



# Current Report

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## Quicken® for Farm and Ranch Financial Records<sup>1</sup>

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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.

### Quicken® Features

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 “tag” 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 tag 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 a more sophisticated financial record-keeping system is required in the future.

### Quicken® Shortcomings

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.

### Quicken® Versions

Several versions of Quicken® are available. Quicken® Deluxe has standard features to record transactions, run reports, print graphs, and reconcile your checkbook. 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 additional tools, 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.

### Quicken® or Quickbooks®

Deciding whether to use Quicken® or QuickBooks® is a matter of your accounting needs and abilities. Some accountants suggest clients use QuickBooks®; however, not everyone is comfortable with accounting terminology or procedures. The following paragraphs highlight some of the differences in Quicken® Deluxe compared to QuickBooks® Pro (these versions offer the most features and flexibility).

First, consider your computer and accounting skills. If you can navigate through basic computer programs, know what a file is, can operate a mouse, know the X in the corner

<sup>1</sup> The information given herein is for educational purposes only. Reference to commercial products or trade names is made with the understanding that no discrimination is intended and no endorsement by the Cooperative Extension Service is implied.

of a window closes it, and know how to write a check, then you can learn to use Quicken®. QuickBooks® is also user-friendly if you understand accounting terminology. However, with QuickBooks®, it is important to get the set-up right from the beginning. Quicken® is a little more flexible and can grow as you learn to use it.

Consider your accounting needs. What do you expect from the program? If you need to track simple income and expense records on a cash basis then Quicken is easier to set up, simpler to use, and less expensive. QuickBooks can be used for single-entry cash accounting, but it is intended to function as a double-entry system for business.

Some important Quicken features that are not available in QuickBooks®:

1. The ability to record and track investments (including the capability to download investment information from the Internet). QuickBooks® allows for no investment record-keeping.
2. The ability to easily generate cash flow reports as well as budgets based on past transactions.

QuickBooks® has the following features that Quicken® does not:

1. The ability to create invoices and track payments received. (If you only need simple and infrequent invoicing features, then you may want to look at the Quicken® Home and Business program.)
2. The ability to create accounts payable and track the payments as they are made. Payroll features are provided as a for-fee service, ranging from downloadable payroll table updates to complete payroll services. Other payroll features include the ability to track time for employees and link the time spent with specific projects.
3. Inventory features. However, this feature is of limited value to most farmers and ranchers as it is designed for a retail business. It can be helpful to producers selling certified seed, for instance.
4. The ability to accept credit card payments (with the use of QuickBooks® Account Manager).

What Quicken® and QuickBooks® both offer:

1. The programs are affordable. Quicken® Deluxe is about \$60 with a \$20 rebate for previous users; QuickBooks® Pro can be purchased for about \$230.
2. Both have features which allow you to track income and expense information by enterprise for better financial analysis (tag in Quicken®, class in QuickBooks®).
3. Both include a variety of reports for tracking income and expenses and tax information. However, the QuickBooks® reports are more business oriented and tend to resemble standard accounting statements.

More detailed discussion can be found in AGE-266 at [osufacts.okstate.edu](http://osufacts.okstate.edu). If you still are not sure which is right

for you, go to the [Quicken.com](http://www.Quicken.com) or [QuickBooks.com](http://www.QuickBooks.com) websites. You can try a trial version of QuickBooks®.

## 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 Agricultural Economics Department for \$25. 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 tags with categories, entering transaction data, creating reports and graphs, using the budget and reconciliation features, and backing up data. A CD with file samples is included.

## 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 tags 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, pre-registration 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 CD or diskette containing sample files.

## Quick Tips Newsletter

Workshop participants and notebook purchasers continue to get tips and financial information through the quarterly Quick Tips 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/resources.html>.

## 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 for no cost at [www.agecon.okstate.edu/quicken](http://www.agecon.okstate.edu/quicken). They also 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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