

# Getting Started with Accounting

Last Modified on 04/03/2022 2:19 pm MDT

No matter what type of business you are managing with Farmbrite, you'll probably want to know what you're spending on expenses and how much income you're bringing back in. That means you'll want to record transactions on each side of that ledger, and have them automatically totaled to calculate that profit or loss. You might be spending money on livestock feed, plant nutrients, equipment maintenance, and **many** other things. Likewise, you might generate income by selling livestock, distributing produce in a CSA share, or even through government grants and loans. Farmbrite can take those ledger transactions and generate a Profit and Loss statement that is specifically correlated with the IRS Schedule F Tax Form 1040 categories. You'll also find charts and graphs to help you track your accounting throughout the year to avoid unwanted surprises at tax time. Beyond that yearly calculation, you'll have Cash Flow data that will roll over your starting income to help you continually track your overall cash on hand.

*This article is a high level overview of the Farmbrite Accounting system. To learn more details about each feature, click the links within each section below to be brought to additional help articles.*

## Accounting Dashboard

When you select Accounting from the main menu, you'll arrive on your [Accounting Dashboard](#). This is the central hub of your Farmbrite Accounting system. You'll immediately see charts at the top. The left shows a monthly summary of income compared to expenses, and the right categorizes those expenses into a pie chart by type. These easy to read charts provide at-a-glance information to help you see profitability and what your money is being invested in. All of your transactions for this reporting year are shown below the charts for you to easily search and filter too. This helps you find exactly what you are looking for by keyword, date range, category, or reporting year.

The screenshot displays the Farmbrite Accounting Dashboard for 2022. The interface includes a search bar, navigation menu, and summary charts. The 2022 Summary section features a line chart for '2022 INCOME VS EXPENSE' and a pie chart for '2022 EXPENSE CATEGORIES'. Below the charts, there are buttons for 'Record a Transaction' and a search bar for transactions. A summary bar shows 'Date: This Year', 'Revenue: \$5,090', 'Expenses: \$4,786', and 'Profit: \$304'. A table of transactions is visible at the bottom.

Date	Payee	Category	Description	Type	Amount
			Sales of livestock produce		

## Creating Transactions

To get those helpful charts and all that Dashboard data, you'll need to [add your transactions to Farmbrite](#). You can do this by creating them within the Accounting section, or by importing them from a spreadsheet. Also be aware that you might create these transactions directly on equipment, market

order, livestock, or crop records to associate the income or expense with them. No matter how you add them, you'll supply relevant details with each one like date, amount, payee/customer, and a check number. You can also record the transaction in a specific Reporting Year, allowing you to recognize income or record expenses for a different fiscal year. Part of recording the transaction is associating it with a category as well, like the Feed selection we made in the video below. Move on to the next section to learn more about using and customizing categories.

The screenshot shows the Farmbrite Accounting dashboard. At the top, there's a search bar and navigation links for 'Quick Add', 'Account', 'Chris', and 'Help'. The left sidebar contains navigation options: Schedule, Tasks, Livestock, Crops, Resources, Accounting (expanded), Transactions, P&L Statement, Cash Flow, Market, Contacts, Farm Map, and Reports.

The main content area is titled '2022 Summary'. It features two charts:
 

- 2022 INCOME VS EXPENSE:** A line chart showing monthly income (green bars) and expenses (red bars) from January to December. Income peaks in June at approximately \$3,500, while expenses peak in March at approximately -\$2,000.
- 2022 EXPENSE CATEGORIES:** A pie chart showing the distribution of expenses. The categories and their percentages are:
  - Seeds and plants (25.50%)
  - Repairs and main (24.15%)
  - Fertilizers and (22.85%)
  - Custom hire (mac) (20.24%)
  - Labor hired (les) (4.70%)
  - Chemicals (2.56%)

Below the charts, there's a 'Record a Transaction' button and a search bar for transactions. A summary bar shows: Date: This Year, Revenue: \$5,090, Expenses: \$4,786, Profit: \$304. Below this is a table of transactions for June 2022:

Date	Payee	Category	Description	Type	Amount
Jun. 04, 2022	Boulder Farmers Market	Sales of livestock, produce, grains, and other products you raised	Misc Sales at Farmers Market	Income	\$296.53
Jun. 03, 2022	Greg Williams, Stephanie Syzлак, Frank Reynolds	Labor hired (less employment credits)	3 employees picking vegetables for tomorrow's farmers market (\$15/hr x 5 hours each)	Expense	-\$225.00
Jun. 01, 2022	Various	Agricultural program payments	June 2022 CSA Share Payments for 70 recurring subscriptions	Income	\$3,500.00

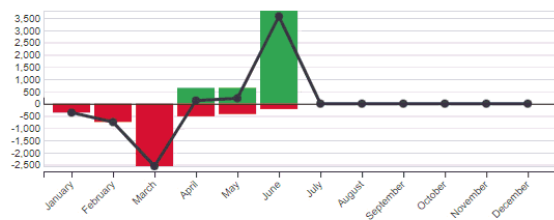
## Accounting Categories

[Categorizing transactions](#) helps classify your income and expenses. The expense pie chart on the dashboard is broken into slices based on how the expense is categorized. This helps you see where your money is being spent, and quickly shows you where you might find savings by modifying your budget. You can also sort and filter your transactions list by these categories. The default categories for you to choose from are directly related to the United States IRS Schedule F Tax Form 1040. Beyond the Dashboard pie chart, they will also play a critical role in your Profit and Loss statement, as the categories are numbered to align with that form. However, be aware that you can always use the "Other" category to record miscellaneous expenses that do not correspond with the Schedule F form. Also, if you are not located in the US and want to build your own custom categories, you can make that selection under your Account Settings. We think the default list is helpful throughout the global agricultural community, but the decision is up to you.

- Schedule
- Tasks
- Livestock
- Crops
- Resources
- Accounting
  - Transactions
  - P&L Statement
  - Cash Flow
- Market
- Contacts
- Farm Map
- Reports

## 2022 Summary

2022 INCOME VS EXPENSE



2022 EXPENSE CATEGORIES



Record a Transaction





Criteria: Transaction Date: This Year



Date: This Year Revenue: \$5,090 Expenses: \$4,851 Profit: \$239

Date ^	Payee	Category	Description	Type	Amount
Jan. 12, 2022	Advanced Nutrients	Fertilizers and lime	Nutrients for the first part of the year	Expense	-\$368.00
Feb. 15, 2022	Smiths Feed and Seed	Seeds and plants	Starting seed purchase 2022	Expense	-\$752.00
Mar. 01, 2022	Terrific Tillage Services	Custom hire (machine	Northwest Field A prep work	Expense	-\$539.66

## Profit and Loss Statement

The categories that you use for your transactions translate directly to your [Profit and Loss statement](#). This report is a breakdown of your income, expenses, and profit for a specified time period. You'll use the charts we saw on the Dashboard for your day to day expense tracking, but might use the Profit and Loss Statement for monthly, quarterly, or annual reporting.

- Schedule
- Tasks
- Livestock
- Crops
- Resources
- Accounting
  - Transactions
  - P&L Statement
  - Cash Flow
- Market
- Contacts
- Farm Map
- Reports

## Copperdale Gardens P&L Statement

01/01/2022



12/31/2022



Update

### Income

2. Sales of livestock, produce, grains, and other products you raised	\$1,589.53
3a. Cooperative distributions	\$8,750.00
4a. Agricultural program payments	\$3,500.00
<b>Total Revenue:</b>	<b>\$13,839.53</b>

### Expenses

11. Chemicals	\$122.47
13. Custom hire (machine work)	\$968.66
16. Feed	\$65.00
17. Fertilizers and lime	\$1,093.65
22. Labor hired (less employment credits)	\$225.00
25. Repairs and maintenance	\$1,155.99

## Cash Flow

If you'd like to see a running total for you business finances that includes a previous period starting balance, you'll find the [Cash Flow Report](#) very useful. Like the Profit and Loss Statement, the Cash Flow

Report will show you income and expenses during a given period to calculate a total. Beyond that, it will use all transactions prior to your start date to calculate a Starting Cash Balance. This gives you a running total for your business operations. In our example below, we are starting with an beginning cash balance of \$14,324.08, which was the total profit we saw from transactions prior to 1/1/2022. We'll roll that cash into our 2022 fiscal year, and see that after income and expenses we now have \$23,312.62 as an ending cash balance. If you're new to Farmbrite, you can [add your beginning cash balance](#) as a single transaction to still get the benefit of this report.

**Copperdale Gardens Cash Flow Statement**

01/01/2022 12/31/2022 Update

	Beginning Cash Balance	\$14,324.08
<b>Cash from Operating Activities</b>		
	Agricultural program payments	\$3,500.00
	Cooperative distributions	\$8,750.00
	Sales of livestock, produce, grains, and other products you raised	\$1,589.53
	<b>Total Cash Inflow:</b>	<b>\$13,839.53</b>
<b>Cash Expenditures</b>		
	Chemicals	-\$122.47
	Custom hire (machine work)	-\$968.66
	Feed	-\$65.00
	Fertilizers and lime	-\$1,093.65

## Accounting Reports

The Profit and Loss Statement and Cash Flow Report outlined above provide a lot of information for your financial reconciliation. Beyond those, Farmbrite also gives you a few other [Accounting Reports](#) as well. You'll find them under the Reports section of the left menu. You might run the Spending By Category Report to get a deeper look into your expense, or the Accounts Receivable Aging Report to see which customers still have outstanding balances. Looking for more? You can also create custom reports for your Transactions which allow you to add the specific data you'd like to see to a report.

- [Schedule](#)
- [Tasks](#)
- [Livestock](#)
- [Crops](#)
- [Resources](#)
- [Accounting](#)
- [Market](#)
- [Contacts](#)
- [Farm Map](#)
- [Reports](#)

## Reports

### Livestock

- [Break Even Amount](#)
- [Breeding](#)
- [Deaths & Losses](#)
- [Due Dates](#)
- [Fields being Grazed](#)
- [Feeding Summary \(ADG/FCR\)](#)
- [Livestock Inventory](#)
- [Measurements](#)
- [Pregnancy Checks](#)
- [Reproduction Details](#)
- [Reproduction Summary](#)
- [Treatments & Vaccinations](#)
- [Upcoming Treatments](#)
- [Weaning](#)
- [Yearlings](#)
- [Yield Details](#)
- [Yield Summary by Type](#)

### Crops

- [Break Even Amount](#)
- [Estimate Seed Order](#)
- [Expected Harvests](#)
- [Harvests Details](#)
- [Harvests Summary by Type](#)
- [Nutrients & Amendments](#)
- [Planting Inventory](#)
- [Soil & Nutrient Samples](#)
- [Treatments](#)
- [Upcoming Harvests](#)
- [Yield Comparison](#)

### Accounting / Financial

- [Accounts Receivable Aging](#)
- [Cash Flow Statement](#)
- [IRS Schedule F Summary](#)
- [Profit & Loss](#)
- [Spending by Category](#)
- Market & Orders**
- [Finished Orders](#)
- [Order Summary](#)
- [Payment Due Orders](#)
- [Pending Orders](#)
- [Top Customers](#)
- [Top Products](#)

### Schedule & Tasks

- [Tasks Completed](#)
- [Tasks Due](#)
- [Schedule](#)
- Resources**
- [Equipment Maintenance](#)
- [Inventory History](#)

## Custom Reports

[New Custom Report](#)


Make sure you check out all the linked articles in each section above. You'll be on your way to easier bookkeeping and financial know-how in no time! If you don't find what you're looking for an still have questions, feel free to [contact us](#); we're always glad to help.