

TelFarm Newsletter

Volume 24, Issue 2

Fall 2024

Important Dates for Year-End

Submitting books for review:

If you are on Pc Mars or QuickBooks and would like your accounting records reviewed prior to receiving tentative reports, please submit a backup file to the TelFarm Center by Friday, November 1, 2024. Files received after this date will not be reviewed, they will only be printed, as is, for tentative tax documents. If you submit them for review and have resulting updates to your books, please re-send an updated copy of your books by Monday, November 11, 2024.



Early November:

Accounting backups and depreciation transactions (Form 3) are due in the TelFarm office on or before Monday, November 11, 2024 (must be in office by then, not

postmarked by) in order for you to receive:

- Tentative Tax Planning Package
- Depreciation Schedule

We will only print accounting reports for clients that have submitted books/records to us completed through September or later. All clients will still receive tentative depreciation schedules and tax planning handouts as long as your account is paid for 2024.

November 25:

Items mailed to clients:

- Tentative Tax Planning Packages and Depreciation Schedules
- 2025 Enrollment Contracts

December:

- Tax planning meetings by Farm Business Management Educators. Submit your changes in accounting and depreciation made during tax planning

meetings to TelFarm upon completion.

- Enrollments due by Monday, December 9, for 2025 year, if you need supplies to start off January 2025. (This is for those on the handwritten record system.)

January:

- Employers prepare W2s and give to employees and SSA by January 31, 2025 as well as Form 943 to the IRS.
- Furnish 1099s to recipients and 1099-MISC for employee compensation to the IRS by January 31, 2025.

February:

Tax Package Deadline - final 2024 records are due at the TelFarm office on or before Monday, February 10, 2025 in order for you to have some time to file and pay taxes by March 1, 2025 to the IRS.

TelFarm Users Group resumes with new approach

We are looking at a slightly new format for the users group this Winter. We have covered a lot of topics related to PcMars and how to record different kinds of transactions. We would like to shift the focus to other farm management areas and then relate it back to bookkeeping and how that influences these topics. An example would be succession planning and what role good record keeping plays in that process. We are still finalizing the content for each session. There will still be opportunities to ask questions specific to your farm in each session.

The group will be meeting via Zoom web conferencing, twice a month from Late November/Early December to April. All meetings are on Tuesdays. We will offer a daytime session on the second Tuesday of the month from 1-2pm and an evening session on the fourth Tuesday of the month from 6:30-7:30pm. All topics will be covered at one daytime and one evening session, it just may not be in the same month. We still plan to record the sessions, so if you can't join us live, but are interested, please get on the participant list.

Please contact the TelFarm office or

MSU Extension Educator Florencia Colella (colellaf@msu.edu or cell 231-224-6439) to get registered to receive the Zoom meeting link for these sessions. If you don't have fast enough internet to join the video conference, you can call into the meeting on your phone to hear the meeting and engage that way.

Look for some additional details from us in November. We are looking at the first evening session to take place on Tuesday, November 26 from 6:30-7:30pm and the first daytime session on Tuesday, December 10 from 1-2pm.

Michigan's new Earned Sick Time Act affects farm businesses

By: Corey Clark, MSUE Farm Business Management Educator

Beginning on February 21, 2025, the Earned Sick Time Act becomes active in Michigan. Under this law, employees accrue 1 hour of sick time for every 30 hours worked. This applies to all employees. Businesses with 10 or more employees must allow employees to take up to 72 hours of paid sick leave each year. Businesses with less than 10 employees must allow employees to take at least 40 hours of paid sick time but also an additional 32 hours of unpaid sick time.

Employees must be allowed to use sick time as soon as it is accrued, but an employer can require an initial 90 days of employment before allowing sick time use. Accrued sick leave must carry over from year to year, but employers are only required to allow at least 72 hours to be taken in a given year. Sick time is accrued at the same increment as time is recorded, at least hourly. Accrued leave

does not need to be paid out upon the end of employment. Current PTO programs can be utilized to meet these requirements as long as they allow these sick leave uses for the required hours.

The law provides a wide range of approved uses of sick leave. Time may be taken for the employee's physical or mental illness, as well as treatment and preventative medical care. Likewise, time can be taken for a family member's physical or mental illness, treatment, and preventative care. In addition, the employee may use time to attend to medical care or educational meetings regarding a child's health or disability. Additional provisions exist for closure of the employee's business due to an order by a public official, as well as issues around domestic violence. The employer cannot require that the employee find a replacement worker as a condition of using

earned sick time. More information can be found in the FAQ from the Michigan Wage and Hour Division.

An employer can require up to 7 days of advance notice for a foreseeable need for sick time. However, the only requirement for unforeseeable needs can be that the employee provide notice as soon as practicable. An employer can require documentation for uses of more than 3 days, but leave may not be withheld due to not receiving documentation. Employers must pay for the cost of any documentation that they require from the employee.

Employers must retain records of hours worked and earned sick time taken by employees for at least 3 years. Employers must post written notice of employee rights at hiring on or after February 21, 2025. The State of Michigan offers posters in both English and Spanish.

Fall-time farm management decisions and how Michigan State University Extension can help

By: Cheri Burk, MSUE Farm Business Management Educator

Fall is a great time of year to review your farm production and plan for next year. Especially in stressful or uncertain times, it's important to make good decisions. Michigan State University Extension has many resources available to help you make the most informed decisions or point you in the right direction on factors influencing those decisions. In this article, we will briefly discuss some of the questions farmers should be considering before the end of the production year.

Tax Planning

Even though the year isn't over yet,

now is the time to evaluate this year and plan for next. What is working well and what adjustments need to be made? Are you prepared to pay a large payment for taxes due? If income projection is low, can you postpone some expenses? Tel-Farm offers tax planning services by the Farm Business Management team. Be sure to read "Year-end tax planning is valuable for good years, bad years and everything in between" by MSU Extension's Corey Clark for insight ([https://](https://www.canr.msu.edu/news/year-end-)

www.canr.msu.edu/news/year-end-



[tax-planning-is-valuable-for-good-years-bad-years-and-everything-in-between](#)).

Farm Financial Analysis

If you are not doing an annual financial analysis, now is the time to consider it. This can give you and your lender information on your ability to grow or change your business and compare benchmarks for opportunities for improvement. A solid balance sheet including accurate inventories and asset details along with cash flow statements will give lenders a picture of your ability to finance debt.

Article continued on next page.

Fall-time farm management decisions, continued

Cost of Production

Are your production records reliable? Review prior cost of production and accuracy of production records. If not already known, calculate the cost of production and review your records. Run estimates for year-end results and know break even prices needed to cover input costs. A small difference in what you thought was produced versus what was sold and used or kept in storage should give more accurate results to compare.

Succession Planning

Are you at a point where you are thinking about the next generation taking over? It's never too soon to learn about how to prepare for transition and include younger generations in learning about farm management and your operations. See "Designing your farm succession plan for maximum success" at <https://www.canr.msu.edu/news/designing-your-farm-succession-plan-for-maximum-success> for some helpful information, no matter what stage you are at.

Farm Stress

Are you concerned about yourself, a family member, a friend or a neighbor? Farming, especially during tougher economic times, can be stressful dealing with the many un-

knowns and variables. Check in with your family and friends and reach out when help is needed. In-person discussions and healthy relationships are vital to mental health. MSU Extension has many resources and educators that can help identify and manage stress. They can be found at: <https://www.canr.msu.edu/managing-farm-stress/>

Other Things to Consider

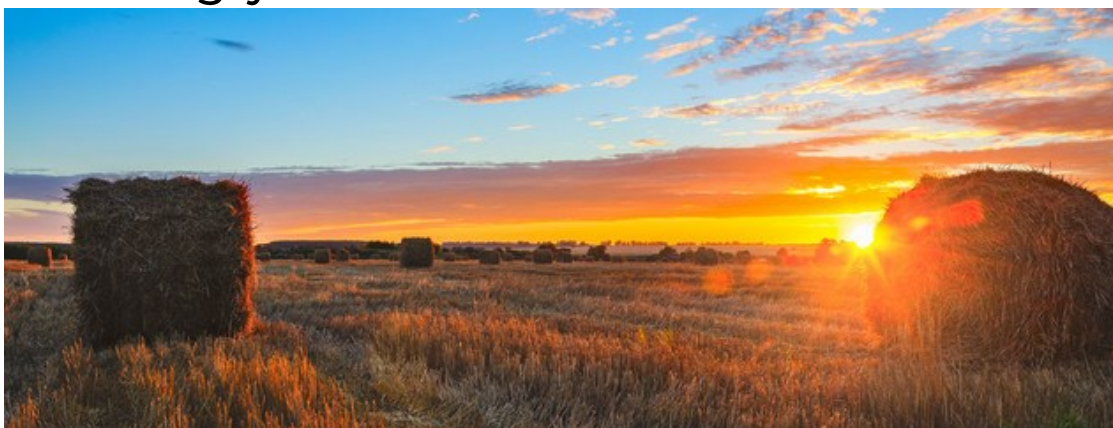
- Talk to your local Farm Service Agency and conservation districts office for government programs that may offset risk or grant funds for conservation programs such as planting cover crops.
- Vegetable growers may be able to adjust selling prices if needed. Do you know your input and production costs and prices of market competitors?
- Can you negotiate leases? If possible, convert to a rent based on yield or revenue with a smaller base payment. Flexible farm lease examples and much more leasing information is available on the MSU Extension Farm Management's Land Energy and Leasing Contracts page (<https://www.canr.msu.edu/farm-management/land-energy-leasing-contracts>). Learn more about financial planning and other

topics at your own pace and make sure to revisit topics for important updates. One example of a great course would be "Finding Financial Success in Uncertain Times," a free, self-paced, online course that covers topics such as record keeping, cost of production and integrating insurance programs into marketing strategies. The program can be found here: <https://www.canr.msu.edu/courses/financial-success-in-uncertain-times>

- Talk to an agronomist about seed, chemicals and fertilizers needs. There may be ways to cut expenses and reduce unnecessary inputs if your business forecast isn't looking great.

Many resources are available in addition to MSU Extension programs and websites, like lending institutions, agricultural vendors and United States Department of Agriculture resources to help with farm business decision making. Whether you prefer to read articles or attend webinars or classes, there are several options available to suit your needs. If you can't find what you are looking for, be sure to contact your local MSU Extension farm business management educator for help or to discuss new topics that would be beneficial.

Wishing you a safe harvest season this fall!



Corporate Transparency Act Update: Remember to Report by January 1, 2025

By: Chris Bardenhagen, MSUE Farm Business Management Educator

Most business are required to report beneficial ownership information by January 1, to avoid potential civil and criminal penalties. This includes single-member LLCs, multi-member LLCs, and all corporations. The Corporate Transparency Act (CTA) applies to any business that was created by a filing with the Secretary of State of similar office, including Michigan's Department of Licensing and Regulatory Affairs (LARA). Sole proprietorships (and husband/wife proprietorships) are the exception—they do not need to file because there is no separate business entity from the owner. However, if you have a

single-member LLC that is disregarded for tax purposes, you still must file due to having that entity. Reach out to your attorney if you have questions on whether you need to file.

Beneficial owners are those who have substantial control over decisions (such as the CEO) and those who own 25% or more of the business. The name, date of birth, address, and an ID document (driver's license, passport) must be filed on the FinCEN website at <https://boiefiling.fincen.gov/>.

There have been numerous legal challenges to the CTA, but so far none have succeeded in overturning this anti-money laundering law. Michigan business attorneys are encouraging business owners to make sure and file by January 1 at the latest.

For tips for filing and more information on the CTA, see this article: <https://www.canr.msu.edu/news/corporate-transparency-act-farm-and-ag-businesses-must-report-beginning-january-1-2024>, or contact Chris Bardenhagen, MSU Extension bardenh1@msu.edu.

No Farm Bill...What Does This Mean For MI Farms?

By: Jon LaPorte, MSUE Farm Business Management Educator

Congress was unable to come to a resolution that either extended or replaced the 2018 Farm Bill by this year's September 30 deadline. Not having a Farm Bill impacts each farm differently depending on the programs they are involved in.

- Some programs will continue to operate because they are considered permanent law. Crop insurance and nutrition programs are among those that will still function but without potential enhancements often included in Farm Bill legislation.

- Other programs, such as the Conservation Reserve Program (CRP), had to cease all or partial operations immediately because they are authorized through the same legislation. Existing enrollments may continue to receive scheduled payments or services based on contracted agreements.
- Any expected commodity program payments for 2024 should be unaffected by the lack of a current Farm Bill since it was included as part of last year's Farm Bill extension.

- Until either another extension of the 2018 Farm Bill or its replacement is passed by Congress, there are no authorized commodity programs for the 2025 production season.

Speak with your local USDA service center to determine if any potential payment delays are expected. If there are delays and program payments normally influence your farm's end of year tax planning, be sure to account for those dollars when weighing input or sales decisions.

MSU is officially closed on these days:

Thanksgiving —

November 28 & 29

Year End Break —

December 24-January 1

MLK Day—

January 20

**Current
PcMars
Software
Version
is 3.0.6.2**

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