



Newsletter

VOLUME 9, No. 2

SUMMER 2009

Fall Workshops

Program details and registration forms for fall workshops can be found on the Telfarm website (<http://www.canr.msu.edu/telfarm/>) or you can register by calling or e-mailing Telfarm. Accounting will be covered in the morning and payroll in the afternoon. If you have topics you would like to see covered, please let us know.

In Allegan and St. Johns, we will offer an evening session. All workshops are open to non-Telfarmers, so we encourage you to invite others whom you think could benefit by using the Telfarm system.

All of the daytime sessions begin at 9:30 a.m. and end by 3:30 p.m., except Escanaba. Evening sessions will be 6:00-9:00 p.m.

- * **Sept. 22**....Washtenaw Co. Extension Office, Ann Arbor
- * **Sept. 23**....Branch Co. Extension Office, Coldwater
- * **Sept. 24**....Allegan Co. Extension Office, Allegan
- * **Sept. 24**....Allegan Co. Extension Office (evening)
- * **Sept. 30**....Lake City Exp Station, Missaukee Co.
- * **Oct. 1**.....NW Hort Station, Suttons Bay
- * **Oct. 2**Newago Co. Extension Office, Fremont
- * **Oct. 6**.....Tuscola Co. Extension Office, Caro
- * **Oct. 7**.....Ogemaw Co. Extension Office, West Branch
- * **Oct. 8**.....Clinton Co. Courthouse, St. Johns
- * **Oct. 8**.....Clinton Co. Courthouse, St. Johns (evening)
- * **Nov.10**.....Delta Co. Extension Office, Escanaba (1-4 p.m)

Financial Knowledge and Decisions Begin With Records

We are having many Telfarm workshops around the state this fall and we will have more next spring so that we can improve your knowledge and the value to you of your accounting records. Continue or begin (if you haven't done one recently) with a check-in this fall with your farm management agent and plan to do a business analysis with them in 2010. Please recommend Telfarm to neighbors that might value farm records not just for tax compliance, but also for having the information necessary to make decisions.

Telfarm is a system that includes both your records, the Telfarm staff to answer questions and the extension educators who directly work with you. If there is anything we can do for you including a farm visit or help with business analysis or cash flow projections, please let us know. For women there will also be the opportunity to sign up for Annie's Project which will be offered early in 2010 at several locations around the state. Some of you have attended this program whose mission is *to empower farm women to be better business partners through networks and by managing and organizing critical information*. It is a six session program for three hours a session, usually once a week. While it is offered through MSU Extension, not by Telfarm, we certainly support it and encourage your attendance. More information about this program be available later this year.

CURRENT PROGRAM VERSIONS

<i>TfWAccountant/Checkwriter</i> ®	1.7.2 or higher
PENSOFT PAYROLL PLUS®	3.09.3.03 or higher
<i>Telfarm PAL</i> ®	2.4.1

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



So, You're Buying A New Computer?

What are the recommended requirements for a new computer system? Electronic retail stores are loaded with the newest, fastest, most elaborate computer systems you can imagine. These systems, however, may not be the best fit for your farming operation. Generally, to operate spreadsheets, word processors, internet and email programs, and applications like Telfarm for Windows Accountant and PenSoft Payroll, you don't need the high-end processors, graphics cards, and high memory requirements. If you plan to play the latest games, use fancy design software, or want to develop video, then you will want to get more gadgets in your new system.

Desktops: **Operating System** - due to compatibility concerns, we encourage users to purchase Windows XP OS and can be later upgraded to Vista or the new Windows 7 if needed.
CPU – Intel® Core™ 2 Duo Processor E7200 (2.53GHz, 1066MHz FSB) or equivalent
Memory – 2-4 GB RAM
Hard Drive – 160 GB minimum
Monitor – 17” to 22” Flat Panel
To ensure hardware upgrades can be done on your system, we encourage users to purchase Mini-Tower systems.

Laptops and Tablet PC's:

Operating System– same as above.
CPU -Intel® Core™ 2 Duo P8400 (2.26GHz, 1066MHz FSB) or equivalent
Memory - 2-4 GB RAM,
Hard Drive -120 GB

For Docking Station Option:

Monitor- 17” - 22” Flat Panel
Manufacturer's Docking Station

Telfarm Recommends...

- * Purchasing computers with Windows XP rather than Vista. Telfarm Cooperators have been able to order XP for their new computer. Vista will work but sometimes there are additional steps.
- * Larger flat screen monitors will be a feature you will like with the clarity of projection and potential for opening two applications side-by-side on your screen.
- * More RAM memory (3 or 4 GB) to allow faster operation and multiple software operations.
- * Microsoft Office software including Excel and Word for processing electronic spreadsheet applications. Excel allows for using many agricultural spreadsheets that have been developed, including the electronic Form 3 for Telfarm.
- * Every machine should be equipped with anti-virus software, anti-spyware and a firewall.



You may need to buy a new computer or have your hard-drive replaced if it fails. Here are some points to remember:

- * Keep the copies of your TFWA, PAL, and PenSoft “Master” CD’s in a safe and accessible place. While replacement disks are easy to supply to you, it will require some time to get the disks to you through the mail.
- * Always create backup files on a regular basis, preferably at the close of each accounting and/or check-writing session. These backup files will be required to restore your data to the new or rebuilt computer. While most storage media are sufficient, we find cooperators are very pleased with USB drives (also known as thumb drives, memory “sticks”, etc.) because of their ease of use and speed, and recommend using them for your backups. Also, keep a copy of your backup away from the computer station so that a fire or other disaster does not claim both your computer and the backup.
- * Backup past years. If you do not have backups of your historical files, it would be a good idea to add past years to the backup storage media so that these files can be restored on a new computer hard drive.
- * The help screens provide valuable information on restoring files.

Changes to Federal Unemployment Taxes

If you are an employer paying State and Federal Unemployment Taxes, you may receive or will be receiving a notice in regard to the change in the Federal Unemployment Tax (FUTA) for Michigan employers. The normal FUTA tax rate of 6.2% is reduced by a credit of 5.4% for employers who pay state unemployment taxes on time (due quarterly in Michigan by the 25th of the month following the end of a quarter). This leaves the FUTA tax rate at .8% for Michigan employers. Because Michigan has borrowed funds from federal unemployment, the FUTA tax credit is reduced .3% each year the loan is outstanding. For 2009, Michigan will have a reduced FUTA tax credit and employers will be paying 1.1% FUTA tax on the first \$7,000 of wages paid to each employee. The credit reduction will amount to an additional \$21 (.003 X \$7,000) of FUTA tax per employee and is part of the 4th quarter federal deposit normally due on January 31.

These changes do not affect the Michigan UIA quarterly tax filings. Continue to make your quarterly deposits to the state in a timely manner. Pensoft is working on an update for the many states that have the reduced credit rate. In addition to the annual IRS Form 940, employers will file Form 940 Schedule A that calculates the reduced credit. Information is available at the Internal Revenue Service website at www.irs.gov and at the Michigan UIA office at www.michigan.gov/uia.

Agricultural employers must pay federal and state unemployment taxes if: (1) they pay cash wages to employees of \$20,000, or more, in any calendar quarter; or, (2) in each of 20 different calendar weeks in the current or preceding calendar year, there was at least 1 day in which they had 10 or more employees performing service in agricultural labor. If you have questions, please talk with Phil or Larry.

Some of the tax changes for 2009

- A one-year requirement exists to treat farm equipment and machinery as five-year property rather than its normal seven-year life. This only applies to new (original use) items and does not include grain bins, fences, cotton gins or land improvements. By electing to use ADS (Alternate Depreciation System) the seven-year property can be depreciated over ten years but all farm equipment and machinery both new and used, placed into service in 2009 would then need to be depreciated over ten years.
- The 50% bonus depreciation was extended for another year and covers virtually all new farm property placed into service in 2009. All new property within a class (like 5-year, 7-year, 10-year, 15-year or 20-year) must be treated the same. This is mandatory unless the taxpayer elects out of this provision. Anyone required to use ADS (most fruit farmers) is not eligible for this provision.
- The direct expensing remains at \$250,000 for 2009 with phase-out beginning at \$800,000 of qualified property placed into service.
- For 2009 and 2010 an educational credit increased to a maximum of \$2,500 for the first four years of study (it was previously \$1,800 for the first two years).
- First time homebuyers credit (refundable) up to \$8,000 if the house is closed by November 30, 2009.
- Business losses from farming can be carried back for either two or five years or can be carried forward for twenty years.
- A maximum of \$1,500 credit for qualifying energy property purchased for your principal residence. It's calculated as 30% of the purchase price for items that qualify.



Helpful Resources When Buying a New Computer

- * <http://www.office-networks.net/> Select "What Kind of Computer Should I Buy" under "Must Read Articles"
- * <http://www.about.com/computer/> Look in the "PC Hardware / Reviews" section under "Hardware Category".

Minimum Wage Update

While the federal minimum wage increased to \$7.25 on July 24, Michigan's minimum wage was already at \$7.40 so the minimum wage remains at \$7.40. There still is a Training Wage which allows a rate of \$4.25 for those under 20 for the first 90 days. There is a further provision for those who are 16-17 years old that are paid 85% of the Michigan minimum wage but under the federal standards must now be paid \$7.25 as of July 24, 2009.

Telfarm Center
Michigan State University
414 Agriculture Hall
East Lansing, MI 48824-1039

Telfarm Calendar

Monday, September 7

Telfarm Center closed for Labor Day Holiday

Friday, November 6

Cut-off date for submitting records to be included in tentative packages

Thursday-Friday, November 26-27

Telfarm office closed for Thanksgiving holiday

Telfarm Center

Michigan State University
414 Agriculture Hall
East Lansing, MI 48824-1039
517-355-4700
517- 432-9805 (Fax)
telfarm@msu.edu
www.canr.msu.edu/telfarm/

- Or contact your local MSU Extension Agent -

MICHIGAN STATE
UNIVERSITY
EXTENSION



MSU is an Affirmative Action/Equal Opportunity Employer.