

2008 Missouri FINAN™ Checklist

Farm ID _____ - _____ - _____

Farm Name _____

Record Year _____

Instructor _____

WHOLE FARM ANALYSIS

Accuracy Checks

Cash Flow Check

- ___1. Cash flow includes farm and non-farm income & expense, and “family living expenses reported” is accurate
- - or - -
- ___2. Cash flow only includes farm income & expense, and “apparent money used for family purposes” resulting from the farm business is accurate
- ___3. 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 \$9.00/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. Farm and non-farm assets/liabilities are completed (except corporations/partnerships)

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. Livestock enterprises that are mixed or inaccurate have been turned off. (Done in the “Other Lvstk Information” screen “Delete from Summary”)
- ___ 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. Difference = quantity purchased. (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 costs) should approximate net farm income (exception - farms that incur “owner wages and benefits expense” instead of inputted VOLM).

Final Steps After Each Set of Corrections:

- ___ Run “preview” - otherwise the data file to be transferred will not be updated.
- ___ Make corrections to clear any FINAN warnings 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).
- ___ 2. Complete the “Summary Information” screen. All information blanks must be completed. 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 or mail the FinPack data file with no extension or the “.FPD” extension (File type “FINPACK Document”) file to the state FBMA office along with a completed FINAN checklist.

Notes and explanations concerning this FINAN: _____
