

Farm Experiences

BOOKKEEPING FOR FARMERS

There are many practical farmers who, for want of a simple and comprehensive system of bookkeeping, have adopted a loose plan of un-related entries of transactions, and in too many cases have even trusted their memories completely in matters of farm finance. Altho it is generally admitted that bookkeeping on the farm presents difficulties that do not occur in ordinary commercial exchange, nowhere will the want of a correct system of accounting be more immediately and vitally felt. On the other hand a system such as is usually outlined for farmers, with its several books and endless crossings of entries, appeals to the average farmer as far too difficult to manage. So he continues to trust to the old-style mental or thumb-nail accounts, resulting tho they very often do, in losses incurred without his knowledge.

The following is the outline of a system employed by the writer in his farm accounts, and which has proved itself able to fill all the practical requirements. It is in fact the ordinary double-entry system reduced to the greatest degree of simplicity.

One Book Only

One book only is employed—the ledger, and it is made to serve the purpose of all those usually required. The method can, perhaps, be best explained in this way: The farmer's name does not appear in the books at all. He has, however, various possessions, such as "farm," "provisions," "grains," "cattle," each of which is considered as an agent in the transaction of his business. Accounts are opened in the ledger in their names, each being accorded a double-page or folio, headed as shown in examples 1 and 2. These are known as "goods" accounts and represent expenses for goods bought, or receipts for goods sold. Then there are also persons with whom the farmer deals in exchanging the goods he possesses and folios are opened similarly in the names of each. These are "personal" accounts. The farmer's supply of cash, for reasons that will become obvious, is treated as a personal account.

Each Transaction Entered Twice

Each transaction carried out by the farmer creates both a creditor (in the account that gives) and a debtor (in the account that receives). Thus, if he buys a pound of tea and pays cash, the cash account gives the purchase money and is credited by that amount on the right hand page of the folio, while the provisions account, which is the receiver of the pound of tea, is debited the amount on the left hand page of its own folio. Or, if the farmer sells a bag of potatoes to his neighbor Smith on credit, the value of the potatoes is placed to the credit of Farm account, while as Smith has received the potatoes but paid no cash, he becomes the debtor in the transaction and entry to that effect is made in his account. Thus every transaction is entered twice and tho entry is made in two different folios, always one entry is on the debtor side and one on the creditor side.

Monthly Balance Sheet

At the end of each month both sides of each folio in turn are added up. Almost invariably one side amounts to less than the other. A last entry is therefore added on the lesser side under date of the last day of the month as follows: "Jan. 31st.....Balance carried forward \$....." the amount of the entry being the difference between the totals of the two sides of the folio. The totals then added, balance each other and a line is drawn across the folio. The new month's accounts are then opened, in the case of personal accounts only, by bringing this balance, as a first entry, to the opposite side of the folio as shown in example I. In the case of goods accounts the balance is not brought forward.

Having balanced all the accounts in turn, a trial monthly balance sheet is

On this page there is outlined a system of bookkeeping for farm accounts. What system do you follow? Send us a criticism of this system if you have another method which is superior in your estimation, and can be substituted for it. What experience have you had with weeds? Perhaps scutch grass is present in your locality. What have you done to try to control it? Perhaps you have not been successful. If so, let us know what you did so that some other farmer may be saved the time and expense of following a similar plan in an attempt to control this pest. We want to make this page practical. Send us your experience, successful or otherwise, and you will be helping along the cause of agriculture. Besides, we will pay you for this information at the rate of 25 cents per 100 words. Write on one side of the paper only. The number of words in the article should be marked at the top of the first page. A stamped addressed envelope must be enclosed in which to return the article in case we cannot use it. All articles will be paid for or returned within three weeks from the time they are received in our office.

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made out on a slip of paper to be copied, when found correct into a folio, preferably commencing with the last folio in the ledger and working back. These balances are divided into two classes; personal account balances and goods account balances. The former are dealt with first, and then underneath are placed the latter as shown in example III. If the ledger has been kept correctly the goods accounts should be made to balance by adding entries obtained in the following way: First the total of the debtor side of the personal accounts is compared with the parallel total of the previous month. If it is found to have increased, it is proof that the farmer has more money owing to him than at the end of the previous month. The difference is accordingly entered on the debtor side of the goods account balances as "Present month's accounts receivable \$....." If, however, it is found to have diminished, it is also proof that accounts owing in the previous month have since been paid, and the difference is therefore entered on the creditor side as "Previous month's accounts received \$....." Then the creditor side of the personal accounts is similarly compared with the parallel total of the previous month. If there is an increase here, it is proof that the farmer is owing more money than at the end of the previous month and the difference is entered on the creditor side of the goods account balances as "Present month's accounts payable \$....." while if there is a decrease the farmer must have paid some of the previous month's debts, and the difference is entered on the debtor side as "Previous month's accounts paid

\$....." If the two totals of the goods account balances are then found to be equal the monthly balance sheet is correct and complete.

Annual Balance Sheet

At the end of the year, a balance sheet covering the twelve months is prepared as follows: Each goods account is taken in turn, and the monthly balances, first those of the debtor side, then those of the creditor side, added together. The difference between the totals of the debtor balances and the creditor balances, represents the yearly balance of that particular account. If the difference is on the debtor side it becomes a debtor balance, and if on the creditor side, a creditor balance, as in example IV. The final entry in the annual balance sheet which determines whether the accounts have been correctly kept is obtained thus: As already shown, in making out the monthly balance sheets, entries were made on the debtor side of "Present month's accounts receivable" and "Previous month's accounts paid," and on the creditor side were entries of "Present month's accounts payable" and "Previous month's accounts received." These entries must be extracted from the twelve monthly balance sheets and added together; first those of the debtor side, then those of the creditor side. If the amount of the difference is on the debtor side, it is entered in the annual balance sheet as "This year's account receivable \$....." and if on the creditor side it is entered as "This year's accounts payable \$....." The totals of each side of the annual balance sheet should then be equal. In commencing the New

EXAMPLE I.—Personal Account

1914.		1914.	
Jan. 4—Oats, 100 b.	Dr. to \$32.50	Jan. 12—Cash	Cr. by \$25.00
" 16—Potatoes, 20 b.	" 10.00		Balance carried forward \$17.50
	\$42.50		\$42.50
Feb. 1—Balance brought forward	\$17.50		

EXAMPLE II.—Goods Account

1914.		1914.	
Jan. 2—Barbed wire, 7 rolls	Dr. to \$21.00	Jan. 16—Potatoes (John Smith)	Cr. by \$10.00
" 28—Barn repairs	" 10.50		Balance
" 28—Shorts, 4 bags	" 4.50		\$26.00
	\$36.00		\$36.00
Feb. (Goods account balances are not brought forward)			

EXAMPLE III.

Monthly Balance Sheet—Jan. 31st, 1914

Personal Accounts		Goods Accounts	
Folio 6—Cash	Dr. to \$26.50	Folio 14—Personal Ex's	Dr. to \$28.00
" 8—Bank of Canada	" 290.00	" 16—Provisions	" 16.80
" 10—John Smith	" 17.50	" 18—Farm	" 26.00
	\$334.00	January a/c's receivable	39.20
		December a/c's paid	29.70
			\$139.70
Folio 2—W. Jones	Cr. by \$4.35	Folio 12—Grains	Cr. by \$79.70
" 4—Thompson & Co.	" 16.80	" 20—Cattle	" 60.00
	\$21.15		\$139.70

EXAMPLE IV.

Annual Balance Sheet—Dec. 31st, 1914

Dr. to		Cr. by	
Farm	\$165.20	Cattle	\$210.00
Provisions	" 146.00	Grains	" 640.50
Personal Ex's	" 130.60		
1914 a/c's receivable	408.70		
	\$850.50		\$850.50

Year's accounts, the December personal account balances are brought forward as usual.

The final entry of the annual balance sheet represents the year's profits or losses over expenditures. But it must be borne in mind that this contracted system of bookkeeping takes no account of the unconverted assets of the farmer, such as value of farm, unsold cattle or grain; nor such indirect expenses or receipts as depreciation or improvement of static or unconverted dynamic possessions. It is indeed by the omission of these elements that the difficulties of bookkeeping that appal the majority of farmers do not appear in the above system. It is complete in itself, however, and provides, in the hands of an intelligent farmer, a sure check on the losses or extravagance that would otherwise occur, as well as a record of transactions that can be referred to with the minimum of trouble.

—H. F. T.

Sask.

A SUCCESSFUL HEN HOUSE

Fully ninety-five per cent. of the hen coops are constructed twelve feet in depth, that is, from south to north or from front to rear. In building mine here in Saskatchewan, one hundred miles north of the U. S. line, I reversed the order and made it 14 feet east and west and 24 feet south to north, so that the sun in winter shines deep into the coop instead of shallow. It is 7 feet high in front and 5½ feet in the rear. Roof flat, sloping to the north, covered with ship-lap and roofing paper. Sides and ends one thickness of tar paper on studding, covered with ½-inch lumber—would prefer ship-lap. Across the rear end I cut off between 4 and 5 feet and made it warm with extra papers and boards; over the roosts and under the roof, about one foot, made a tight floor, covering same with paper on top and filling in the space with chaff to prevent the warm air rising from the bodies of the birds from escaping except slowly thru the curtain hereafter explained. Sixteen inches below this floor I made the roosts, consisting of three roosts, 14 feet long, cut in half length, making six roosts, 7 feet long. To make them, use strips 1x2 cut from unsurfaced boards on one side, take a shaving or two off one of the unsurfaced corners of each strip, placing two pieces, with the unsurfaced sides together, so a little trough will be formed on top of each roost, nail together lightly. In this trough mites will find their hiding place, where hot water or kerosene can be used to destroy them. To close the opening in front and below the roosts, nail together boards with slats in sufficient width to close the opening from the ground floor to within 20 inches of the upper floor. Cut the boards thus nailed together with slats, in the middle, so that when you wish to clean the coop, either side can be set aside and the cleaning can be done without bending your back, getting under the roosts or befouling your shoes with the manure.

Screen for Roosts

Now take two pieces 1x3, long enough to cover the entire front of the roost, and nail a fair grade of unbleached cotton cloth by its selvege edge to these two strips, then nail one of the pieces to the floor above, dropping the other piece down and it will fully cover the opening; now let it down at night and roll it up in the morning, and the birds will come out warm and happy as larks. My door is on east side of the south-east corner. In boarding up the south end I leave an opening 28 to 30 inches wide near the top, clear across the front, which I cover with a curtain, the same as I have described, for the front of the roosts. This curtain I close every night and roll up to the top nearly every morning all winter. I only keep it down on extra stormy days or very cold and windy ones. Now for results: I have not had a comb

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