2005 CAIS Program Instructions for Cash to Accrual Worksheet

The Cash to Accrual worksheet is used to adjust your allowable income and expenses to accrual when required for the CAIS program (refer to CAIS Program Handbook - 6.1, TIC #4 Whole Farm Approach, TIC #6 Method of Accounting). To ensure accuracy, the CAIS program asks for all income and expense items in order to balance to your financial statements.

Please complete the cash to accrual conversion sheet ensuring the following:

- The name, PIN and operation number are correct for your operation.
- The accrual information balances to your financial statements.
- The allowable and non allowable income and expenses for the CAIS program are separated.
- For program year conversions, allowable inputs, receivables and payables (opening and ending) are not included in Section 9, Parts A, B, and C of your CAIS Harmonized Form. Inventories for crops (Section 7) and livestock (Section 8) are included, but Change in Quantity, Fair Market Value, and Change in Value columns are not completed. For more information see the "2005 Farming Income and the CAIS Program Harmonized Guide".

On the Cash to Accrual worksheet, cell E3 (amount to adjust in CAIS program) is used when you have reported cash to NISA/CAIS in a year and are required to change to accrual accounting. This number will adjust your CAIS program margin in the corresponding year to accrual accounting. If you are using the worksheet to calculate your Statement A information to file to CAIS, then the amount in cell E3 is irrelevant.

NOTE: For custom feeding operations, income and expense amounts reported as custom feeding must be limited to include CAIS only allowable income and expense items. For example, income based on feed plus yardage charges, the feed portion is considered allowable, while the yardage fees are not.

Example: Custom feeding income

Please report total custom feeding income on Line 9617 and the CAIS Administration will automatically calculate and remove a 5% Yardage Deduction.

Custom Feeding Income	9617	100000			100000	50000	50000
Less 5% Yardage Deduction (Negative Number)		-5000	0	0	-5000	-2500	-2500
5% Yardage Deduction - Add Back	9600	5000	0	0	5000	2500	2500

Example: Custom feeding expense

Please report total custom feeding expense on Line 9831 and the CAIS Administration will automatically calculate and remove a 5% Yardage Deduction.

Custom Feeding Expense	9831	0	50000	100000			50000
Less 5% Yardage Deduction (Negative Number)		0	-2500	-5000	0	0	-2500
5% Yardage Deduction - Add Back		0	2500	5000	0	0	2500

Where the 5% Yardage Deduction is inappropriate for your operation, the Administration may use a different percentage and, where required, request supporting documentation from you.

CASH TO ACCRUAL CONVERSION WORKSHEET							
NAME:	YEAR:		PIN:]	OP#	
AMOUNT TO ADJUST IN CAIS PROGRAM:	0						
AMOUNT TO ADDOOT IN OAIO TROOKAM.	0						
			BEGINNING INVENTORY	ENDING INVENTORY			
		CASH BASIS	OR BEGINNING		BEGINNING		ACCRUAL
	LINE CODE	AMOUNT	A/P	A/P +	A/R -	ENDING A/R	BASIS
ALLOWABLE INCOME CONVERSION			-		-	+	
AGRICULTURE COMMODITY SALES							
CUSTOM FEEDING INCOME	9617						
LESS 5% YARDAGE DEDUCTION (NEGATIVE NUMBER)	3317						
WILDLIFE DAMAGE COMPENSATION PAYMENT CROP / PRODUCTION INSURANCE							
REBATES - ALLOWABLE EXPENSES	9574						
INVENTORY ADJ. FOR INCOME NOT INCLUDED ABOVE							
TOTAL OPENING ALLOWABLE INVENTORY DEDUCTION TOTAL CLOSING ALLOWABLE INVENTORY ADD BACK							
INVENTORY ADJUSTMENT - IF DONE AT NET AMOUNT							
TOTAL							
TOTAL							
NON-ALLOWABLE INCOME CONVERSION	l	l		l	I	l	
TOTAL OPENING NON-ALLOWABLE INVENTORY DEDUCTION							
TOTAL CLOSING NON-ALLOWABLE INVENTORY ADD BACK							
TOTAL							
OTHER NON ALLOWABLE FARMING INCOME							
PROGRAM PAYMENTS	9540						
DISASTER ASSISTANCE PROGRAM PAYMENTS REBATES - INELIGIBLE EXPENSES	9544 9575						
AGRICULTURAL CONTRACT WORK	9601						
NON-AGRICULTURAL CONTRACT WORK PATRONAGE DIVIDENDS	9600 9605						
INTEREST	9607						
GRAVEL TRUCKING (FARM - RELATED ONLY)	9610 9611						
TRUCKING (NON-FARM - RELATED)	9600						
RESALE OF COMMODITIES PURCHASED	9612						
LEASES (GAS, OIL WELL, SURFACE, ETC) MACHINE RENTAL	9613 9614						
OTHER - NISA	9600						
OTHER - GAIN ON DISPOSAL OF ASSET OTHER - GAIN ON DISPOSAL OF INVESTMENT	9600 9600						
OTHER - TAXABLE CAPITAL GAIN	9600						
OTHER - RENTAL INCOME 5% YARDAGE DEDUCTION - ADD BACK	9600 9600						
OTHER -	9600						
OTHER - OTHER -	9600 9600						
OTHER -	9600						
(Following used only when #'s not included above)	9600						
NON-ALLOWABLE DEDUCTIONS	9600 9600						
	9600						
	9600 9600						
	9600						
NON-ALLOWABLE ADDITIONS	9600 9600						
MON ALLOWABLE ADDITIONS	9600						
	9600						
	9600 9600						
	9600						
TOTAL	9600				 		
GROSS FARM INCOME	9959						

CASH TO ACCRUAL CONVERSION WORKSHEET							
NAME:	YEAR:		PIN:			OP#	
ALLOWABLE EXPENSES	LINE CODE	CASH BASIS AMOUNT	BEGINNING A/P	ENDING A/P +	ENDING PPD OR ENDING INVENTORY	BEGINNING PPD OR BEGINNING INVENTORY +	ACCRUAL BASIS
COMMODITY PURCHASES							
OWWODITTTOKONACEO							
PREPARED FEED & PROTEIN SUPPLEMENTS CONTAINERS AND TWINE	46 9661						
FERTILIZERS	9662						
PESTICIDES	9663						
INSURANCE PREMIUMS (CROP)	9665						
VETERINARY FEES, MEDICINE, A.I. FEES	9713						
MINERALS AND SALTS MACHINERY (GASOLINE, DIESEL FUEL, OIL)	9714 9764						
ELECTRICITY	9799						
FREIGHT AND TRUCKING	9801						
HEATING FUEL	9802						
SALARIES (OTHER THAN SPOUSE OR DEPENDANTS) STORAGE / DRYING	9815						
PREPARED FEED	9822 9830						
COMMODITY FUTURES TRANSACTION FEES	5555						
INSURANCE PREMIUM (ALLOWABLE INCOME OR EXPENSE)							
CUSTOM FEEDING EXPENSE	9831						
LESS 5% YARDAGE DEDUCTION (NEGATIVE NUMBER) COMMISSIONS AND LEVIES	9836						
COMMISSIONS AND LEVIES	9030						
TOTAL							
NON-ALLOWABLE EXPENSE CONVERSION							
MACHINERY (REPAIRS, LICENSES, INSURANCE)	9760						
MACHINERY LEASE / RENTAL	9765						
ADVERTISING AND MARKETING COSTS	9792						
BUILDING AND FENCE REPAIRS LAND CLEARING AND DRAINING	9795 9796						
AGRICULTURAL CONTRACT WORK	9798						
AGRICULTURAL CONTRACT WORK - NON-ARMS LENGTH	9798						
OTHER INSURANCE PREMIUMS	9804						
INTEREST (REAL ESTATE, MORTGAGE, OTHER)	9805						
MEMBERSHIPS / SUBSCRIPTION FEES OFFICE EXPENSES	9807 9808						
LEGAL AND ACCOUNTING FEES	9809						
PROPERTY TAXES	9810						
RENT (LAND BUILDINGS, PASTURES)	9811						
SALARIES PAID TO SPOUSE OR DEPENDANTS MOTOR VEHICLE EXPENSES	9816 9819						
SMALL TOOLS	9820						
SOIL TESTING	9821						
LICENSES / PERMITS	9823						
TELEPHONE GRAVEL	9824 9826						
PURCHASES OF COMMODITIES RESOLD	9827						
MOTOR VEHICLE INTEREST AND LEASING COSTS	9829						
5% YARDAGE DEDUCTION ADD BACK							
ALLOWANCE ON ELIGIBLE CAPITAL PROPERTY	9935						
CAPITAL COST ALLOWANCE MIA - PRIOR YEAR	9936 9937						
OIA - PRIOR YEAR	9938						
OTHER - LOSS / GAIN ON DISPOSAL OF CAPITAL ASSETS	9896						
OTHER -	9896						
OTHER -	9897 9897						
OTHER -	9897						
OTHER -	9897						
OTHER -	9897						
OTHER -	9897						
TOTAL							
GROSS FARM EXPENSES	9968						

CASH TO ACCRUAL CONVERSION WORKSHEET							
NAME:	YEAR:		PIN:	OP#			
GROSS FARM INCOME	9959						
GROSS FARM EXPENSES	9968						
NET FARM INCOME BEFORE ADJUSTMENTS	9969						
OIA - CURRENT YEAR	9941						
MIA - CURRENT YEAR	9942						
	00.12		l l				
NET INCOME	9946						
RECONCILIATION							
NET INCOME / LOSS AS PER WORKSHEET				[
Enter Net Income / Loss Per CRA or T2 Schedule 1			Enter Net Income / Lo	oss as per Financial Statements			
Difference should be zero							
				•			
CAIS margin Accrual CAIS margin Cash							
Amount to adjust							
,							
Internal Use Only							

\$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 A \$0.00 B \$0.00 C 1 2 32 33 34 63 70 72