

NOTEBOOKS ONLY:
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EXT FM 8831

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Missouri Farm Business Record Book

Developed cooperatively by University
Extension and Agricultural Education

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GENERAL SUGGESTIONS

1. Accurate records are needed to prepare income tax reports and to monitor the profitability of a business. This record book is designed to be used with a minimum of effort. It is also convenient to divide the business entries into enterprises by using the "Distribution of Enterprise" columns found on Forms 5 and 11. If enterprise accounting is not desired, disregard these forms.
2. Receipts and expenditures should be recorded monthly. This results in more accurate records. Use a sharp lead pencil for your entries.
3. Different methods may be used when recording entries. Select one of the following methods at the start of the year and use it throughout the record book.
 - a. Make entries when bank statement is received.
 - b. Make entries at the time of purchase or sale. Use sales slips. The record book and the bank balance will not reconcile, and adjustments will need to be made at the end of the year for Cash Basis tax reporting.
 - c. Make entries at the time when payments are made (for purchases) or received (for sales). If a lump sum payment for different items such as feed and fertilizer is made, it will need to be entered in the appropriate columns.
4. The record book may be more useful if you:
 - a. Pay business expenses by check.
 - b. Use an adding machine with a tape print-out to improve the accuracy of calculations. Check your figures against the tape print-out.
 - c. Consider having two bank accounts: one for the business and one for personal expenditures.
5. Note that the column numbers on all Receipts and Expenditures forms correspond with line numbers on Forms 27 and 28 (Cash Flow).
6. The "Distribution of Enterprise" columns may be used several different ways:
 - a. Receipts and Expenditures may be allocated to individual enterprises such as hogs, beef cattle, bees, corn, beans, and/or tobacco.
 - b. A tenant may keep records by allocating receipts and expenditures among several different landlords.
 - c. A specialized swine producer may keep records on different groups of hogs.
 - d. A specialized producer could also divide a sheep enterprise into a breeding enterprise and finishing enterprise.
7. Be sure to post record book entries correctly. Check with your adult instructor or extension specialist for assistance.

INSTRUCTIONS FOR RECORDING FARM, NON-FARM AND PERSONAL RECEIPTS

1. At the start of each month, headings should be written in the blank columns needed on Forms 1 through 6. The same column headings should be used on each set of receipts pages.
2. Enter the date, total amount received, and a description of the item in the appropriate columns on Form 1.
3. If it is a farm receipt, enter the total again in columns 1 through 31 on Forms 1, 2, 3, and 4 or if it is a non-farm or personal receipt, enter on columns P1 through P12 on Form 6 under the appropriate heading. Be sure to enter the amount in the appropriate column.
4. Money borrowed should be entered in the "Total Receipts" column and in column 31 if borrowed for farm purchases and in column P8 if non-farm. An entry should also be made on Forms 23 or 24.
5. At the end of each month or the end of the page, an accuracy check can be made by totaling columns 1 through 31 and columns P1 through P12. This total should equal the total for the "Total Receipts" column.
6. If all entries for one month are on one set of Receipts pages, transfer the totals to Form 27 or 28. If more than one set of Receipts pages is necessary, carry the subtotals to the top of the next set of Receipts pages.
7. If enterprise accounting is used, the "Distribution of Enterprise Receipts" columns should be completed for each entry that can be allocated to a specific enterprise on Form 5 (Distribution of Enterprise Receipts).
8. The cost of fertilizer bought for rented property and reimbursed by the landlord would be entered as an expense. The amount repaid would be entered as a receipt in column 13.
9. To more accurately complete your tax records, the headings "bot" (bought) and "rsd" (raised) should be utilized in your animal breeding and non-breeding enterprises (e.g. market lambs - purchased vs. market lambs - raised).
10. Keep business receipts and personal receipts separate when entering receipts on Forms 1 through 6. If money is transferred from personal to business, it should be recorded as a business receipt on Forms 1 through 5 and a personal expense on Form 12.
11. Personal receipts may be taxable or non-taxable sources of income. Be sure to separate the non-farm and personal receipts from the farm receipts. This is the only way an actual accurate analysis can be obtained at the end of the record year.
12. Utilize the "Non-Farm and Personal Receipts" columns on Form 6 as much as possible. Three "Other" columns are provided for your convenience.
13. Totals from Form 6 need to be transferred to Form 28 "Non-Farm and Personal Cash Flow." Totals on lines A and B of Form 28 are then transferred to Form 27 "Farm Business Cash Flow at month or year end to figure total cash flow.
14. In general, receipts recorded on Forms 1, 2, and 3 are 1040 Schedule F income and receipts recorded on Form 4 are Form 4797 income.

	DATE	TOTAL RECEIPTS		DESCRIPTION (who, what, etc.)	CROP SALES												CROP INSUR- ANCE PROCEEDS	GOVERNMENT PAYMENTS			CCC LOANS	CUSTOM WORK					
		\$	¢		Quantity													Cash	Other								
1.																							1.				
2.																							2.				
3.																							3.				
4.																							4.				
5.																							5.				
6.																							6.				
7.																							7.				
8.																							8.				
9.																							9.				
10.																							10.				
11.																							11.				
12.																							12.				
13.																							13.				
14.																							14.				
15.																							15.				
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18.																							18.				
19.																							19.				
20.																							20.				
21.																							21.				
22.																							22.				
23.																							23.				
24.																							24.				
					Subtotals to next page or totals to Summary page																						
						1		2		3		4		5		6		7		8		9		10		11	

(month)																								
PATRON- AGE DIVIDENDS			RESALES AND SETTLE- MENTS			CASH RENT			NON-BREEDING LIVESTOCK															
									Head		Lbs.	\$ Amount	Head		Lbs.	\$ Amount	Head		Lbs.	\$ Amount				
									rsd.	bot.			bot.	rsd.			bot.	rsd.						
1.																								
2.																								
3.																								
4.																								
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21.																								
22.																								
23.																								
24.																								
	12		13		14				15					16					17					

Cut Along Dotted Line

LIVESTOCK PRODUCTS						OTHER FARM RECEIPTS												
Quantity																		
																		1.
																		2.
																		3.
																		4.
																		5.
																		6.
																		7.
																		8.
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																		22.
																		23.
																		24.
	18		19		20		21		22		23		24		25		26	

	BREEDING LIVESTOCK												EQUIP., BLDG., & LAND SALES		MONEY BORROWED FARM		
	Head for Capital Gains																
	Qualify		Not Qualify														
	Bought	Raised	Bought	Raised							Lbs.	\$ Amount					Lbs.
1.																	
2.																	
3.																	
4.																	
5.																	
6.																	
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22.																	
23.																	
24.																	
						27		28		29		30		31			

Cut Along Dotted Line

	WAGES RECEIVED		DIVIDENDS AND INTEREST RECEIVED		RENTS AND ROYALTIES		OTHER TAXABLE INCOME		GIFTS		REIMBURSEMENT		MONEY BORROWED NON-FARM		OTHER NON- TAXABLE INCOME		OTHER NON-FARM INCOME							
											Medical	Other												
1.																					1.			
2.																					2.			
3.																					3.			
4.																					4.			
5.																					5.			
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23.																					23.			
24.																					24.			
	P1		P2		P3		P4		P5		P6		P7		P8		P9		P10		P11		P12	