



Newsletter

Volume 7, No. 2

April 2007

Telfarm 2007 Participation Awards

Telfarm annually recognizes cooperators of long-term participation in the farm financial records program. The following clients are recipients of our 2006 Awards:

50 Years of Participation:

- Loew's Organic Farm, Allegan County*
- Myllyla Farms, Baraga County*
- Robson Farms, Berrien County*
- N & N Farm, Berrien County*
- Marion Sanderson, Branch County*
- LW Smith Farm LLC, Calhoun County*
- Delmer Weldon, Clare County*
- Tom Atherton, Genesee County*
- Newland Farms, Ionia County*
- Beryl Luttenton, Jackson, County*
- Fredrickson Farm, Leelanau County*
- Long Haven Farms Inc., Lenawee County*
- Menza Farm, Menominee County*
- David Clarke Farms, Midland County*

50 Years of Participation (cont'd):

- Hackney Farms, Shiawassee County*
- Krumnauer Farms, Tuscola County*
- T & D Schoonover, Washtenaw County*

25 Years of Participation:

- Donald K. Schmidt, Benzie County*
- Dohms Pat-Ch Dairy Farm, Cass County*
- Jim Guse Farms, Cass County*
- Hitchcock Bros., Ingham County*
- Walnut Drive Farm, Ingham County*
- Suttons Pointe Farms, Leelanau County*
- Kolarik Farms, Leelanau County*
- Maple Hill Dairy Farm, Newaygo County*

Each farm will receive a presentation plaque for this milestone. We extend a sincere "thank you" to these farm families for their continued participation with Telfarm and MSU Extension. —KW



2006 DEPRECIATION / TAX SCHEDULE CHANGES:

Don't forget to send in any changes you or your accountant may have made in your tax information for 2006 since filing. For example, did you change Section 179 Direct Expensing amounts or add a piece of "overlooked" machinery? Now is the time to let us know of any changes for your depreciation schedule so we can continue to provide you with complete, up-to-date information. —KW

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Current Software Versions

<i>TfW Accountant/Checkwriter®</i>	1.5.4 or higher
<i>Telfarm PAL®</i>	2.2.5
<i>PenSoft Payroll Plus®</i>	3.07.0115 or higher

Update Online: www.canr.msu.edu/telfarm and/or www.pensoft.com

\$10,000 Question: Farm Business Accounting—Why Bother?

With Spring in the air, most farmers are itching to rev up the tractors, hook up the planter, and start “farming”. But farming entails much more than just production practices; most experts today agree that to be profitable, farm business managers must be production-savvy *and* accounting-savvy. In practice, however, many producers place financial recordkeeping at the “bottom of the list” of important things to do in order to build and sustain their farm business. Keeping good, current financial records is more than just a matter of compiling data for tax information at year-end. Spending a few minutes each month to review categories, amounts, and totals can save time *and money* later in the year. **A 1% change in income or expenses can make a \$10,000 change in a million dollar business.** Keeping current is the best way to know, at any given time, the financial position of your farm business in order to make adjustments in cash flow, crop sales, machinery purchases, and yes, *taxes*, so you can end the year favorably (not looking through piles of receipts to substantiate that much-needed tax deduction!).

Good recordkeeping doesn’t have to take a lot of time; set aside a little time daily or weekly to enter transactions and keep on top of things. Then, using your **Monthly Cash Flow Report**, whether from Telfarm or your own computer/printer, note the following bits of information you can use to keep up-to-date on the profitability and financial position of your farm business:

- ① Enter a CASHBEG and CASHEND every month to reconcile cash flow and check for “missing” items.
- ② Check ASSETS and LIABILITIES to verify beginning/ending balances; account for all payments and interest.
- ③ Keep DRAW(s) up-to-date to track funds removed from the farm for personal/family use.
- ④ Run a Monthly Cash Flow Report using 1040F categories to approximate the Telfarm “Tax Package”.
- ⑤ Make sure Capital Sales/Purchases are accounted for both in accounting and on a Form 3 for depreciation.

So, while you’re out plowing and planting this Spring, don’t forget to spend that little bit of time keeping your farm accounting up-to-date; remember, it’s one of the most important “*farming*” activities you can do!

If you have questions regarding your records or would like further ideas on how to get the most from your Telfarm reports, please call us at Telfarm or contact your District Farm Management Agent. —KW

Telfarm Staff Updates

Clients who use the Form 2 paper system for recording accounting transactions have probably worked with or spoken to **Carolyn Pfiester**, our Systems Assistant, many times over the years. As of April 13, 2007, Carolyn has **retired** from Telfarm after 42 years of dedicated service. In addition to coding and keypunching Form 2s, Carolyn edited TFWA accounting transmits, printed, collated, and mailed all reports, and did our client billing. She will be sorely missed, but we thank Carolyn for her outstanding service to Telfarm clients and MSU and wish her much happiness in her well-deserved retirement.

Nancy Harms, Telfarm Training Coordinator, will be moving to a **9-month position** assignment beginning May 15, 2007; she will return to Telfarm on August 15, 2007. Larry, Kathy, and Bob will do our best to address your concerns and answer your questions during the interim. —KW

Web Site News!

Check out the Telfarm web site at **www.canr.msu.edu/telfarm** for the latest program, tax, and staff update information, such as the latest *Telfarm Data Summaries* and the *2006 Farmland Values and Rental Rates*.

This month, we will also post a few photos of Telfarm staff members such as *Lisa Jansen*, former student employee, at the MSU Student Employee Reception and photos of *Carolyn Pfiester’s* retirement dinner at Olive Garden. —KW

Telfarm Center Staff

Director
Larry Borton

Supervisor
Kathy Waltz

Training Coordinator
Nancy Harms

Systems Analyst
Robert Nevius

Systems Assistant (Emeritus!)
Carolyn Pfiester

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News

Telfarm Calendar

Monday, May 28

- MSU & Telfarm closed for Memorial Day Holiday

Wednesday, July 4

- MSU & Telfarm closed for July 4th Holiday

July 18-20

- Ag Expo on the MSU Campus
We will not be at Expo this year; please stop by Telfarm in 414 Agriculture Hall if you have questions or would like individual assistance.

Monday, September 3

- MSU & Telfarm closed for Labor Day Holiday

Telfarm Center

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- Or contact your local MSU Extension Agent -

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