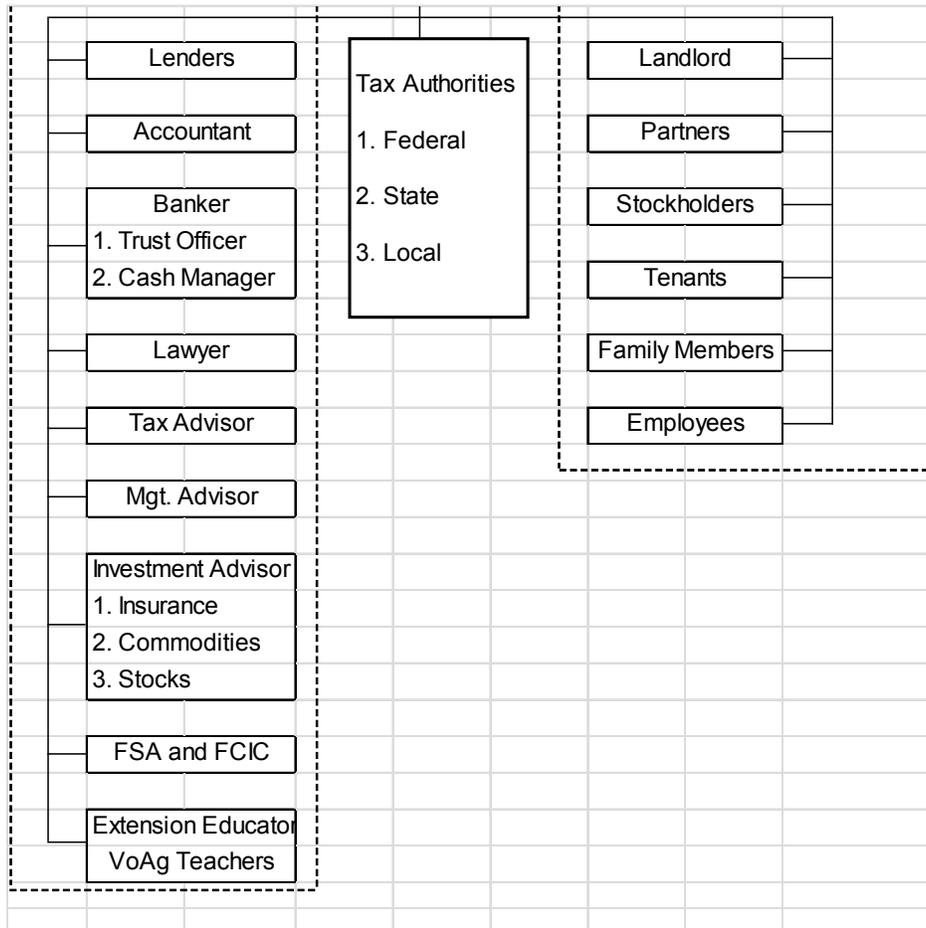


## CHAPTER 1- INTRODUCTION

With a computerized farm record keeping system, you can store information, summarize data, generate and print reports, and sort transactions into categories and sub-categories. Data storage is a valuable component to a computerized system. The data entry process uses the same amount of time as a hand written system. The time savings is the summarized monthly and year end data.

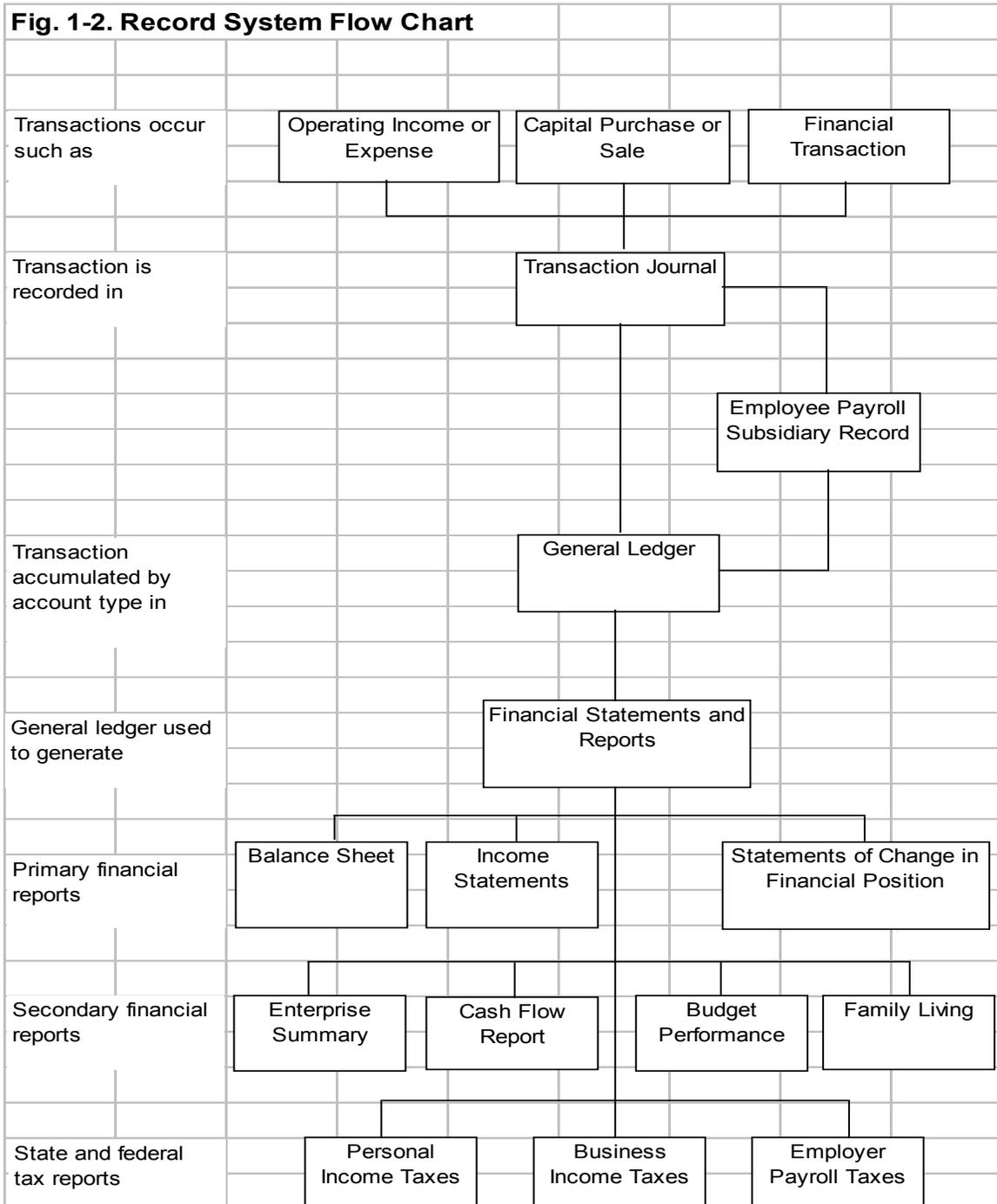
As in any system, complete records and reports result from the data entered. The record keeping system can only summarize and report what you have entered. Consider how the data is organized to optimize output and reports. The outputs and reports provide information such as transactions and end results to share with your farm management team. Who is your team? Below is a flow chart in Figure 1-1 of advisors, lenders, and others who are available to give you advice and help with decision making on the farm. Computerized records help you create specific reports that contain only the information you want to share when talking with advisors.

**Figure 1-1: Farm Management Team**



# CHAPTER 1- INTRODUCTION

Your receipts and expenditures should be entered in a timely manner complete with detail appropriate for the results you want to generate. For example, you should include detail on bushels of grain sold with your grain receipts if you want to know average price per bushel received at the end of the year. Some of the various types of information you can develop from a record keeping system are: Schedule F tax information (Cash Income Basis), data for tax reports, enterprise records, credit accounts, financial statements (net worth, income statements, cash flow), depreciation records and farm business analysis. This information will be explained more thoroughly throughout this book. Below is a flow chart in Figure 1-2 showing the financial results for a farming operation.



# CHAPTER 1- INTRODUCTION

## What Quicken Can Do For You

Quicken is an easy-to-use computerized recordkeeping software package that enables you to keep detailed farm financial records. You can think of Quicken as your checkbook. You can track a total of fourteen different account types including asset, liability, and all bank accounts.

Quicken enables you to keep basic cash receipts and expense records and while providing financial data to you, your tax preparer and other members of your **farm management team, such as those in figure 1-1**. Other Quicken features include easy account reconciliation and income and expense budgeting and report generation for income statements, cash flow reports, enterprise summaries, personal and business income tax reports and farm results as shown in the **record system flow chart in figure 1-2**. However, Quicken does not easily track inventories and does not allow you to keep depreciation records.

## Quicken Organization

**Data File:** Using Quicken begins with creating a *Data File* as seen in the Quicken organization flow chart in figure 1-3 below. The Data File contains the records for a business, whether a farm business or another home business. Typically, one data file is used for organizing finances. This will be explained more in chapter 2.

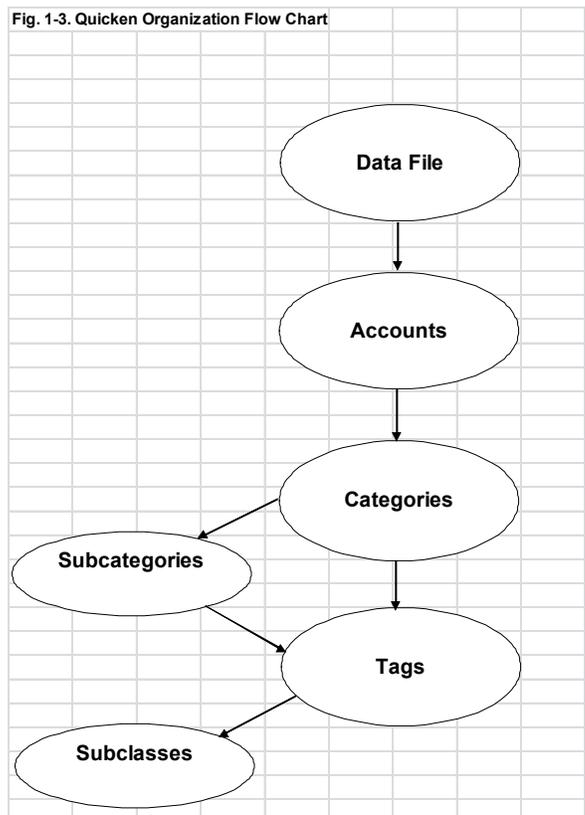
**Accounts:** Within a Data File, you create various *Accounts* corresponding to different bank accounts, loans, credit cards, asset accounts, and other liability accounts. For each account there is a corresponding register where transactions are entered. This will be explained more in chapter 3.

**Categories:** As transaction entries are made into an Account register they are assigned a Category which allows for easy categorization and summarization when generating reports. Examples of categories include feed, seed, fertilizer, fuel, grain sold, and milk sold.

**Subcategories:** Transactions can be divided for more detailed recordkeeping by assigning *Subcategories*. For example, the category fuel may have several subcategories: gas, diesel, and oil. A transaction for purchase of diesel fuel would be assigned the category *fuel* and subcategory *diesel*.

**Tags and Multiple Tags:** Transactions can be assigned Tags and Multiple Tags. Examples of tags are: corn, soybeans, wheat, dairy, and swine. Tags summarize transactions for reports by enterprise, field, farm or other grouping. Multiple tags further details a transaction. Categories and tags will be discussed more in chapter 4. An example of a transaction assigned a category, subcategory, tag, and multiple tags is: diesel fuel purchased for harvesting corn on the Smith Farm would be assigned: category=fuel, subcategory=diesel, tag=corn, multiple tag=Smith Farm.

Fig. 1-3. Quicken Organization Flow Chart



# CHAPTER 1- INTRODUCTION

## Common Terms used in Quicken

To help understand the rest of this manual, below are some common terms and their definitions:

**File** - data file named and used to store various account information of a single person, business or household. Your data file is like a file drawer that contains your financial data.

**Accounts** - function like file folders for your various accounts (checking, savings, liability, etc.) Different accounts let you divide your financial records into separate areas.

**Register** - window where transactions are entered into an account. It looks like a checkbook register.

**Transactions** - entries into your register and may also be referred to as “journal entries”.

**Categories** - used to summarize groupings such as “crops sold”. You must assign categories to transactions as you enter them in Quicken.

**Tags (enterprises, location, etc)** - let you specify where, what or to whom transactions apply, e.g., corn or dairy. Tags complement categories, giving an additional way to see how money is spent, as well as adding another dimension to reports.

**Payees (Vendors)** - person or institution to whom the payment is made (or from whom payment is received).

**Main Menu Bar** - menu located at the top of the Quicken screen. Enables you to operate all of the different features of Quicken.

**Toolbar** - a row of textual buttons and menus that appears near the top of a Quicken window. (i.e. Main Quicken Window, Register Window, Category & Transfer List Window, Account Window, etc.)

**Account Bar** – allows quick access to accounts, shows balances of accounts and shows net worth of all accounts tracked.

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