

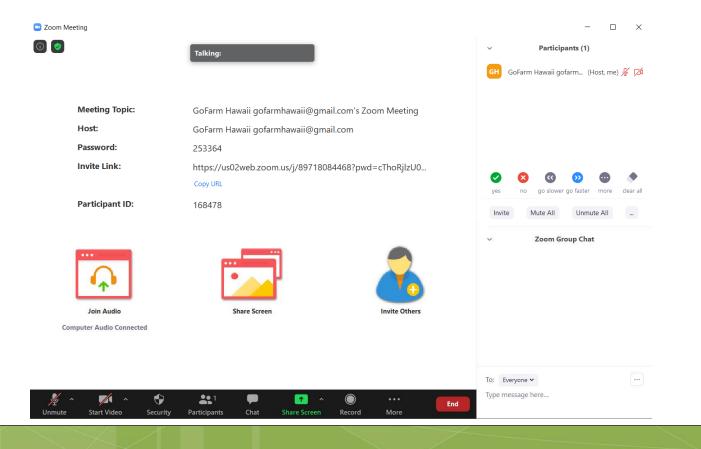
Financial and Production Recordkeeping



## Using Zoom

# Zoom

- Select the Participants Button change your name
- Please Mute yourself during the presentation
- Select Chat to get the Chat Box type your questions there
- We will be recording the session



## Reminders

## Resources

• Website

• <u>https://gofarmhawaii.org/2020-molokai-</u> lanai-business-training/

• Workbook Reference:

 <u>https://gofarmhawaii.org/wp-</u> <u>content/uploads/2020/06/GFH-Business-Training-</u> <u>Workbook.pdf</u>

## Agenda

# What are we discussing today?

- Recordkeeping Basics
- Class presentations
- Next Steps
  - 1. Email homework assignments to Erikms@Hawaii.edu
  - Schedule follow up meeting with GoFarm AgBusiness
     Team

Why Keeping Accurate Financial and Production Records is Important

- You need to be able to prepare accurate financial projections for grants, loans, leases and to manage your business
- Allows you to monitor progress of your business and identify areas to make improvements
- To be useful your records need to be accurate and timely.

Two of the most common reasons businesses fail:

- 1. Not knowing and managing cash flows.
- 2. Not asking enough for its products and services.
  - Keeping accurate records allows you to make sure your pricing covers your cost of production.

## Financial Information to Track

• <u>Revenues</u>. For each sale:

- Date of the sale
- Name of the buyer, if store; general description if CSA/farmers' market/unknown (ex. Juicy Brew, FarmLink, CSA customer, farmers market customers)
- What was sold (ex. 5 pounds of Kale; CSA bag, various produce, etc.)
- Amount of revenues (revenues can be aggregated for farmers' market sales)
- Type of sale (wholesale or retail)

				Trans Type	
Customer/venue	Date	Description	Sales Amount	WS/Ret	<b>GET Collected</b>
Farmers Market X	2/21/2019	Sales of various produce (50 lbs total)	\$125	Retail	No
Restaurant X	2/27/2019	Lettuce Mix (20 lbs)	\$40	WS	No
Grocery Store X	2/27/2019	Sales of various produce (50 lbs Lettuce mix, 20 lbs Kale)	\$70	WS	No

## Financial Information to Track

#### Business Expenses

- Date of Expense
- Vendors: who did you buy things from
- Expense: description of expense; expense type (see categories of Expenses on Schedule F); and how much did it cost

Date	Payee	Amount	Expense Category	Description
10/5/2018	Home Depot	26	Gas, fuel, oil	X cans of oil for equipment
10/23/2018	johnnys seeds	29	Seeds and plants	X packets of lettuce seeds
10/30/2018	texaco	24.99	Gas, fuel, oil	X gallons of gas for truck

## Spreadsheet-Based Financial Tracking

				Trans Type	
Customer/venue	Date	Description	Sales Amount	WS/Ret	<b>GET</b> Collected
Farmers Market X	2/21/2019	Sales of various produce (50 lbs total)	\$125	Retail	No
Restaurant X	2/27/2019	Lettuce Mix (20 lbs)	\$40	WS	No
Grocery Store X	2/27/2019	Sales of various produce (50 lbs Lettuce mix, 20 lbs Kale)	\$70	WS	No

 Reporting/analysis limited by the amount of information entered. In the above example you can filter by customer to see total sales to a specific customer for the year but you can't see total sales of "Lettuce Mix" unless you enter a separate line item for the volume sold of each type of produce.

## Manual-Based Financial Tracking

Sales Receipt Book

- Contains receipts each with a unique number and carbon copy duplicates for filing
- Used for evidence of sales & capturing information for Monthly Income Record

• Give the original copy to the customer



## Manual-Based Financial Tracking

Business Checking Account Register

 Records all transactions (checks written, ATM withdrawals, deposits, etc.) and maintains bank balance

Expense Filing Folder

- Durable 12-pocket accordion folder with each pocket labeled with the months of the year
- Used to track business expenses
- Capture information for Monthly Expense Record
- Place all receipts into corresponding month pocket

# Software-Based Financial TrackingOuickbooks Online Dashboard

ntutickbooks	≡	Your trial ends in 9 days Subscribe now	<b>⊕ &lt;</b> ∰ ⑦
Dashboard	Gaffer Gardening & Supp	ly	Resume setup PRIVACY
Banking			
Sales	Invoices	Expenses Last month <b>T</b>	Bank accounts
Expenses	\$80.00 UNPAID         LAST 365 DAYS           \$0.00         \$80.00           OVERDUE         NOT DUE YET	\$0 LAST MONTH	Bank account Bank balance \$0 In QuickBooks \$0
Employees	OVERDUE NOT DUE YET		Bank account Bank belance \$0 In QuickBooks \$0
Reports	\$0.00 PAID LAST 30 DAYS	■ \$0	
Taxes	\$0.00 \$0.00 NOT DEPOSITED DEPOSITED	<b>\$</b> 0 <b>\$</b> 0	
Accounting			Connect accounts
My Accountant			
Apps	Profit and Loss Last month <b>v</b>	Sales Last month <b>▼</b>	Tips
Get Paid Faster	\$80 NET INCOME FOR SEPTEMBER	\$80 LAST MONTH \$81	FUNDBOX
	\$80 INCOME	\$54	Fast track your funds
	\$0 EXPENSES	\$27	Don't wait to get paid. Get an advance on your open invoices.
			Get started with Fundbox
			See all activity

## Field/Production Records to Track

- 1. Planting dates; volumes
- 2. Harvest dates; actual amount harvested and range of harvest (how much and how long did you harvest from that area)
- 3. Labor hours (by activity, crop, etc.)
- 4. Dates and amount of inputs used (fertilizers; amendments; etc.)
- 5. For food safety awareness:
  - Document pest/disease/rodent/animal activity observed on crop and action taken (including frequency/quantity of any spray used).

#### Spreadsheet-Based Production Planning

- 1. Use a spreadsheet to document activities and labor hours
- 2. Inputs used (fertilizers; pesticides; amendments; etc.) and costs
- 3. Harvest dates and quantities

	Week 1	Week	2 We	ek 3	Week 4	Week 5		Week 6	Week 7		Week 8	Week 9	
Crop	Salad Mix	Salad Mix	Salad Mix	Sal	lad Mix	Salad Mix	Salad	Mix	Salad Mix	Salad	d Mix	Salad Mix	
Bed Feet Used		100	100	100	10	00	100	100		100	100		10
Row Feet		300	300	300	30	00	300	300		300	300		300
			Direct Se	ed We	eeding/Mainte	n Weeding/Mai	nten Wee	ding/Mainten					
Activity	Bed Prep	Bed Prep	Planting	an	ce/Water	ance/Water	ance	/Water	Harvest	Harv	rest	Harvest	
Labor Hours		2	1	1		2	0.5	0.5		4	4		4
	1 Packet Salad N Seeds, 100 feet												
	irrigation line, S		,	2 -		2			<b>05</b>	25.1		25 . I	
	pounds of soil	25 pounds o	ſ		ounces foliar	2 ounces folia			25 plastic bag		-	25 plastic bags and ties	5
	and a second second second	Constitution of the						nutrient and					
Input and Usage	amendments	fertilizer		nu	trient	nutrient	nutri	ent	and ties	and		and des	21
Input and Usage Harvest Yield	amendments	fertilizer		nu	trient	nutrient	nutri	ent	and ties	25	25		25
			Week 2							25	25		
Harvest Yield	Week 1	Week 2	Week 3	Weel	k 4 V	Veek 5	Week 6	Week 7	We	25 ek 8	25 Week 9	Week 10	
Harvest Yield Crop	Week 1 Bush Beans	Week 2 Bush Beans	Bush Beans	Weel Bush Beans	k 4 V Bush Be	Veek 5 ans Bush	Week 6 Beans	Week 7 Bush Beans	We Bush Bean	25 ek 8 s B	25 Week 9 Bush Beans	Week 10 Bush Beans	
Harvest Yield Crop Bed Feet Used	Week 1 Bush Beans 100	Week 2 Bush Beans 10	Bush Beans	Weel Bush Beans	k 4 V Bush Be 100	Veek 5 Pans Bush 100	Week 6 Beans	Week 7 Bush Beans	We Bush Bean	25 ek 8 s B 100	25 Week 9 Bush Beans	Week 10 Bush Beans 0	100
Harvest Yield Crop Bed Feet Used Row Feet	Week 1 Bush Beans 100 200	Week 2 Bush Beans 10 20	Bush Beans 0	Weel Bush Beans 100 200	k 4 V Bush Be 100 200	Veek 5 ans Bush 100 200	Week 6 Beans 10 20	Week 7 Bush Beans	Bush Bean 100 200	25 ek 8 s B 100 200	Week 9 Bush Beans 10 20	Week 10 Bush Beans 0	100
Harvest Yield Crop Bed Feet Used Row Feet	Week 1 Bush Beans 100 200	Week 2 Bush Beans 10	Bush Beans 0	Weel Bush Beans 100 200	k 4 V Bush Be 100 200	Veek 5 Pans Bush 100	Week 6 Beans 10 20	Week 7 Bush Beans	Bush Bean 100 200	25 ek 8 s B 100 200	25 Week 9 Bush Beans	Week 10 Bush Beans 0	
Harvest Yield Crop Bed Feet Used Row Feet Activity	Week 1 Bush Beans 100 200	Week 2 Bush Beans 10 20 bed Prep	Bush Beans 0 0 Direct Seed Plan	Weel Bush Beans 100 200	k 4 V Bush Be 100 200	Veek 5 ans Bush 100 200	Week 6 Beans 10 20 ling/Mainter	Week 7 Bush Beans	Bush Bean 100 200	25 ek 8 s B 100 200	Week 9 Bush Beans 10 20	Week 10 Bush Beans 0	100
Harvest Yield Crop Bed Feet Used Row Feet Activity	Week 1 Bush Beans 100 200 bed Prep	Week 2 Bush Beans 10 20 bed Prep	Bush Beans 0 0 Direct Seed Plan	Weel Bush Beans 100 200	k 4 V Bush Be 100 200 Maintena weedir	Veek 5 eans Bush 100 200 rg/Maintena weed	Week 6 Beans 10 20 ling/Mainter	Week 7 Bush Beans 20 20 20 na weeding/Mai	Bush Bean 100 200 ntena harvest	25 ek 8 100 200 h 1	Week 9 Bush Beans 10 20	Week 10 Bush Beans 0	100 200
	Week 1 Bush Beans 100 200 bed Prep	Week 2 Bush Beans 10 20 bed Prep 0.	Bush Beans 0 0 Direct Seed Plan	Weel Bush Beans 100 200	k 4 V Bush Be 100 200 Maintena weedir 0.5	Veek 5 eans Bush 100 200 rg/Maintena weed	Week 6 Beans 10 20 ling/Mainter	Week 7 Bush Beans 20 20 20 aa weeding/Mai .5	Bush Bean 100 200 ntena 0.5	25 sk 8 100 200 h 1 bags 5	Week 9 Bush Beans 10 20 narvest	Week 10 Bush Beans 0 0 harvest 1	100 200

#### Manual Production Recordkeeping

 Track your daily inputs and activities on a field activity record (i.e. equip used and hrs; labor hrs by activity – planting, weeding, harvesting, etc.; fertilizer used; pesticides / chemicals used; etc.)

FIELD ACTIVITY RECORD

Field Name:	
Field Area:	

Date	Activity	Equip Used & Hrs	Labor Hrs & Activity	Water Used	Fertilizer Used	Chem/Pest Used	Comments
				-			

#### Software-Based Production Tracking -Tend Smart Farm

Crop Plan												8 Farmer	*
Crop List \$0.00 Total Expenses 2017									\$321,540	Est. Revenue	Revenue &	Space Graphs	۷
Add Plantings +	View The D								< >	2017	Timegraph is on	- 0	-
Sort: Crop Name	<ul> <li>Jan Feb Mar Apr May Jun Jul Aug</li> </ul>	Sep Oct	Nov	Dec	Location	Planting and,	Field plant/sow	DTM	Eist havest	Last harvest	Est, Vield	Avg. Yield Rate	
Broccoli     PLANTING LO     Imper     A Block, B					Field 3	6,570 bed ft.	9/26	65 days	11/29	1/3/2017	0	0	
Imper 12/5	50W TRANSFLANT DTM AVAILABLE 12/13 65 days 2/16/2017-3/23/2017 8 days 101 K				Field 4	4,263 bed ft.	10/3	71 days	12/12	1/16/2017	0	0	
Gypsy	12/13-45 2				A Block	403 bed ft.	12/13	65 days	2/16/2017	3/23/2017	0	0	
Blue Wind	1/7/2017 - 49				Unspecified	0	1/7/2017	49 days	2/25/2017	4/2/2017	0	0	
Blue Wind	1/20/2017 / 40				Unspecified	0	1/28/2017	49 days	3/19/2017	4/23/2017	0	0	
Green Magic	3/15/2017 - 45 /2/14				Field 1	4,747 bed ft.	3/15/2017	65 days	5/19/2017	6/23/2017	0	0	
Belstar	3/3/2017 4/2/3017 - 76 0TM				Unspecified	300 bed ft.	4/2/2017	70 days	6/11/2017	7/16/2017	0	0	
Belstar	3/17/2017 4/14/2017 - 20 0114				Unspecified	300 bed ft.	4/16/2017	70 days	6/25/2017	7/30/2017	0	0	
Belstar	2/31/2017 C 4/35/3017 - 70 01M				Unspecified	300 bed ft.	4/30/2017	70 days	7/9/2017	8/13/2017	0	0	
Belstar	4/14/2017 E 5/14/2017 - 30 DTM				Unspecified	300 bed ft.	5/14/2017	70 days	7/23/2017	8/27/2017	0	0	
- Brussels Sprouts 0 bed	10% of 228.029)   \$0 10% of \$317,940) Eliter												
Generic Variety	L/19/2017 - 110 DTM				Unspecified	0	1/19/2017	110 days	5/9/2017	6/6/2017	0	0.60 lb/bed .	
Generic Variety	2/2/2017 132 OFM				Unspecified	0	2/2/2017	110 days	5/23/2017	6/20/2017	0	0.60 lb/bed	
Generic Variety	017 C 2/14/2017 - 118 0714				Unspecified	0	2/16/2017	110 days	6/6/2017	7/4/2017	0	0.60 lb/bed	
Generic Variety	/30/2017 C 1/2/2011 - 110 01/4				Unspecified	0	3/2/2017	110 days	6/20/2017	7/18/2017	0	0.60 lb/	1

#### General Recordkeeping

In addition to financial and production records, you should keep the following records on file and easy to locate:

Farm Info – including a farm map, field inventory record, important contact information, insurance policies, lease/rent agreements, historical tax returns, bank statements

Activity Logs - equip maintenance logs, daily activity records

# Common Pitfalls

- Procrastinating Not inputting information in a timely manner
- Not documenting adequate descriptions
- Waiting for exact numbers for projections
- Not recording your own labor

#### Conclusion

## Questions?

#### Our supporters and partners



This work is supported by the USDA National Institute of Food and Agriculture, ANNH (USDA-NIFA 2017-38426-27152) and BFRDP (USDA-NIFA 2017-70017-26955).