



Newsletter

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FINAN: The Value of Farm Financial Analysis

An important feature of your annual Telfarm enrollment is the opportunity to meet with your local or district Extension Agent for a “*Check In*” meeting in December. Your agent will discuss your Telfarm records with you to determine completeness and appropriateness as well as give you advice for tax planning before the end of the year. Another important aspect of your Telfarm enrollment is the annual FINAN (*Financial Analysis*) your District Agent will conduct with you in January through April of each year.

A FINAN can provide you with the information to determine whether your business is profitable, whether it is able to sustain growth, and whether it compares favorably with other similar farm businesses in Michigan. Information from FINANs is compiled annually (anonymously) in **Summary Reports** according to size and type of farm; this information is important for educational, programming, and benchmarking purposes and is available on the FIRM Team (Farm Information Resource Management) web site at <http://web1.msue.msu.edu/firm/> (click on TELFARM REPORTS).

The following quote is an excerpt from an article by P. J. van Blokland, University of Florida Extension:

“The purpose of keeping records is not just to accumulate masses of information. It is to use this information to compare and discern trends in the farm business. These trends help farmers make sensible managerial decisions: 'Is this enterprise profitable?' or 'Can I afford to purchase a new tractor?' or 'Should I change my enterprise mix?' Records are useful only if they are used. Simply keeping them is not sufficient.”

Many of our Telfarm clients take advantage of their FINAN as a unique opportunity to discuss the present and future health of their farm business. However, many do not. In order to take *full advantage* of your Telfarm enrollment and make the best financial and production decisions for YOUR farm business, we encourage you to participate in an annual FINAN analysis. Your local or district agent should contact you at the end of the year to make an appointment. — *KW*

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Have you enrolled for 2007?

The 2007 Telfarm Enrollments were mailed to all clients in November 2006. We **must** receive your signed enrollment **before** we can send you forms, supplies or software updates for the new year. Please send in your **signed 2007 enrollment** as soon as possible to stay current on your records.

**Processing
Deadline
Feb. 7, 2007!**



To ensure you receive your 2006 tax information for filing by March 1, 2007, your final 2006 records (*transmits, Forms 2 or 3, etc.*) must arrive **at the Telfarm Center on or before FEBRUARY 7, 2007**. Note that we cannot go by “postmark date” due to the variance in time it takes for mail to reach us.

Remember...for faster turn-around, DO NOT use the Business Reply Envelopes to mail year-end records. These envelopes go through additional channels and may take up to 10 days to reach us. Use **plain envelopes addressed to Telfarm with first class postage** in order for your reports to reach us in the shortest time possible.

It’s always a good idea to **double-check** your records for completeness before mailing them to minimize time lost due to re-runs as well! —KW

When can I expect to receive my final 2006 reports?

Good question! And one that we receive often this time of year. We generate and mail client cash flow reports in “batches” once per week (normally Thursday). In January and February, we also process batches of **depreciation** and **tax** reports once per week (usually Monday following the Thursday cash flow reports). Then, the reports from Thursday *and* Monday are packaged together and mailed to you first class.

It pays to stay current! Clients who are current on their transmits or Form 2s receive **first priority in processing**. Most of these clients can expect their reports back *within a week* of our receiving the transmits/Form 2s at Telfarm. Clients sending in **multiple months often must wait** until a subsequent run to have their final reports processed; this can add an additional *week or more* to processing those reports. You must be **PAID IN FULL** for 2006 before we can mail any final 2006 reports.

Also, be sure your transmits/Form 2s, and/or Form 3s are as complete and accurate as possible before sending them to **minimize re-runs**. —KW

**Telfarm Software Workshops
Begin in January!**

Telfarm’s **Training Coordinator, Nancy Harms**, will be conducting training **workshops** for the *Telfarm for Windows Accountant*® and *Check-writer*® and PenSoft Payroll Plus® programs beginning in **January**. There is **no charge** for these workshops, but **pre-registration is required**.

A **brochure and registration form** has been mailed to 2006 & 2007 clients; look for a time and location near you. The brochure is also located on our web site at www.canr.msu.edu/telfarm (click on Workshops).

These workshops are designed for clients using the Telfarm for Windows and/or PenSoft Payroll programs; format will be hands-on using Telfarm laptops. You must be enrolled for 2007, have the latest program version, and bring a backup to participate. —NH



2007 Software Versions

<i>Telfarm for Windows Acct/CkW</i>	1.5.0 or higher
PenSoft Payroll Plus	3.07.0020 or higher
Telfarm PAL (<i>Pay-Acct Link</i>)	2.2.0 or higher

Payroll Clients - 2007 Updates

CURRENT 2007 PenSoft Payroll Plus Clients:

- Received 2007 **PenSoft Payroll Plus** Installation CD and instructions from Pensoft after Dec. 18, 2006.
- If you renewed **PAL** (Payroll-Accountant Link) for 2007, it will be sent to you from Telfarm **AFTER** we receive your 2007 Telfarm Enrollment. PAL links PenSoft payroll records to TFWA and provides Help screens for unemployment, tax deposits, Michigan New Hire Reporting, piece rates, and worker's comp. Enrollment in PAL also provides you with Telfarm staff phone support.
- It is OK to install the 2007 PenSoft *renewal* ASAP and update 2007 PAL *renewal* later.
- DO NOT LINK Payroll to Accountant until **AFTER** you have updated PAL.

Installation instructions for *new* PenSoft clients can be found on the **PAL CD** by clicking the green "Index to All Help Documents" button: look for "*Installation Instructions for Telfarm Payroll to Accountant Link (PAL)*". If you have any questions please contact Telfarm by phone (517-355-4700) or e-mail us at telfarm@msu.edu. —NH

Depreciation Accuracy

For tax purposes and Business Analysis accuracy at year-end, it is **IMPORTANT** that all capital transactions are entered in **BOTH** the **Cash Flow** AND on the **Form 3** for Depreciation.

To check your Form 3s to your cash flow using TFWA:

1. Choose "List Expenses" option.
2. Limit by Account Name - MACHPURCH (etc.)
3. List on screen or printer.

Capital transaction account names are on the list of **Account Names** in *TFWA*. The total dollar amount for machinery purchases from this report **should match** the total shown for **EQUIP AND MACH PUR** on your *Monthly Statement Report* from the Telfarm Center. —KW

Telfarm Staff Updates

- ☺ **Judy Pfaff**, payroll programmer for the past 10 years, has retired from Telfarm as of January 3rd. Many thanks to Judy for her years of service to the farmers of Michigan and best wishes for a long, happy, and healthy retirement!
- ☺ **Lisa Jansen**, student employee for the past four years, has accepted a position with Eaton County MSU Extension as a 4H Program Assistant. She will begin working in Charlotte in January, and will graduate in May, 2007. Congratulations, Lisa!

2007 Pricing for Additional Telfarm Services

- **On-farm assistance** (after initial setup)\$30/hour
- **Computer Time** (backup analysis, records restoration, etc.).....\$50/hour
- **Special Depreciation/Tax Reports**\$30/hour
- **Additional report copies** \$25/copy



Before You Call...

We experience extremely high processing and phone call volumes during January; to avoid being caught in the "call-back queue", please **check your program HELP files** to see if the answer to your question is there **before calling**. Several files to aid in program installation are also on the 2007 Telfarm Master CD and the PAL CD, including moving files to a new computer. Check the "*Index to ALL Help Documents*" for these instructions. —KW

Telfarm Center Staff

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News

Telfarm Calendar

Wednesday, February 7

- Processing Deadline—your information must arrive at the Telfarm Center by this date in order for us to process and return your Tax Package in time for you to file by March 1 (*We do NOT go by "postmark date"*)

Thursday, February 15

- Telfarm begins processing 2007 records

March 2 — 10

- ANR Week on the MSU Campus

Monday, April 16

- Tax Returns due today! (*if the Thursday, March 1st deadline did not apply*)

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- Or contact your local MSU Extension Agent -

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