

# **FINANCIAL RECORDS**

## **Learning Objectives**

*The learner will...*

- ...examine various purposes of maintaining financial records.
- ...review typical income categories and expense categories essential to proper record keeping.

## **Purpose of Maintaining Financial Records**

- Taxes
- Tracking the farm's financial progress
- A tool for future planning

## **Tools**

- Receipts – for all purchased inputs, tools, seeds, etc
- Ledger – to track expenses and income, derive profit or loss

## **Income Categories**

- Sale of produce, grain, seed crops, livestock, etc
- Sale of plants or nursery stock
- Cooperative distributions
- Custom hire and consultation
- Misc. payments

## **Expense Categories**

- Vehicle – acquisition, maintenance and repair
- Equipment – acquisition, maintenance, and repair
- Custom hire
- Depreciation on equipment, buildings, fencing, implements, vehicles
- Feed
- Inputs
- Fuel
- Insurance – vehicles, buildings, crops, liability

- Seeds
- Plants and nursery stock
- Supplies
- Labor
- Utilities
- Rental/lease
- Mortgage
- Interest on loans
- Marketing