfarm will provide you with program support *specific* to the needs of agricultural producers.

Our Telfarm Training Coordinator, **Nancy Harms**, has been trained in the use of PenSoft programs and is currently conducting **training sessions for payroll clients** (*see related article, p.2*). Also, you may visit the PenSoft web site at **www.pensoft.com** to learn more about the features and capabilities of **PAYROLL PLUS®**.

IMPORTANT Enrollment Information!

We will begin offering PenSoft as an enrollment option to our clients for **2005**; if you plan to use **PENSOFT PAYROLL PLUS®** for 2005, **return your 2005 Telfarm Enrollment** to us **AS SOON AS POSSIBLE after you receive it** so the software is in your possession before the beginning of the New Year! *Late submissions cannot be guaranteed early delivery!*

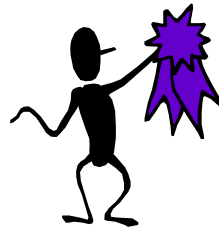
DOS Support to End After 2005

As many of you are aware, it is becoming increasingly difficult to find printers with DOS capabilities. Therefore, Telfarm will only be supporting our DOS Microtel programs (*Accountant and Payroll*) **through 2005**.

2005 might be a good time to switch to *Telfarm for Windows Accountant®* if you haven't done so already. *TfWA* has been available for 3 years and is being used successfully by over 270 Telfarm clients.

For current users of the DOS Microtel Payroll program, we encourage you to switch to **PENSOFT PAYROLL PLUS®** for 2005 (*See related article above*).

Your **2005 Telfarm Enrollments** will be mailed to you in late November, so be sure to **mark clearly** the programs you would like for next year!



***And the
Winner
Is...***

Jim Droscha, of Droscha Family Dairy in Eaton County, was the winner of our computer-automated drawing during **Ag Expo** in July. Jim won a \$50 value to use toward his choice of either a new or additional software program or a discounted annual enrollment fee for 2005.

Congratulations, Jim, and thanks to everyone who visited our booth at **Ag Expo** this year!

Telfarm Center Staff

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NEWS

Telfarm Calendar

Wednesday, November 3

- Date for records to be at Telfarm to be included in Tentative Reports

Thursday—Friday, November 25-26

- Telfarm Center closed for Thanksgiving Holiday

Friday, December 17

- Date for 2005 Enrollments to be at Telfarm to receive programs/supplies by January

Friday—Monday, December 24-27

- Telfarm Center closed for Christmas Holiday

Friday, December 31, 2004 — Monday, January 3, 2005

- Telfarm Center closed for New Year Holiday

Telfarm Center

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- Or contact your local MSU Extension Agent -



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