



# Current Report

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## Quicken for Farm and Ranch Financial Records

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Software created specifically for agriculture is often expensive or cumbersome. Quicken® is a popular commercial record-keeping package that is:

- Very user friendly. Quicken® is easy for people unfamiliar with accounting terms to use, making it a good place to start when changing from a hand-kept cash accounting system to computerized records.
- Inexpensive and readily available.
- Flexible, allowing record-keeping for a wide variety of agricultural and non-ag business enterprises.
- Widely used. Users can compare notes with neighbors on its application and use.

The Quicken® interface looks like a checkbook register and makes for a familiar environment to begin computerized record-keeping. Although Quicken® includes only home and general business income and expense categories, farm income and expense categories are easily added. Import options allow you to add a farm category list created at Oklahoma State University that matches the Schedule F, minimizing the effort required to develop a beginning chart of accounts.

The "class" feature in Quicken® can be used with categories to further identify and sort transactions to allow cash reports by enterprise, by partnership share, or by farm. QuickFill features recognize and complete repetitive transactions to reduce the typing required. Splits of transactions allow a specific transaction to be divided into as many as 30 components with different category and/or class assignments. For example, a check written to a farm supply store could be separated into expenses for fertilizer for wheat, feed for hogs, and fuel for checking cattle.

Reports—transactions, cash flow, account balances, balance sheet, comparison, tax summary—are easily generated, information filtered and layout modified. Although tax schedules are not generated, tax schedule reports summarize information recorded that pertains to a specific tax schedule, and data can be exported to other software such as TurboTax®.

Built-in financial planning and monitoring features are also useful. Loans can be amortized with scheduled payments retained for future use. Whole farm budgets based on historic Quicken® data can be generated quickly and easily, as can budgets developed from "scratch." Comparison reports highlight budget versus actual figures. Quicken® files can be imported easily into QuickBooks®, a popular small-business accounting package, if the producer later requires a more sophisticated financial record-keeping system.

For agricultural users a major shortcoming in Quicken® is the inability to easily summarize physical data associated with individual financial transactions, making it hard to integrate production and financial records in reports and analysis. Physical quantities and price per unit information can be stored in memo lines and exported to spreadsheets for further summary and analysis. Likewise, it is difficult to maintain a depreciation schedule for individual assets.

Several versions of Quicken® are available. Quicken® Deluxe has standard features to record transactions, run reports, print graphs, and reconcile your checkbook.<sup>1</sup> In addition, there are time-saving entry features, account-tracking alerts, and online banking features. Payroll features can be added if you have Internet service and pay a tax table subscription. The Premier product includes the Quicken® Deluxe features, plus it provides information and advice for investment decisions with its online features. This includes tax advice, alerts, and a capital gains estimator to evaluate stock purchases and sales for tax liability. The Premier Home and Business product adds features for small business use such as invoices, estimates, accounts payable and receivable tracking, and business reports. Access to the web within any of the versions is an optional feature with the necessary computer hardware.

### Instruction Manuals

Step-by-step instruction manuals for adapting Quicken® for farm and ranch use are available at <http://www.agecon.okstate.edu/quicken/> or from the OSU

<sup>1</sup> Quicken® 2003 Deluxe requires (at minimum) a Pentium 133 processor and 64 MB of RAM. It will run on Windows 95 or later operating systems.

Agricultural Economics Department for \$10. The instructions include screen captures to demonstrate setting up a file, opening accounts, importing a farm income and expense category list, modifying the category list, using classes with categories, entering transaction data, creating reports and graphs, using the budget and reconciliation features, and backing up data.

### **Hands-on Computer Workshops**

The Oklahoma Cooperative Extension Service offers hands-on computer workshops to producers interested in becoming more familiar with financial record-keeping software. In the introductory workshop, you will learn to use Quicken® to set up a file, open accounts, import a farm income and expense category list, modify the category list, use classes with categories, enter transaction data, create reports, view graphs and back up data. No previous experience with Quicken® is needed. Because the number of computers is limited, preregistration for workshops is required. If you want to attend a workshop, please call your local Oklahoma Cooperative Extension Service office.

A \$25 registration fee is charged per computer station. Couples and business partners are encouraged to attend the workshop together and may choose to share a computer (and registration fee). The registration fee includes one notebook with a diskette containing sample files.

### **QuickTips Newsletter**

Workshop participants or notebook purchasers continue to get tips and financial information through the quarterly QuickTips newsletter. It contains reviews of commonly used Quicken® tasks and shares financial management tips. The newsletter and other Quicken® materials are available at <http://www.agecon.okstate.edu/quicken/>.

### **Summary**

Quicken has dominated the personal finance software market for many years. It has proven to be a versatile tool for agricultural producers as well. Educational materials are available on-line at no cost, or they may be purchased through your local Oklahoma Cooperative Extension Service office or from the OSU Agricultural Economics Department (529 Agriculture Hall, Stillwater, OK 74078).

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