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# Evaluating Farm Accounting Software

When it comes to selecting accounting software, think about where you are at now and where you eventually want to end up. If you are just new to the computer, buying a comprehensive and complicated financial package will probably leave you frustrated and without any useful records.

Usually, the first step is for an individual to try to keep an electronic checkbook ledger and several broad categories with a limited “chart of accounts.” Some people may build their own spreadsheets using Microsoft Excel® to develop a recordkeeping system. Keep in mind, in the event of an IRS audit, you may be asked to produce a detailed listing of all the transactions that make up the total on your Schedule F. This may be difficult when using a spreadsheet for your accounting. The basic starting point for a pre-packaged software might be with one of the “Quicken®” products. Quicken is available in several different versions depending upon your needs. They offer “one year” subscriptions and can be “cloud based”. Quicken may be a first step and gets you used to data entry, check writing, and electronic funds transfer and helps set up the basic chart of accounts.

It is difficult to keep inventory and several other things that you will find in more expensive software. However, you can use these packages to prepare a net worth statement, cash flow statement, and develop a budget for the coming year.

The “chart of accounts” is the list of the different accounts that you are trying to track. For example, this might include: seed, chemicals, fertilizer, rent, government payments, personal health insurance, and a host of other topics. These different accounts can then be printed out by account and this allows you to review your expenses and income by the accounts and by dates.

The number of software firms has declined in recent years, in part due to the cost of updating

the software to maintain income tax compliance. One of the features that you may want is the ability to export or share information to your tax or tax preparer’s software so that all the data doesn’t have to be reloaded. If applicable, check with your tax preparer for compatibility.

There are land grant universities and others that have built “chart of accounts” for Quicken. They also have tutorials and other teaching materials, as does Intuit.

[About Quicken for Farm Financial Records](http://extension.okstate.edu/programs/farm-management-and-finance/quicken-for-farm-financial-records/index.html), Oklahoma State University, extension.okstate.edu/programs/farm-management-and-finance/quicken-for-farm-financial-records/index.html

[Flagship Technologies](http://www.goflagship.com/articles/index.htm#Quicken), www.goflagship.com/articles/index.htm#Quicken

[Intuit Quickbooks Support](http://quickbooks.intuit.com/learn-support/en-us), quickbooks.intuit.com/learn-support/en-us

The second tier in software would provide you with more features such as payroll, inventory, and more in-depth enterprise analysis. Some include the option of using double entry accounting, which gives you a running up-to-date net worth statement at all times.

Finally, the third tier is a comprehensive enterprise analysis with double entry accounting, payroll, and detailed analysis. Oftentimes, this would include a consultant and tax preparation as part of a total package. In addition, the system could include integration with agronomy (field data and management zones), machinery (cost allocation and individual equipment repair tracking), marketing (inventory and sales by field, farm, or site) and finances (expenses and income by field or enterprise) to name a few. Data can be entered from multiple devices and downloaded from company software. Cloud-based accounting software allows you to access the information from anywhere.

Consider where you are, where you want to go, and how much time and money you are willing to spend to get there. Explore several different companies and compare price, features, and service. There are often free or reduced-cost demo versions that you can access and run for a certain period of time.

There are a few common things to consider when looking at any accounting software. It needs to be easy to use, able to reconcile cash, track quantities as well as cash, produce profit and loss statements as well as a detailed ledger report, have good support, easy to make corrections, come from a reputable company and have options to set up enterprises and or profit and cost centers.

A few companies are listed here. This list is not all inclusive and does not constitute a recommendation for any of these products. Failure of any company to make the list does not imply anything.

[Quicken](http://www.quicken.com/), [www.quicken.com/](http://www.quicken.com/)

[QuickBooks](http://quickbooks.intuit.com/), [quickbooks.intuit.com/](http://quickbooks.intuit.com/)

[PCMars](http://pcmars.com/), [pcmars.com/](http://pcmars.com/)

Phone: 515-233-5802

[Ultrafarm](http://www.farmbiz.com/), [www.farmbiz.com/](http://www.farmbiz.com/)

Phone: 800-438-7371

[Datatech](http://datatechag.com/), [datatechag.com/](http://datatechag.com/)

Phone: 800-833-8824

[EasyFarm](http://www.easyfarm.com/), [www.easyfarm.com/](http://www.easyfarm.com/)

Phone: 800-396-3279

[Red Wing Software, Inc.](http://www.redwingsoftware.com/home/home.aspx),

[www.redwingsoftware.com/home/home.aspx](http://www.redwingsoftware.com/home/home.aspx)

Phone: 800-732-9464

[FBS Systems](http://www.fbssystems.com/), [www.fbssystems.com/](http://www.fbssystems.com/)

Phone: 800-437-7638

[Traction Ag](http://www.tractionag.com/), [www.tractionag.com/](http://www.tractionag.com/)

Phone: 888-466-6080

[FINPACK](http://www.cffm.umn.edu/producers/), Center for Farm Financial Management,

[www.cffm.umn.edu/producers/](http://www.cffm.umn.edu/producers/)

Phone: 800-234-1111

Of course, you can always use your favorite search engine.

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