

2014 Missouri FINAN™ Checklist

Farm ID _____ - _____ - _____

Farm Name _____

Record Year _____

Instructor _____

WHOLE FARM ANALYSIS

Accuracy Checks

Cash Flow Check

- ___ 1. S.P. Cash flow includes farm and non-farm income & expense, and “family living expenses reported” is accurate
- - or - -
___ S.P. Cash flow includes farm income & expense, and non-farm income. The resulting “adjusted family living expense” appears to be accurate.
- ___ 2. S.P./Corp./Partnership - Cash Discrepancy = 0

Liabilities Check

- ___ 1. Liability discrepancy = 0

Income Statement

Cash Farm Income

- ___ 1. Crop & Livestock Sales quantities/numbers/prices appear to be correct. (i.e. correct units, etc.)

Cash Farm Expense

- ___ 1. If “Hired labor” expense is shown, must have corresponding “hired labor hours” in Labor Summary (Production Measures Page)
- ___ 2. If “Land rent” expense is shown, must have corresponding “Crop acres cash rented” in Crop Summary (exception - pasture rent) (Production Measures Page)

Inventory Changes

- ___ 1. Inventory values and changes appear to be correct.

Depreciation and Other Capital Adjustments

- ___ 1. “Depreciation/cap adj” should normally be ≤ 0 for machinery/buildings. If positive, please note an explanation on the reverse side.

Financial Statements and Measures

Profitability

- ___ 1. “Change in market valuation” (line B) appears to be correct.
- ___ 2. Value of operators labor & mgt. for this year is included (line D) = (Total unpaid labor hours x \$10.00/hr.) + 5% of Value of Farm Production (line I). If “0” the farm should be a corporation with a wage draw.

Production Measures

Crop Summary

- ___ 1. If there are beef, sheep, and/or dairy enterprises, total pasture acres must be completed.
- ___ 2. If “Total acres owned” shown, then “Real estate taxes” must be included in expenses.
- ___ 3. Acres under “Crop Yields” should agree w/acres under “Crop Summary.” (exc. – D.C.)

Crop Yields

- ___ 1. Yields are logical.

Livestock Summary

- ___ 1. Livestock efficiency factors/prices are logical.

Labor Summary

- ___ 1. The labor summary is completed (not optional). Total unpaid labor hours = 2000 x FTE(s) operator labor.

Balance Sheets

- ___ 1. Both cost and market balance sheets are completed.
- ___ 2. Loan details on liability pages are complete. Otherwise, the term debt coverage ratio and capital replacement margin cannot be calculated.
- ___ 3. Balance Sheet includes both farm and non-farm assets/liabilities.

-- or --

- ___ Balance Sheet is “Farm Only”.

If farm is selected as “Whole Farm” only, go to “Final Steps After Each Set of Corrections” (bottom of page).

ENTERPRISE ANALYSIS

Crop Enterprise Analysis

- ___ 1. Check crop type as normal, established, double-crop, etc.
- ___ 2. If irrigation expense is shown, make sure you have checked irrigation in the crop type selection area as appropriate.
- ___ 3. Actual or Missouri crop value prices were used to establish product values.
- ___ 4. All direct and overhead expenses are allocated and logical.
- ___ 5. Real estate tax should be >0 on owned land, and 0 on cash rented/share rented crops.
- ___ 6. If acres are shown as cash rented, a land rent expense must be >0. If legitimate 0, enter as share rental with 100% share.
- ___ 7. There are no negative expenses. Negative overhead expenses can be caused by over-allocating direct expenses for labor, custom hire, etc.
- ___ 8. Government payments have been properly allocated. LDP payments are generally included in “Value per unit” or “Other income.” Direct and counter-cyclical payments are entered as “Government payments” in Other Crop Information.
- ___ 9. Crop and pasture acres added together equal total farm acres minus non-productive and double-crop acres.
- ___ 10. Crop enterprises are established for CRP and rented land. Total production = CRP payment or rental payment and Value per unit = \$1.00. Expenses are allocated as appropriate.
- ___ 11. AUMs are calculated for pasture by the “1000# animal unit/month method.”

- ___ 12. Crop enterprises that are mixed or inaccurate (unusable in averages) have been turned off. (Done in the “Other Crop Information” screen “Delete from Summary”)

Livestock Enterprise Analysis

- ___ 1. Quantities, prices, units are logical.
- ___ 2. All direct and overhead expenses are allocated and logical.
- ___ 3. “Cull sales” are not also shown as “Capital sales.”
- ___ 4. Efficiency factors and production figures are logical.
- ___ 5. Feed record is complete. Pasture AUM’s are included on beef/dairy/sheep enterprises. (should equal pasture produced unless some is rented out)
- ___ 6. There are no negative expenses.
- ___ 7. Livestock number balance = 0 or 1.
- ___ 8. Beef calves from a cow-calf ent. should be sold or transferred at or close to weaning weight.
- ___ 9. Livestock enterprises that are mixed or inaccurate have been turned off. (Done in the “Livestock Enterprise” screen “Delete from Summary”)

Crop & Feed Check

- ___ 1. Quantities are in balance. (Exception: home seed used).

Contributions to Overhead

- ___ 1. Enterprise returns and net farm income are reconciled as follows: If all applicable income and expenses have been allocated, the total of net returns from each enterprise plus non-directed government payments (or total return over overhead exp) should approximate net farm income

Final Steps After Each Set of Corrections:

___ Run “preview” - otherwise the data file to be transferred will not be updated. To preview “comparative” pages, must turn them on under “preview options”.

___ Make corrections to clear any errors and **re-run the checklist.**

When the FINAN file is clean, prepare and transfer as follows:

- ___ 1. On “General Information” screen, check (✓) “Include in group summary” (unless there is some reason it shouldn’t be, and please note why below).
- ___ 2. Complete the “Summary Information” screen. **All** information blanks must be completed **including analyst name**. Use first **6** digits of farm number for Farm ID. If no acres are owned use “0”.
- ___ 3. **Run “preview” for final update to file.**
- ___ 4. E-mail the FinPack data file with no extension or the “.FPD” extension (File type “FINPACK Document”) file along with a completed FINAN checklist to fowlerb@missouri.edu Large files may need to be zipped (compressed) before sending. Please do not send an opened file, as I receive it locked and have to go through an unlocking procedure.

Notes and explanations concerning this FINAN: _____

