

# TelFarm Newsletter

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Summer 2021

## TelFarm Participation Awards

Congratulations to the following farms for reaching these milestones last year and thank you for working with us!



50 Years—

- Rodney Williams—Fife Lake
- Jernstadt Dairy—Big Rapids

25 Years—

- Wahmhoff Farms—Gobles (Dan & Ken, the Wahmhoff Farm, including their father, Carl Jr., completed 50 years in 2014)
- Schipper Farms—Martin

## Participant Feedback on TelFarm Program

The MSU TelFarm program is designed to help provide support and services that are customized to meet the needs of your farm business. From time to time, we need feedback from our participants to ensure that those needs are being met. Towards the end of July/early August, a survey will be sent to all TelFarm participants asking for your input on key service areas of the program: record-keeping support, year-end tax planning, and financial analysis of the farm business.

One of the main areas we wish to have feedback on is participation

in services offered through the program. Many TelFarm users do not participate in all of the services offered, even though they are available as part of the main enrollment fee. The survey will be asking questions designed to help us better understand participation, or lack thereof, in each service area.

For those that do participate in a service area, we want to better understand the value you find in these services and what improvements we can make to further benefit your business. For those that currently do not participate, we want to gain a better under-

stand of why that is the case. We want to ensure that each TelFarm participant gets the most out of their enrollment and that our services are beneficial to the farm business.

Participating in this survey will also help a member of our MSU Extension team. Jon LaPorte is working on his thesis for a master's degree in Agribusiness Management through Kansas State University. The evaluation and improvement of the TelFarm program is the basis of his thesis project and your participation will help him towards completion of the degree.

## QuickBooks Project Update

We announced last year that TelFarm would now support both PcMars and QuickBooks Desktop as part of our program. We currently have eight farms as part of this pilot project. Five of them are former PcMars users. The others are new to TelFarm and were on another system or already used QuickBooks.

The goal of the project is to offer services and solid accounting practices to existing QuickBooks users and other software users. We are not looking to switch farms from PcMars to QuickBooks.

We plan to develop a manual of how to use QuickBooks for farmers and have a system in place that

can be replicated.

Once the QuickBooks portion is complete, future goals include offering services for QuickBooks online users and developing a comprehensive how-to manual for PcMars.

## The Value of Reconciled Books

### Do you currently reconcile your bank statements to your farm accounting books?

We all know this can be a tedious task, but is it worth it? The answer is DEFINITELY and in the long run it will save time.

The biggest benefits are confidence and control of your records by:

- Providing accurate income and expense information for tax planning and filing



- Improving efficiency and accuracy for year end financial analysis
- Making sure your running balance in PcMars is useful

Common mistakes that are caught in the reconciling process:

- Make sure you haven't missed any checks or deposits
- Make sure you haven't transposed numbers
- Catch any fraudulent transactions

PcMars provides a simple process to reconcile both bank accounts and loan accounts in their reconcile feature. If you've never used this feature before and need help learning how to complete the process, contact your MSUE Farm Business Management Educator or the TelFarm office. We would be happy to teach you how to use it.

## Common Pitfalls in Farm Business Analysis

Farm business analysis is critical for understanding your business and for our confidential research database. Of course, we want your information to be as accurate as possible for more meaningful analysis. The most common areas for improvement include:

- Cash discrepancies due to unreconciled cash accounts
- Production quantities, including acreage, crop sales, livestock sales
- Accurate loan balances and interest allocations
- Correctly and completely entered capital purchases and sales
- Incomplete accounts payable and accounts receivable records
- Accurate breakdown of expenses by category

Effective communication between the record keeper, producer and the MSUE Farm Business Management Educator is key to our goal of facilitating useful records and analysis to improve your business success.

## PcMars Users Group

This past fall, Stan Moore, MSUE Farm Business Management Educator in Northern Michigan, started a TelFarm PcMars Users Group Zoom Meeting. He extended the invitation to join to anyone in TelFarm using PcMars. We held monthly zoom meetings from October to March. Cooperators had a

chance to learn about current issues related to finance, taxes, depreciation, government programs as well as how to do specific tasks and transactions in PcMars. We plan to continue these meetings again in the fall. It's a great opportunity to get to know TelFarm staff, other TelFarm Cooperators, MSUE

Farm Business Management Educators and to learn more about the program. If you would like to be included in this group, please contact the TelFarm office or your MSUE Farm Business Management Educator.

# Legacy of the Land Program Supports Farmers

Stan Moore, MSU Extension

## Could your farm benefit from some additional supports?

Every day, U.S. farmers take meticulous care of their animals and crops, ensuring they are healthy and safe. Taking care of crops and animals is hard on farmers and caring for your own health and wellness in this high-stress profession is often overlooked but is just as critical as caring for your farm. This stress can become especially intense when an on-farm injury occurs, commodity prices are low or, uncontrollable circumstances decrease yield. Whether these stresses come from a financial issue or the stresses of everyday farm



life, MSU Extension can help. If you're concerned about yourself, a family member, a friend or a neighbor, MSU Extension has a suite of resources that can benefit you and your farm operation.

Through the MDARD/FRSAN Legacy of the Land grants, MSU Extension can help you navigate stress and challenges to make sound decisions for your farm.

Key Offerings:

**Farm Financial Analysis:** Through these grants we are able to provide a limited number of subsidized enrollments in the Michigan State University's TelFarm program. The TelFarm program provides accounting and financial analysis support to farmers across the state of Michigan. We help take your farm records to the next level. This program provides assistance in bookkeeping in both PCMars and QuickBooks Desktop, as well as farm fi-

nancial analysis and yearly check-in service including tax planning strategies. Visit: [https://www.canr.msu.edu/farm\\_management/](https://www.canr.msu.edu/farm_management/). If you are a farmer currently enrolled in TelFarm you may be eligible to take advantage of this subsidized enrollment. Talk to your local Farm Management Educator about opportunities available to help farmers that are experiencing financial stressors that make it difficult for them to cover the current annual enrollment cost.

**Teletherapy:** Michigan State University Extension has partnered with Pine Rest Mental Health Services to better support farmers, farm families and workers in the commercial fishery industry who are experiencing stress and mental health concerns. Through this teletherapy pilot program, farmers and commercial fishers are connected to online counseling services with therapists who have an understanding of the agricultural community and farming. Financial assistance is available on a first-come-first-served basis. For more information click the [teletherapy](#) link or visit the [farm stress](#) website. Visit: [https://www.canr.msu.edu/managing\\_farm\\_stress/teletherapy-program](https://www.canr.msu.edu/managing_farm_stress/teletherapy-program)

**Business Management Strategies:** MSU Extension's team of Farm Business Management educators perform yearly farm financial analysis and check-ins, and they also work with farms to better understand their business and in analyzing business management strategies. Visit: [https://www.canr.msu.edu/farm\\_management/](https://www.canr.msu.edu/farm_management/)

**Farm Stress Resources:** Taking care of crops and animals is hard on farmers and agribusiness professionals. Caring for your own health and wellness in this high-stress profession is often overlooked but is just as critical as caring for your farm business. For more information on available resources, upcoming trainings, and opportunities to connect, visit the [farm stress](#) website. Visit: [https://www.canr.msu.edu/managing\\_farm\\_stress/index](https://www.canr.msu.edu/managing_farm_stress/index)

**Mental Health First Aid:** Mental Health First Aid is evidence-based training that teaches participants how to recognize the signs and symptoms of a mental health crisis and help someone who may be experiencing one. Grounded in messages of hope and recovery, this program helps break down the misinformation surrounding mental health and helps trainees understand how they can play a role in the "first response" to mental health issues. Visit: <https://www.canr.msu.edu/mental-health-first-aid/>

**To have an MSU Extension educator contact you about these opportunities, please fill out this brief survey**  
Visit: [https://msu.co1.qualtrics.com/iframe/SV\\_265TxiuNijAKwnP](https://msu.co1.qualtrics.com/iframe/SV_265TxiuNijAKwnP)

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# PPP, ERC and Covid Financial Assistance Programs

## First and Second Draw PPP loans

The Paycheck Protection Program (PPP) ended on May 31, 2021. Existing borrowers may be eligible for forgiveness.

## PPP Loan Forgiveness

First and Second Draw PPP loans made to eligible borrowers qualify for full loan forgiveness if all of the program requirements have been fulfilled in the 8-24 week covered period following loan disbursement. Remember to contact your lender after you fulfilled the PPP loan requirements to get your loan forgiven. For forgiveness you will need to request the proper forms, and submit the forgiveness form and documentation as instructed by your lender. If you do not complete the forgiveness process, you will have to pay back the PPP loan as the loan terms indicate. For more information go to [www.sba.gov](http://www.sba.gov).

## EIDL Loans

Although agricultural businesses are not eligible for the \$10,000 forgivable Targeted-EIDL loan unless

residing in a qualified targeted low-income area, they can still receive EIDL loans at 3.75% and 30-year maturity if showing a 25% reduction in quarterly 2020 gross receipts when compared to 2019. Maximum loan amount is \$500,000. SBA also offers additional information at [www.sba.gov/funding-programs/loans/covid-19-relief-options](http://www.sba.gov/funding-programs/loans/covid-19-relief-options).

## Employee Retention Credit Extended to 2021

If you have a 20% drop in gross receipts in 2021 versus the same quarter in 2019, you may be eligible for the refundable employee tax credit.

The credit is limited to 70% of employee wages and a maximum of \$10,000 wages per employee per quarter. The potential refundable tax credit is \$28,000 per employee for the 2021 year. Strategic planning of cash sales is allowed to qualify for the credit. When eligible for one quarter you are also eligible for the succeeding quarter.

automatically. The tax credit is taken on Form 943 so see your tax accountant if you think you might qualify. Employee wages can be used for the PPP loan forgiveness or the ERC credit, but not both.

## New Child Tax Credit Advance Payments

The American Rescue Plan passed in March increased the child tax credit to \$3,600 for under children under 5 and to \$3,000 for children between 6 and 17 years of age.


Half of the credit will be paid in the form of advance monthly payments starting in July. You will need to know

how much advance payment you received when you file your 2021 tax return in 2022 so be sure to track the monthly payments received to reduce confusion and potential errors. Opting out of receiving advance payments is quite a complex process and not recommended.



## Updating PcMars 3.0



As more users have updated to PcMars 3.0, there are a lot of questions surrounding minor updates. To find out if your software is up to the most current version (currently 3.0.5.3) you can click on the globe icon  at the top of the screen (to the right of the ? icon). If you are not up to date, you can click on download update. This does not automatically install it on your

computer. The program has either put the file in your downloads folder or on your desktop. Look on your desktop for this icon.



Once you locate it (or the file in your downloads folder) you double click on it to begin the install process. The same icon will be used each time you download an update.

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