Year-end Procedures  
Classifying the Unclassified

It is important to immediately classify everything you can. However, there will be some transactions for which you may have questions. *If you are unsure, leave the transaction unclassified.* That way, it will be prominent until you get your questions answered.

At the end of the year, the only transactions that should remain in the “Unclassified” column (on the Profit & Loss by Class Report) are the **Direct** Government payments or other transactions that have nothing to do with the operations of the agricultural business. For example, oil royalties or off-farm income would not be classified.

For the most part, transactions should be classified into a Profit, Cost, or Support Center at the time of entry. Remember, it’s much easier to remember what the fertilizer went on when you paid for it versus six months or a year down the road!

**Classification tips:**

*Fuel, repairs, and vehicle or machinery insurance is usually classified to SC: Machinery & Equipment.*

*Vet medicine, feed, and cowboy contract labor should be broken down between cow-calf (if working calves or weaning), raised or purchased stockers (for wheat pasture calves), or replacement heifers (wheat pasture calves).*

*Utilities, taxes, liability insurance, accounting, and legal expenses are usually classified as SC: General & Administrative.*

*Irrigation repairs and electricity (or natural gas) could go to a Cost Center for Irrigation if you would like to see those expenses individually.*

*Crop insurance expense, as well as crop insurance revenues, should be classified to the insured crop (Profit Center).*