

## **2005 CAIS Program Instructions for Accrual to Cash Worksheet**

The Accrual to Cash worksheet is used to adjust your allowable income and expenses back to cash when required for the CAIS program (refer to CAIS Program Handbook - 6.1, TIC# 4 Whole Farm Approach, TIC #6 Method of Accounting, and the Modified Accrual Accounting Option (MAAO) Worksheet).

To ensure accuracy, the CAIS program asks for all income and expense items in order to balance your financial statements to your T2 Schedule 1.

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

- The name, PIN and operation number are correct for your operation.
- The accrual information balances to your financial statements (or to NISA Statement A if you were NISA participant in the year(s) being converted\*).
- The cash information balances to your T2 Schedule 1.
- 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) match Section 9, Parts A, B, C of your CAIS Harmonized form.
- Total of allowable and non-allowable inventories, inputs, receivables and payables (opening and closing) match the totals on your T2 Schedule 1.

On the Accrual to Cash worksheet, cell E3 (amount to adjust in CAIS program) is used when you have reported accrual to NISA/CAIS in a year and are required to change to cash accounting. This number will adjust your CAIS program margin in the corresponding year to cash 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	50000			100000	50000	100000
Less 5% Yardage Deduction (Negative Number)		-2500	0	0	-5000	-2500	-5000
5% Yardage Deduction - Add Back	9600	2500	0	0	5000	2500	5000

### **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	50000	50000	100000			0
Less 5% Yardage Deduction (Negative Number)		-2500	-2500	-5000	0	0	0
5% Yardage Deduction - Add Back		2500	2500	5000	0	0	0

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.

\* NOTE: If you were a NISA participant and have made changes to NISA – which are different than your original financial statements – use the NISA numbers for the accrual data on the sheet.



**ACCRUAL TO CASH CONVERSION WORKSHEET**

NAME:

YEAR:

PIN:

OP #

LINE CODE	NISA STATEMENT AMOUNT	BEGINNING A/P +	ENDING A/P -	ENDING PPD OR ENDING INVENTORY +	BEGINNING PPD OR BEGINNING INVENTORY -	CASH BASIS
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**ALLOWABLE EXPENSES**

COMMODITY PURCHASES						
PREPARED FEED & PROTEIN SUPPLEMENTS	46					
CONTAINERS AND TWINE	9661					
FERTILIZERS	9662					
PESTICIDES	9663					
INSURANCE PREMIUMS (CROP)	9665					
VETERINARY FEES, MEDICINE, A.I. FEES	9713					
MINERALS AND SALTS	9714					
MACHINERY (GASOLINE, DIESEL FUEL, OIL)	9764					
ELECTRICITY	9799					
FREIGHT AND TRUCKING	9801					
HEATING FUEL	9802					
SALARIES (OTHER THAN SPOUSE OR DEPENDANTS)	9815					
STORAGE / DRYING	9822					
PREPARED FEED	9830					
COMMODITY FUTURES TRANSACTION FEES						
INSURANCE PREMIUM (ALLOWABLE INCOME OR EXPENSE)						
CUSTOM FEEDING EXPENSE	9831					
LESS 5% YARDAGE DEDUCTION (NEGATIVE NUMBER)						
COMMISSIONS AND LEVIES	9836					
<b>TOTAL</b>						

**NON-ALLOWABLE EXPENSE CONVERSION**

MACHINERY (REPAIRS, LICENSES, INSURANCE)	9760					
MACHINERY LEASE / RENTAL	9765					
ADVERTISING AND MARKETING COSTS	9792					
BUILDING AND FENCE REPAIRS	9795					
LAND CLEARING AND DRAINING	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	9807					
OFFICE EXPENSES	9808					
LEGAL AND ACCOUNTING FEES	9809					
PROPERTY TAXES	9810					
RENT (LAND BUILDINGS, PASTURES)	9811					
SALARIES PAID TO SPOUSE OR DEPENDANTS	9816					
MOTOR VEHICLE EXPENSES	9819					
SMALL TOOLS	9820					
SOIL TESTING	9821					
LICENSES / PERMITS	9823					
TELEPHONE	9824					
GRAVEL	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	9936					
MIA - PRIOR YEAR	9937					
OIA - PRIOR YEAR	9938					
OTHER - LOSS / GAIN ON DISPOSAL OF CAPITAL ASSETS	9896					
OTHER - AMORTIZATION FROM FINANCIAL STATEMENTS	9896					
OTHER -	9897					
OTHER -	9897					
OTHER -	9897					
OTHER -	9897					
OTHER -	9897					
OTHER -	9897					
<b>TOTAL</b>						

<b>GROSS FARM EXPENSES</b>	9968					
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**ACCRUAL TO CASH CONVERSION WORKSHEET**

NAME:  YEAR:  PIN:  OP #

GROSS FARM INCOME	9959						
GROSS FARM EXPENSES	9968						

NET FARM INCOME BEFORE ADJUSTMENTS	9969						
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OIA - CURRENT YEAR	9941						
MIA - CURRENT YEAR	9942						

NET INCOME	9946						
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**RECONCILIATION**

NET INCOME / LOSS AS PER WORKSHEET	<input type="text"/>	Net Income / Loss Per T2 Schedule 1	<input type="text"/>
Enter Net Income / Loss as per Financial Statements	<input type="text"/>		<input type="text"/>
Difference should be zero	<input type="text"/>		<input type="text"/>

CAIS margin Cash	<input type="text"/>
CAIS margin Accrual	<input type="text"/>
Amount to adjust	<input type="text"/>

**Reconciliation to CAIS Program Supplementary Information Form - Program Year**

**Section 9 - Part B Deferred Income and Receivables**

Allowable	Non-Allowable	Total		<input type="text"/>
A/R open	A/R open		Enter opening receivables as per Statement A	<input type="text"/>
A/R close	A/R close		Opening receivables from A to C worksheet	<input type="text"/>
A/P open	A/P open		Difference (should equal 0)	<input type="text"/>
A/P close	A/P close		Enter closing receivables as per Statement A	<input type="text"/>
Open inputs	Open inputs		Closing receivables from A to C worksheet	<input type="text"/>
Close inputs	Close inputs		Difference (should equal 0)	<input type="text"/>

**Section 9 - Part A Purchased Inputs Valuation**

Enter opening Inputs as per Statement A	<input type="text"/>
Opening inputs from A to C worksheet	<input type="text"/>
Difference (should equal 0)	<input type="text"/>

Enter closing Inputs as per Statement A	<input type="text"/>
Closing inputs from A to C worksheet	<input type="text"/>
Difference (should equal 0)	<input type="text"/>

**Section 9 - Part C Accounts Payable**

Enter opening payables as per Statement A	<input type="text"/>
Opening payables from A to C worksheet	<input type="text"/>
Difference (should equal 0)	<input type="text"/>

Enter Closing payables as per Statement A	<input type="text"/>
Closing payables from A to C worksheet	<input type="text"/>
Difference (should equal 0)	<input type="text"/>

**Internal Use Only**

1	\$0.00
2	\$0.00
32	\$0.00
33	\$0.00
34	\$0.00
63	\$0.00
70	\$0.00
72	\$0.00
	<u>\$0.00 A</u>
	<u>\$0.00 B</u>
	<u>\$0.00 C</u>
	<b>\$0.00</b>