

Nebraska Farm Business, Inc.

Yielding Success Through Financial Management

Estate Planning: Starting the Planning Process

The first step in developing a plan is to know what you have and what you want to do with it. To organize what you have, we put together a balance sheet. With our farm families the biggest asset is usually the land. We want to list each parcel of land, the cost basis of each parcel, and the estimated fair market value of each parcel. We also want to know what other investments you have including what kind of investment it is, the cost basis, and the fair market value. For example, life insurance policies, stock accounts, mutual funds, retirement accounts, etc. We also want to know the cost value and fair market value of your machinery and equipment, any notes receivable (from contract sales) you may have, and any other assets including that old car that one of the boys wants. On the flip side, we need to know what you owe. Any outstanding loans, we need to know the amounts and terms.

Now that we have a balance sheet prepared, you can think about what you want to do with it. Some things to consider are:

- How many heirs do you have?
- How many are farming and how many are off the farm?
- Who has interest in owning ground?
- Do you want to ensure the land stays in the family or let the heirs decide what to do with it?

- Do they want to own it together?
- Do you want the assets to go to your kids or would it be better to leave some to the grandkids?
- Do you have a charity that you want to leave something substantial to?
- What are your heir's interests? Do they have any interest in the cattle or would they rather own something else?

Once we know what you want to happen to your assets after you are gone we can give you some ideas to get you there.

Often if the estate is over the tax exemption or if you have multiple heirs, there will be trust or entities involved in the plan, great detail about these entities will not be discussed here, but know that it is important to understand the entity and what the requirements are before setting one up.

Some level of estate planning is important for everyone. It may be just making sure you have a will and a letter to your loved ones expressing your wishes or it could be a complex plan that leaves your assets to your kids and grandkids. Either way your estate plan should be tailored to your situation and reflect what you want after you are gone.

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dates to Remember

January 15th: Deadline to avoid penalties on 1099/W-2 preparation with NFBI

January 15th: 4th Quarter Estimates Due

January 31st: 1099's & W-2 documents must be filed and distributed

-March 1st: Farmer's Filing Due Date

-March 15th: Partnership Filing Due Date

-March 15th: S-Corporation Filing Due Date

-April 17th: Corporate and all other Individual Tax Return Filing Due Date



New Deadlines IRS Filing Deadlines:

Partnerships (1065): Due March 15, 2017

S-Corporations (1120S): Due March 15, 2017

Corporations (1120): April 17, 2017

NFBI Trade Show Dates:

January 11-12: *Northeast Nebraska Farm & Equipment Show, Norfolk, NE*

January 11-12: *York Ag Expo, York, NE*

Financial Analysis: Have you been thinking about starting our program?

Are you still interested in being part of our analysis program? There is still plenty of time to get started! Contact your consultant and set up a time to meet and put together the information necessary to get a 2016 Analysis completed!

Don't think you have the necessary information? We will work with whatever information you have! Plus, if you are just starting out, **check into our Beginning Farmer Analysis Program?** Be sure to contact your consultant today for more details!



The Nebraska Farm Business Office will be closed Monday, December 26th for Christmas.

The office will also be closed on Monday, January 2nd and Tuesday, January 3rd.

****Keep in mind the consultants work flex hours December 27th-December 30th, be sure to check-in with your consultant for their working hours!**

Michelle will be out of the Office on December 28th & 29th

Amber will be out of the Office on December 28th & December 29th

Kayla will be out of the Office on December 27th & December 30th

It's time for 1099's & W-2's... Are You Ready?

1099's:

- Must be filed to any individual, veterinarian, LLC, attorney/Law Firm, independent contractor, etc. that you paid \$600 or more total for the year in the course of your business (not personally)
- If you paid any individual \$600 or more in interest and/or dividends (\$10 or more), a 1099 must also be filed

This year NFBI will provide you with a pre-filled 1099 entry form filled out with the information of the recipients that you filed a 1099 for last year when we meet with you during tax planning. If you don't meet with your consultant for tax planning, please contact the office to request your pre-filled forms to be mailed to you. There are also fill-in pdf files on our website under "client info" tab.

NFBI must have all 1099's/W-2's filed with the IRS by January 31st! Please double check all information for accuracy. If changes are necessary, NOTIFY our office ASAP! The office will NOT be sending out any forms by mail, unless YOU request it!

Please have all of you 1099 and/or W-2 information into our office by **January 15th, 2017** to avoid **late fees!**

A Note from Gary Bredensteiner...

I have been blessed to be able to gradually work my way to full retirement over the last 6-8 years. Excellent understanding and support from clients and staff have made this possible. NFBI began operating in 1976 through Cooperative Extension, University of Nebraska and made the move to a public agricultural accounting firm in 2002. It has been a pleasure for me to have worked with many wonderful Nebraska Farm Families during that 40 year period of time.

My wife, Cheryl, and I will spend a good part of the winter in Arizona as a bigger step toward the inevitable "full retirement." My primary role this tax preparation season will be to review tax returns prepared by our NFBI staff, which can be accomplished via my laptop in sunny Arizona. My schedule also includes about a week in the NFBI office in late February and again in early April.

A big thanks to each of you and your support of NFBI. The goal remains the same as it was 40 years ago: "To help Nebraska farmers (through records, tax planning and preparation, and financial analysis) remain successful through all economic, political and environmental changes that occur."

Merry Christmas and a Blessed New Year!!!

Gary Bredensteiner



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The End of the Year is Upon Us.....Book Closing Appointments are Scheduled!!!

Auburn: Kayla– January 18th
Beatrice: Amber & Kayla– January 17th
Burwell: Kayla– January 10th
Central City: Michelle– January 16th
Fremont: Jim & Anthony– February 3rd
Hastings: Tina, Michelle, Amber & Kayla– January 23rd
Hebron: Amber– January 18th
Holdrege: Kayla– January 20th
Imperial: Michelle & Kayla– January 26th & 27th
Kearney: Michelle– January 20th
Norfolk: Michelle & Amber– January 11th-12th
North Platte: Tina, Michelle & Kayla– January 25th
St. Edward: Michelle & Kayla– January 19th
Valentine: Kayla– January 9th



**** Be sure to keep an eye out for you “official” appointment card with the time, date and location****