Directions for using the Microsoft Excel Version of the New England Farm Account Book
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This spreadsheet is modeled after the New England Farm Account Book which was designed to help farmers organize and track farm finances.

If you have any questions, comments, or problems regarding the use of this Excel workbook please contact: David Marcinkowski, 5735 Hitchner Hall, University of Maine, Orono, ME 04469-5735, Phone: 207-581-2740 (Toll-free in Maine:1-800-287-7170), Email – davidmar@maine.edu

To begin, open the Farm Account Book.XLS file using Microsoft Excel or a compatible program. The Main page of the workbook is shown to the left. Use this Main page to enter general farm information, including the farm name and address, as well as the year for which the financial data is being summarized. Do not enter more than one year's data into the workbook otherwise the summary functions of the workbook will not function properly. To begin a new year, start with a clean, empty copy of the spreadsheet and rename the file to reduce confusion. From this Main worksheet you can navigate to any of the other worksheets in the file by clicking on the hyperlinks in the yellow boxes. At any time you can also skip to any worksheet in the file by clicking on the appropriate tab in the lower left portion of the screen.

You will find that some of the cells in the worksheets will not allow you to enter information into them. They are protected to insure that the cell contents, such as formulas and text, cannot be accidentally changed or deleted.

Setting Receipt and Expense Columns

The next step in setting up your farm account book is to determine a set of categories to track the different types of income and expenses on your farm. In developing your own set of categories a number of different sources can be used. For tracking basic tax information you may want to start with many of the income and expense categories from the Schedule F Tax form. These include:

Income
Sales of livestock and other resale items
Sales of livestock, produce, grains, and other products you raised
Cooperative distributions

Agricultural program payments
Commodity Credit Corporation (CCC) loans
CCC loans forfeited
Crop insurance proceeds and federal crop disaster payments
Custom hire (machine work) income
Other income

Expenses

Car and truck expenses
Chemicals
Conservation expenses
Custom hire (machine work)
Depreciation
Employee benefit programs
Feed
Fertilizers and lime
Freight and trucking
Gasoline, fuel, and oil
Insurance (other than health)
Interest: Mortgage
Interest: Other
Labor hired
Pension and profit-sharing plans
Rent or lease: Vehicles, machinery, equipment
Rent or lease: Other (land, animals, etc.)
Repairs and maintenance
Seeds and plants
Storage and warehousing
Supplies
Taxes
Utilities
Veterinary, breeding, and medicine
Other expenses

These categories are a good starting point, however your farm may not need all of these categories or you may have other things that you need or wish to track. Using the categories from your existing recordkeeping system or looking at you checkbook register over the past year, may help you arrive at a list that works for your farm business. You may also want to visit with your accountant regarding the additional categories they may need to aid in tax preparation. Depending on the number of employees you have, you can track hired labor in the expense worksheet or the labor worksheet of this workbook. Using the labor worksheet enables you to more accurately track payroll withholdings and employer matches.

It is this list of income and expense categories that will become the column headings for the Receipts and Expenses worksheets in the workbook. The Income worksheet is limited to 25

categories/columns for entering dollar amounts of income. The first 5 also have a quantity columns associated with them. The quantity columns are useful for tracking the amount of product sold. For example these columns can be used to total the number of tons of hay, bushels of apples or hundredweights of milk sold. The Expenses worksheet is limited to 30 categories/columns.

To set your columns throughout the workbook go to the Column Headings worksheet shown below. Columns E through AH are unprotected and can be used to enter the categories/column headings you wish to track. The final 2 columns labeled Check Sum and Difference are locked and protected. These columns are used to help verify double column entries are correct.

Please note that the Column Headings worksheet transfers these headings to the appropriate worksheets throughout the workbook. Column headings may be changed at any time. Use care when working with this worksheet unintended changes may cause problems throughout the workbook.

Figure 2. Headings Worksheet

Entering Receipts and Expenses

To enter receipts income or expenses into the account book, click on the appropriate tab, at the bottom left of any screen, or the appropriate yellow button on the Main worksheet. The Receipts worksheet will have a green header and the Expenses header will be red. Both worksheets are shown below:

Figure 3. Receipts Worksheet

Figure 4. Expenses Worksheet

A	B	C	D	E	F	G	H	I	J	K	L	M
Expenses												
		Total Expenses	$0.00		$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.
Month	Day	Paid To	Total		Dairy	Dairy	Non	Building	Machine	Vehicle	Custom	
#	#	Explanation	Expense	√	Feed	Forages	Dairy	Repairs	Repairs	Expense	Hire	Supplie

Both the Receipts and Expenses worksheets use a multi-column, entry system similar to the paper version of the Farm Account Book. Each individual financial transaction is recorded, one per row, starting with Row #5 and going down from there. A single transaction might be a check deposited into the farm checking account for a crop sold or a check written to someone else in payment for machinery parts purchased. The first four columns of each row are used to record the date (Month and day) of the transaction, the payer or payee and the total amount of the transaction. Column "F" and beyond are used to record the amount of the transaction that goes into each of the categories. A simple transaction may be categorized into a single column, say it's entirely for feed purchased whereas a more complex transaction may be split or categorized between multiple columns. Column "E" checks to make sure the transaction is recorded and categorized properly. It compares the amount in Column "D" with the sum of columns "F" through "AI". If the two do not total to the same amount, a red question mark will appear in the Column "E". A question mark indicates you should go back and correct your entry. As transactions are added row by row, the sum of each column appears at the top of the worksheet on the Totals line (Line #2). There should be plenty of rows to enter all your transactions. The Receipts worksheet can hold up to 2500 entries while the Expenses worksheet can hold up to almost 10,000 entries.

Some financial transactions, such as a check for an animal sent to slaughter, may include both receipts and expenses. The check for the animal includes a receipt paid for the animal minus expenses for trucking, commission and an advertising check off associated with the sale of the animal. In this case, record the receipt for the animal in the Receipts worksheet and split the trucking, commission and check off in to the appropriate columns in the Expenses worksheet.

It is important to record transactions regularly, as soon as possible after they occur.

Summary of Receipts and Expenses

As transactions are added to the Receipts and Expenses Worksheets with the dates that they occurred, the monthly totals of the transactions are recorded into the Receipts Sum and Expense Sum Worksheets shown below (Figures 5 and 6):

These worksheets are useful because they quickly show how income and expenses for your farm change from month to month or quarter to quarter. These worksheets are completely protected and draw all of their information from other worksheets.

Figure 5. Receipt Sum Worksheet

Summary of Receipts

Monthly Total	Total Receipt	Milk #	Milk Value	Cattle #	Cattle Value	Calves #	Calves Value	Other #	Other Value	Crops #	Crop Value
January	$0.00	0	$0.00	0	$0.00	0	$0.00	0	$0.00	0	$0.
February	$0.00	0	$0.00	0	$0.00	0	$0.00	0	$0.00	0	$0.
March	$0.00	0	$0.00	0	$0.00	0	$0.00	0	$0.00	0	$0.
First Quarter Subtotal	$0.00	0	$0.00	0	$0.00	0	$0.00	0	$0.00	0	$0.
April	$0.00	0	$0.00	0	$0.00	0	$0.00	0	$0.00	0	$0.
May	$0.00	0	$0.00	0	$0.00	0	$0.00	0	$0.00	0	$0.
June	$0.00	0	$0.00	0	$0.00	0	$0.00	0	$0.00	0	$0.
Second Quarter Subtotal	$0.00	0	$0.00	0	$0.00	0	$0.00	0	$0.00	0	$0.
July	$0.00	0	$0.00	0	$0.00	0	$0.00	0	$0.00	0	$0.
August	$0.00	0	$0.00	0	$0.00	0	$0.00	0	$0.00	0	$0.
September	$0.00	0	$0.00	0	$0.00	0	$0.00	0	$0.00	0	$0.
Third Quarter Subtotal	$0.00	0	$0.00	0	$0.00	0	$0.00	0	$0.00	0	$0.
October	$0.00	0	$0.00	0	$0.00	0	$0.00	0	$0.00	0	$0.
November	$0.00	0	$0.00	0	$0.00	0	$0.00	0	$0.00	0	$0.
December	$0.00	0	$0.00	0	$0.00	0	$0.00	0	$0.00	0	$0.
Fourth Quarter Subtotal	$0.00	0	$0.00	0	$0.00	0	$0.00	0	$0.00	0	$0.
TOTAL FOR THE YEAR	$0.00	0	$0.00	0	$0.00	0	$0.00	0	$0.00	0	$0.

Figure 6. Expense Sum Worksheet

Summary of Expenses

Monthly Total	Total Expense	Dairy Feed	Dairy Forages	Non Dairy	Building Repairs	Machine Repairs	Vehicle Expense	Custom Hire	Supplies	B
January	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	
February	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	
March	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	
First Quarter Subtotal	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	
April	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	
May	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	
June	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	
Second Quarter Subtotal	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	
July	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	
August	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	
September	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	
Third Quarter Subtotal	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	
October	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	
November	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	
December	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	
Fouth Quarter Subtotal	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	
TOTAL FOR THE YEAR	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	

Monthly Profit and Loss

The Monthly PL Worksheet (See Figure 7) takes the information from the Receipt Sum, Expense Sum and Labor Sum worksheets on a monthly basis and determines the Profit or Loss for the month and year by subtracting the expenses and labor costs from the receipts. Although calculations of true profit on a farm should also include depreciation as well as changes in inventory, the cash profit (loss) results from this worksheet are useful in looking at the extent and timing of cash flows to and from the business.

The PL Report worksheet (See Figure 8) summarizes the receipt and expense data for the entire year into an easy to print, income statement. This report is useful in benchmarking your farm finances against those of other farms. It is also useful for sharing with financial advisors, accountants and tax preparers.

Figure 7. Monthly PL Worksheet

	A	B	C	D	E	F
1	**Monthy Profit or Loss**					
2						
3	Month		Receipts	Expenses	Labor Costs	Profit/Loss
4	January		$0.00	$0.00	$0.00	$0.00
5	February		$0.00	$0.00	$0.00	$0.00
6	March		$0.00	$0.00	$0.00	$0.00
7	First Quarter Subtotal		$0.00	$0.00	$0.00	$0.00
8						
9	April		$0.00	$0.00	$0.00	$0.00
10	May		$0.00	$0.00	$0.00	$0.00
11	June		$0.00	$0.00	$0.00	$0.00
12	Second Quarter Subtotal		$0.00	$0.00	$0.00	$0.00
13						
14	July		$0.00	$0.00	$0.00	$0.00
15	August		$0.00	$0.00	$0.00	$0.00
16	September		$0.00	$0.00	$0.00	$0.00
17	Third Quarter Subtotal		$0.00	$0.00	$0.00	$0.00
18						
19	October		$0.00	$0.00	$0.00	$0.00
20	November		$0.00	$0.00	$0.00	$0.00
21	December		$0.00	$0.00	$0.00	$0.00
22	Fourth Quarter Subtotal		$0.00	$0.00	$0.00	$0.00
23	TOTAL FOR THE YEAR		$0.00	$0.00	$0.00	$0.00
24						

Figure 8. PL Report Worksheet

	A	B	C	D	E	F	G	H
1	**Profit/Loss Report**							
2								
3	Farm		Happy Acres Farm			Year		2013
4	Address		1 Main Road					
5			Anywhere, ME 04000					
6								
7				Quantity				
8	Receipts		Total	Sold		Expenses		Total
9	Milk Value		$0.00	0		DairyFeed		$0.00
10	Cattle Value		$0.00	0		DairyForages		$0.00
11	Calves Value		$0.00	0		NonDairy		$0.00
12	Other Value		$0.00	0		Building Repairs		$0.00
13	Crops Value		$0.00	0		Machine Repairs		$0.00
14	Govn't Paymts		$0.00			VehicleExpense		$0.00
15	Other Income		$0.00			CustomHire		$0.00
16	Stuff 1		$0.00			Supplies		$0.00
17	Stuff 2		$0.00			Bedding		$0.00
18	Stuff 3		$0.00			Fert &Lime		$0.00
19	Stuff 4		$0.00			SeedsPlants		$0.00
20	Stuff 5		$0.00			OtherCrop		$0.00
21	Stuff 6		$0.00			Fuel		$0.00
22	Stuff 7		$0.00			Vet		$0.00
23	Stuff 8		$0.00			Breeding		$0.00
24	Stuff 9		$0.00			ProfessnlFees		$0.00
25	Stuff 10		$0.00			Utilities		$0.00
26	Stuff 11		$0.00			Taxes		$0.00
27	Stuff 12		$0.00			Interest		$0.00
28	Stuff 13		$0.00			MarketingHauling		$0.00
29	Stuff 14		$0.00			LeaseRent		$0.00
30	Stuff 15		$0.00			Other Expenses		$0.00
31	Stuff 16		$0.00			OtherFeed		$0.00
32	Stuff 17		$0.00			NonDairy		$0.00
33	Last		$0.00			Medicine		$0.00

Receipts / Receipt Sum / Expenses / Expense Sum / Monthly PL \ PL Report / Headings

Entering Payroll

Enter payroll information into the Labor Worksheet shown in Figure 9. This worksheet consists of several forms located in columns "B" through "L", Use a different form for each employee Six are provided on this page. Use one row of the form for each pay period. Enter the month and day the employee was paid along with the hours worked, gross wages, and payroll deduction. The employee's net pay is calculated by subtracting the payroll deductions withheld from the gross wages. In Column "L" enter the employer match required for FICA.

Figure 9. Labor Worksheet

To the right of each of the Individual's Labor; Social Security and Income Tax Record is a summary table located in columns "M" through "T". Shown in Figure 10. Monthly, quarterly and yearly totals for each employee are summarized here. This table tracks the total wages and withholdings paid to each employee. These totals are useful at the end of the year in reporting wages on W-2's.

Figure 10. Monthly Employee Summary (Labor Worksheet)

	N	O	P	Q	R	S	T	U	V
1	**Monthly Employee Summary**								
2									
3	Monthly Total	Hours or	Gross	Federal	State	Social	Other	Net	Employer
4	For	Units	Wages	Tax	Tax	Security	Deducts	Pay	Match
5	0	Worked		Withheld	Withheld	Withheld			
6	January	0	$ -	$ -	$ -	$ -	$ -	$ -	$ -
7	February	0	$ -	$ -	$ -	$ -	$ -	$ -	$ -
8	March	0	$ -	$ -	$ -	$ -	$ -	$ -	$ -
9	First Quarter Subtotal	0	$ -	$ -	$ -	$ -	$ -	$ -	$ -
10									
11	April	0	$ -	$ -	$ -	$ -	$ -	$ -	$ -
12	May	0	$ -	$ -	$ -	$ -	$ -	$ -	$ -
13	June	0	$ -	$ -	$ -	$ -	$ -	$ -	$ -
14	Second Quarter Subtotal	0	$ -	$ -	$ -	$ -	$ -	$ -	$ -
15									
16	July	0	$ -	$ -	$ -	$ -	$ -	$ -	$ -
17	August	0	$ -	$ -	$ -	$ -	$ -	$ -	$ -
18	September	0	$ -	$ -	$ -	$ -	$ -	$ -	$ -
19	Third Quarter Subtotal	0	$ -	$ -	$ -	$ -	$ -	$ -	$ -
20									
21	October	0	$ -	$ -	$ -	$ -	$ -	$ -	$ -
22	November	0	$ -	$ -	$ -	$ -	$ -	$ -	$ -
23	December	0	$ -	$ -	$ -	$ -	$ -	$ -	$ -
24	Fourth Quarter Subtotal	0	$ -	$ -	$ -	$ -	$ -	$ -	$ -
25	TOTAL FOR THE YEAR	0	$ -	$ -	$ -	$ -	$ -	$ -	$ -
26									

The Labor Sum worksheet shown in Figure 10, calculates the farms' monthly and yearly labor costs for all employees. This information is used in calculating monthly and annual farm profits. In addition this table is useful in determining the total employee withholdings and employer FICA match which must be remitted to the IRS and state on a monthly or quarterly basis. Columns "J" and "K" can be used to record the date and sum of these payments.

Figure 10. Labor Sum Worksheet

	A	B	C	D	E	F	G	H	I	J
1	**Labor; Social Security and Income Tax Summary**									
2										
3	Monthly Total	Hours or	Gross	Federal	State	Social	Other	Net	Employer	Match
4		Units	Wages	Tax	Tax	Security	Deducts	Pay	Match	Payment
5		Worked		Withheld	Withheld	Withheld				Date (m/d)
6	January	0	0	0	0	0	0	0	0	
7	February	0	0	0	0	0	0	0	0	
8	March	0	0	0	0	0	0	0	0	
9	First Quarter Subtotal	0	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
10										
11	April	0	0	0	0	0	0	0	0	
12	May	0	0	0	0	0	0	0	0	
13	June	0	0	0	0	0	0	0	0	
14	Second Quarter Subtotal	0	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
15										
16	July	0	0	0	0	0	0	0	0	
17	August	0	0	0	0	0	0	0	0	
18	September	0	0	0	0	0	0	0	0	
19	Third Quarter Subtotal	0	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
20										
21	October	0	0	0	0	0	0	0	0	
22	November	0	0	0	0	0	0	0	0	
23	December	0	0	0	0	0	0	0	0	
24	Fourth Quarter Subtotal	0	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
25	TOTAL FOR THE YEAR	0	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
26										

General Information

If you find this workbook helpful and use it to keep your financial records, always keep a blank copy of the original Farm Account Book file. This file will be useful for starting a new year's records. Open the blank file, then save it with a new name and year. Do not keep more than one year's data in a single file. This will cause the monthly summary worksheets to give you incorrect totals.

Get in the habit of periodically backing up your Farm Account Book file to several locations to prevent loss of data. Options such as CD's, DVD's, and flash drives protect you from drive crashes. But a better option is to also store your data on a file sharing website or storage cloud system.

It is important to enter all farm financial transactions in a timely manner. Keeping your records up to date by enter a few transactions daily is much easier than trying to organize and enter a monthly stack of payments and bills. It also reduces the stress at tax time. You can't manage what you can't measure. Accurate, up-to-date records is the first step to improving the management of farm finances.