



QUICKBOOKS FOR FARMERS PART II

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DISCLAIMERS

- The examples shown are for QB Desktop for PC
 - The interface for the on-line version and MAC are different
 - The on-line version is not quite as robust
 - The functions are the same, where you find them and how they look will be different
- The numbers in this presentation are **fictitious** and used for **illustrative purposes only**.
- As you set up your own QuickBooks files, you will need to adjustments based on your own business and growth needs.



AGENDA

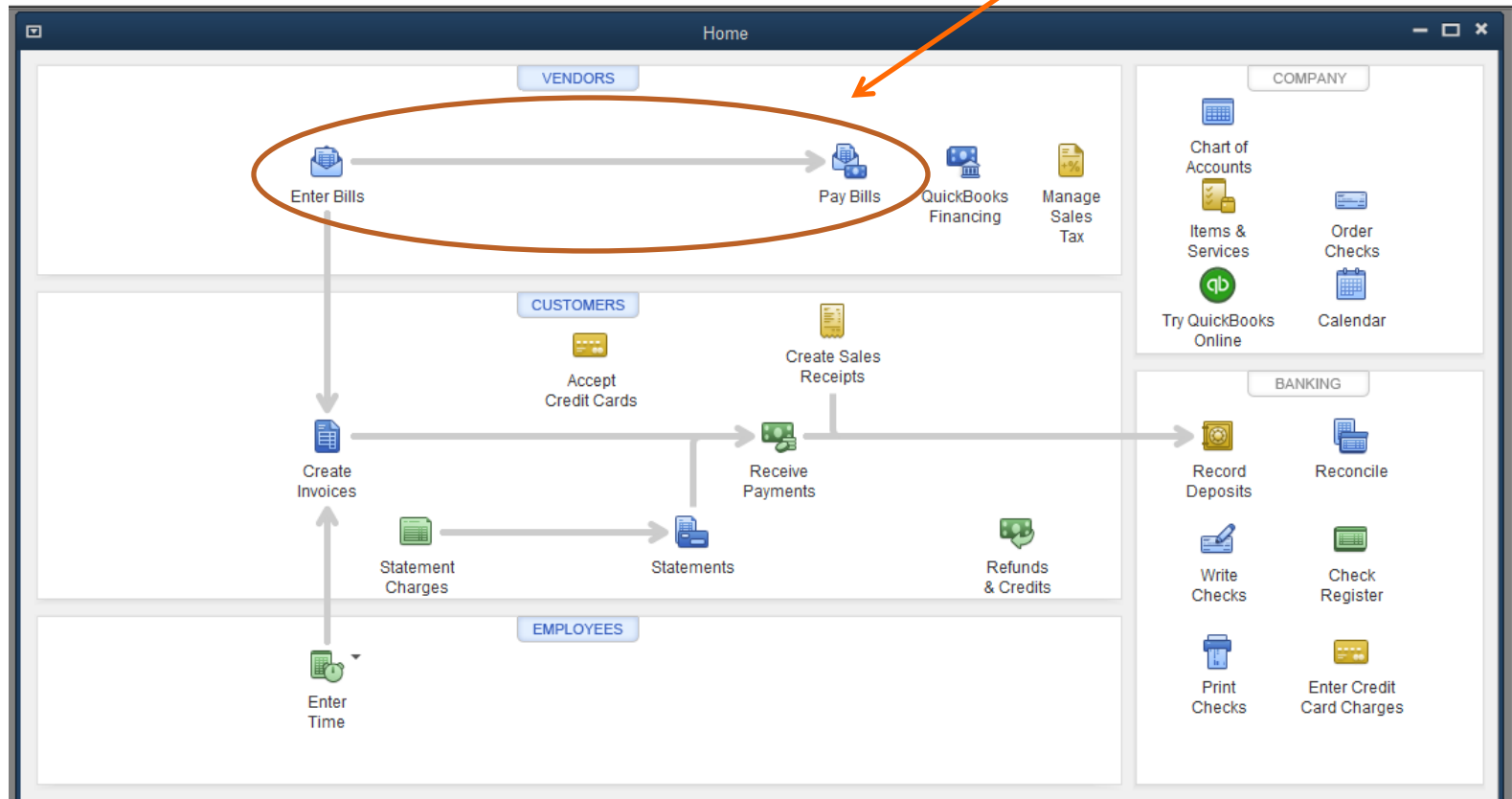
- Review of Part I
- Tracking Bills and Managing Cash Flow
 - Review How to Enter and Pay Bills
 - Review A/P Aging Report
- Using Classes and Customer: Jobs
 - Preference: Make sure to turn on “classes”
 - When to use classes
 - Review how to write checks and record revenue
- General Journal Entries
- Inventory Tracking



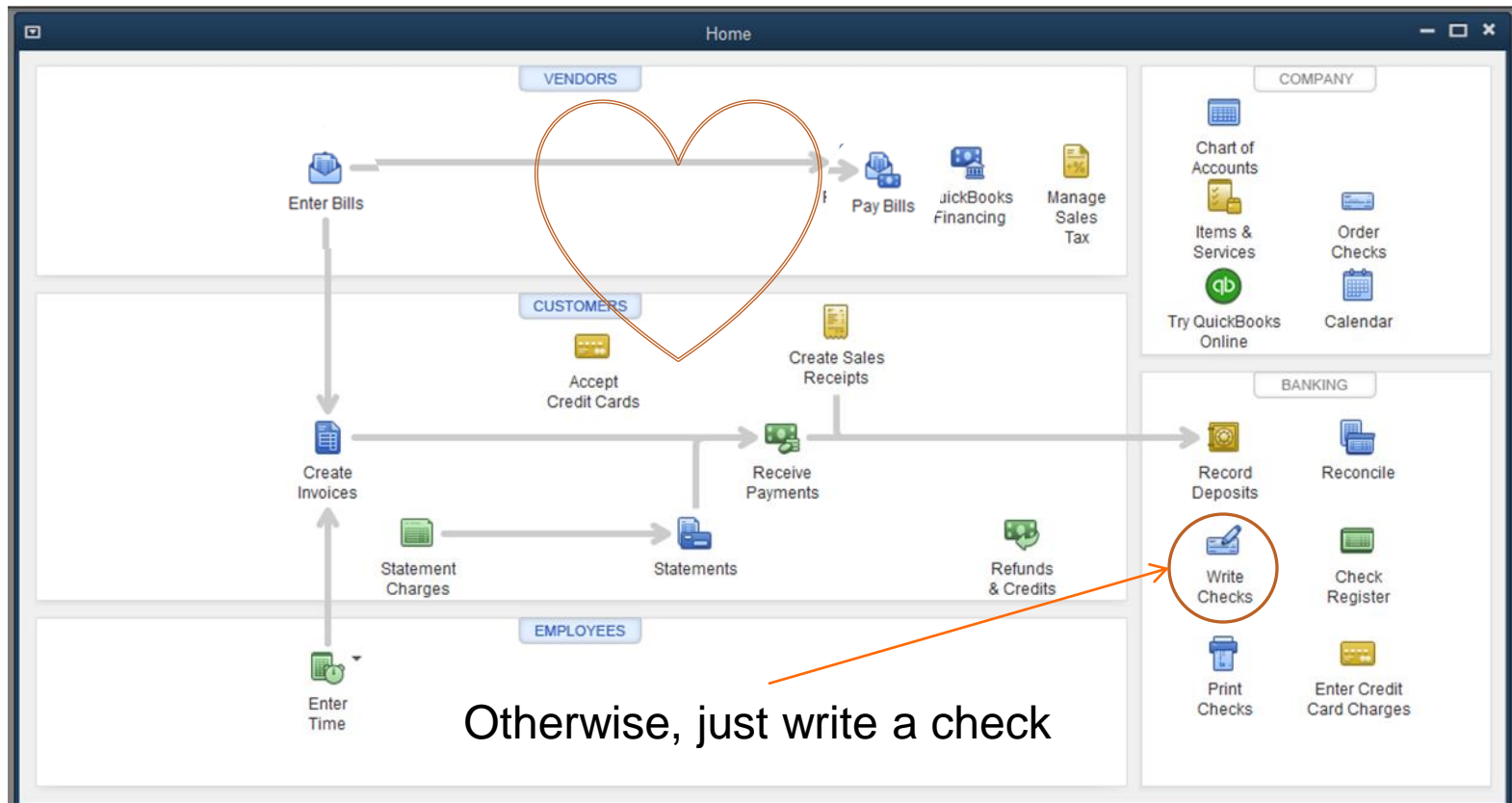
ORGANIZING BILLS



ENTERING AND PAYING BILLS



IF YOU ENTER A BILL/YOU PAY A BILL



VIEW A/P AGING REPORT

The screenshot displays the QuickBooks desktop interface. The top menu bar includes 'File', 'Edit', 'View', 'Lists', 'Favorites', 'Company', 'Customers', 'Vendors', 'Employees', 'Banking', 'Reports', 'Window', and 'Help'. The 'Reports' menu is open, showing a list of report categories. The 'Vendors & Payables' category is highlighted in green, and its sub-menu is also open, with 'A/P Aging Summary' selected. The main workspace shows a central area with icons for 'Enter Bills', 'Create Invoices', and 'Enter Time', along with buttons for 'VENDORS', 'CUSTOMERS', and 'EMPLOYEES'. A search bar is located at the top left, and a sidebar on the left contains 'My Shortcuts' and 'Do More With QuickBooks' sections.

File Edit View Lists Favorites Company Customers Vendors Employees Banking **Reports** Window Help

Search Company or Help

My Shortcuts

- Home
- My Company
- Income Tracker
- Calendar
- Snapshots
- Customers
- Vendors
- Employees

Do More With QuickBooks

- Turn on Payroll
- Accept Credit Cards
- Order Checks & Supplies

VENDORS

Enter Bills

CUSTOMERS

Accept Credit Cards

Create Invoices

Statement Charges

Statement Charges

EMPLOYEES

Enter Time

Report Center

- Memorized Reports
- Company Snapshot
- Process Multiple Reports
- Company & Financial
- Customers & Receivables
- Sales
- Jobs, Time & Mileage
- Vendors & Payables**
- Banking
- Accountant & Taxes
- Budgets
- List
- Contributed Reports
- Advanced Reports
- Custom Reports
- QuickReport
- Transaction History
- Transaction Journal

Manage Sales Tax

Chart of Accounts

Items & Order

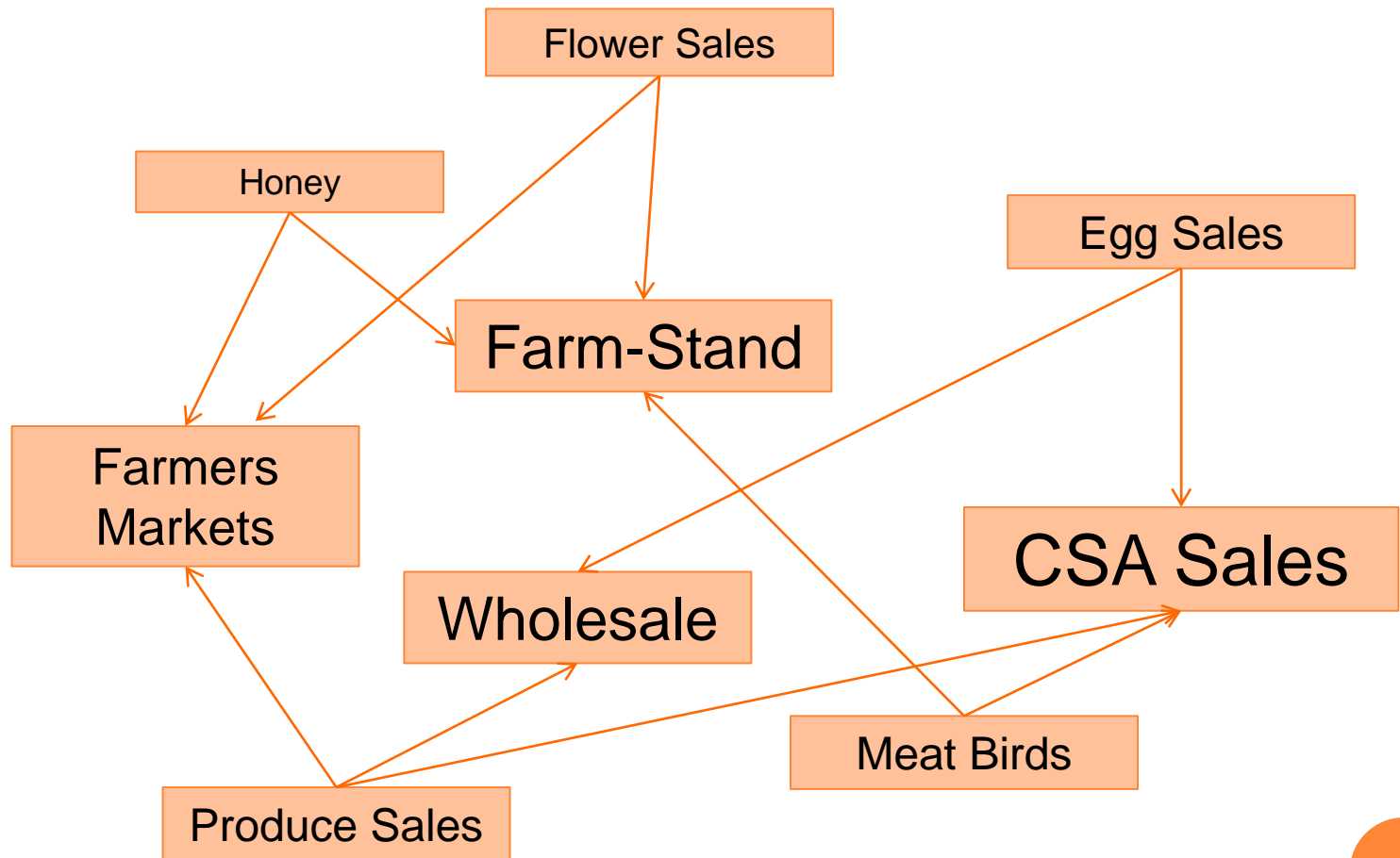
A/P Aging Summary

- A/P Aging Detail
- Vendor Balance Summary
- Vendor Balance Detail
- Unpaid Bills Detail
- Accounts Payable Graph
- Transaction List by Vendor
- 1099 Summary
- 1099 Detail
- Sales Tax Liability
- Sales Tax Revenue Summary
- Vendor Phone List
- Vendor Contact List

Print Checks

Enter Credit Card Charges

CLASSES, CUSTOMERS AND JOBS



WHY USES CLASSES AND CUSTOMERS?

- To separate revenue and expenses by different products and by different sales channel
- To understand the profitability of different products and different sales channels

Sales Channel: Where you sell your products such as at a farmers' market or through a CSA

Products: What you sell such as produce, flowers or eggs.



CREATING YOUR CHART OF ACCOUNTS

REVENUES

- Sales Channels
 - Farmers Markets
 - Farm Stand
 - Co-Op
 - CSA
 - Wholesale

OR

- Products
 - Beef
 - Dairy
 - Vegetables

EXPENSES

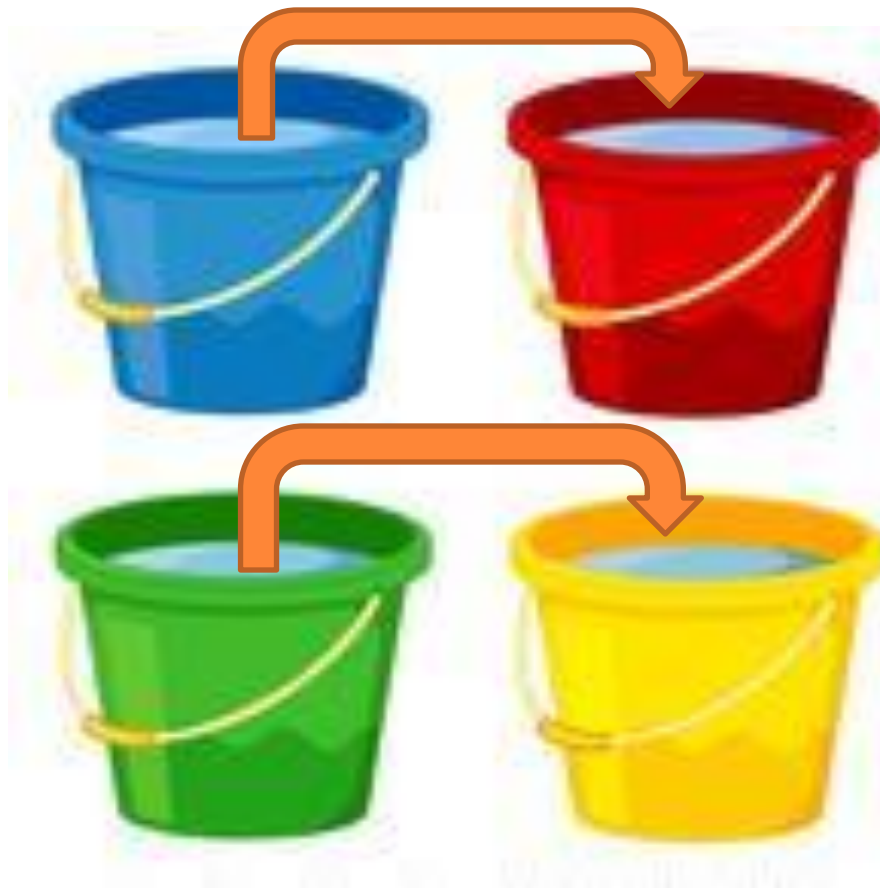
- Parent Categories
 - COGS
 - Direct Operating
 - Payroll
 - General + Admin
 - Repairs + Maintenance
 - Occupancy
- Children (Sub-Accounts)
 - Seeds/Seedling
 - Fertilizers/Amendments
 - Salaries and Wages
 - Insurance



CLASSES – CREATE MINI-PROFIT AND LOSS

Income	Total	Eggs	Produce	Meat Birds	Flowers
Wholesale	1,400	400	1,000		
CSA	1,700	300	600	600	200
Farmers Market	1,900	400	1,200		300
Farm-Stand	2,600	600	500	1,200	300
<i>Total</i>	<i>7,600</i>	<i>1,700</i>	<i>3,300</i>	<i>1,800</i>	<i>800</i>
Expenses		Eggs	Produce	Meat Birds	Flowers
Supplies	40	10	15	15	
Seeds	150		100		50
Feed	350	200		150	
Processing	200			200	
Packaging	500	100	200	100	100
<i>Total</i>	<i>1,240</i>	<i>310</i>	<i>315</i>	<i>465</i>	<i>150</i>
Net Profit	6,360	1,390	2,985	1,335	650

GENERAL JOURNAL ENTRIES



GENERAL JOURNAL ENTRIES

- Double Entry Accounting
- Moving “money” from one bucket to another
- Debits and Credits; Debits = Credits

Assets:

“Assets are Ass-Backwards”

- Credits decrease the value, Debits increase the value

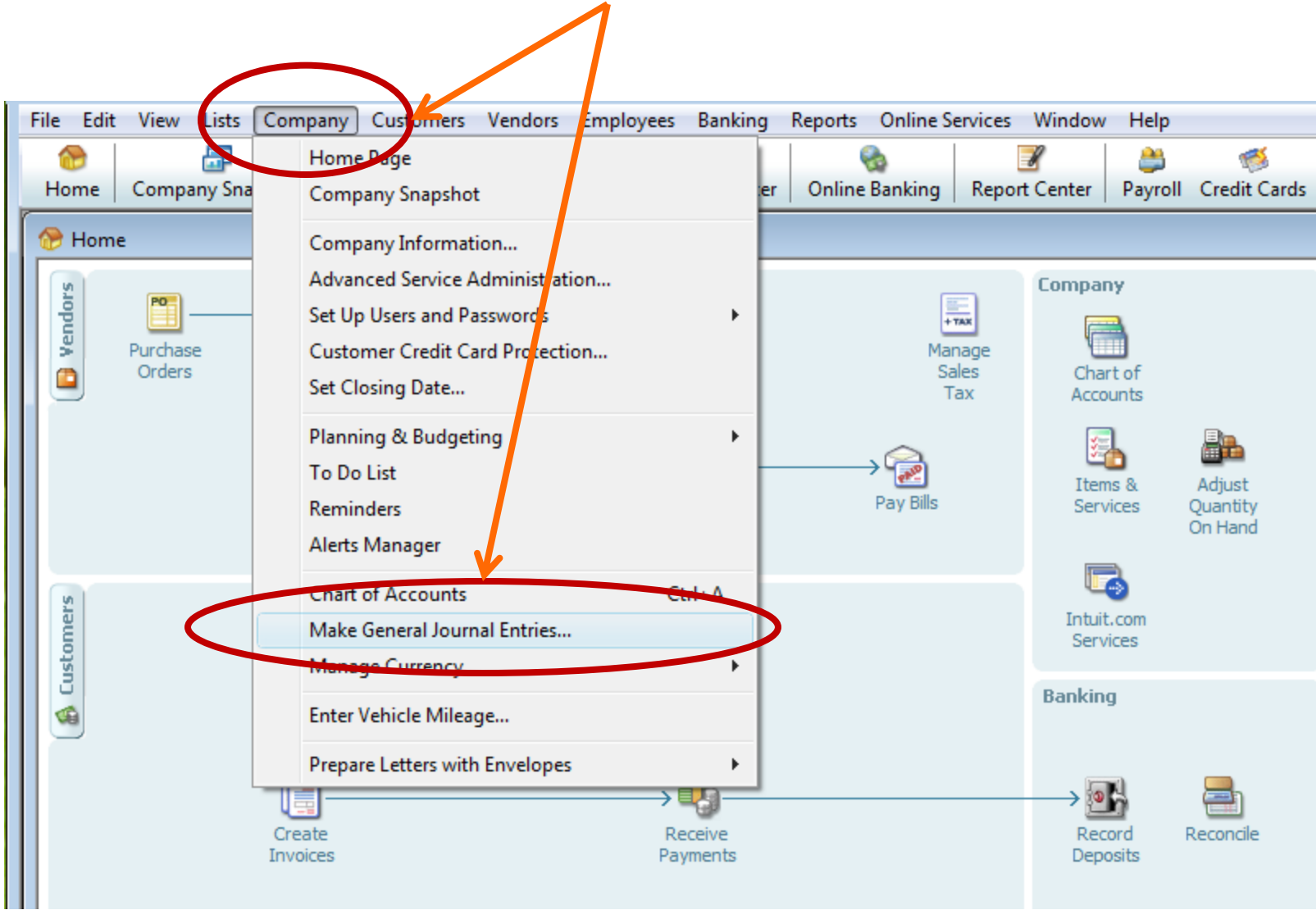
Liabilities and Equity

(Income and Expense count as Equity)

- Credits increase the value, Debits decrease the value



MAKE GENERAL JOURNAL ENTRIES



WHEN TO USE JOURNAL ENTRIES

- Inventory Adjustments
 - True Understanding of cost
 - Accurate Balance Sheet

- Recording Sales
 - Multiple products
 - Multiple payment methods





TRACKING INVENTORY (ASSETS)

Assets:

“Something that gives future economic benefit as the result of a past transaction”.

Assets are listed on the Balance Sheet, and can include your home, car, land, building, large equipment, seeds, and livestock.

Inventory is an asset

- The past transaction was the purchase of the inventory.
- The future benefit is the revenue that will be generated... resulting from utilized or sold inventory.

TRACKING INVENTORY (ASSETS)

Types of Inventory

- Product Purchased
 - Seeds
 - Product for Re-Sale
 - Laying Birds
- Product Raised/Grown
 - Meat
 - Storage Crops
 - Livestock

Counting Inventory

- Identified Products
- Quantified Dollar Value



INVENTORY BECOMES AN EXPENSE/COGS WHEN SOLD

Income Statement

Revenue ↑

Expenses

COGS ↑

Operating Expenses

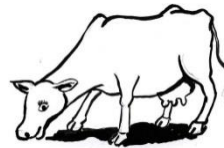
Net Income

= Revenue - Expenses

Balance Sheet

○ Assets

- Cash
- Accounts Receivable
- Inventory
- Greenhouses/Barns



=

○ Liabilities

- Bank Loans
- Accounts Payable

+

○ Owner's Equity



INVENTORY ADJUSTMENTS

Types of Inventory

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Counting Inventory

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CALCULATING INVENTORY ADJUSTMENT



- Inventory value decreased
- Increase Expense

	Debit	Credits
Inventory		500
Expenses	500	

Adj. is **NEGATIVE**

- Inventory value increased
- Decrease Expense

	Debit	Credits
Inventory	500	
Expenses		500

Adj. is **POSITIVE**



THANK YOU!

More Resources:

<http://www.juliashanks.com/tools-for-entrepreneurs/>

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MULTIPLE PAYMENTS – MULTIPLE REVENUES

