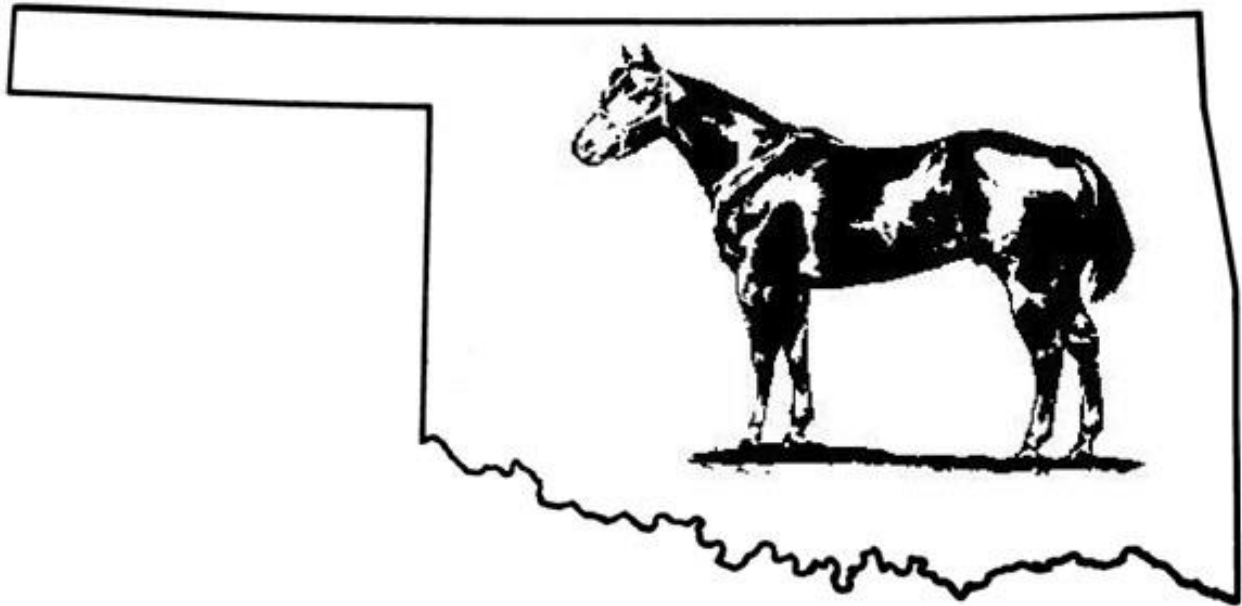


Oklahoma 4-H Horse Project

Member Activity Manual

Record Keeping for Owning a Horse

4-H-ANSC-607



4-H Horse Project Record Keeping Handbook¹

One of the main responsibilities of horse ownership is making educated decisions on practices that result in healthy horse care and use. It is important to maintain permanent, written records of your project activity so decisions can be based on accurate information. Otherwise, information will be forgotten, summaries would be inaccurate and evaluation of management practices would be impossible. The results may cause you to unnecessarily make poor decisions that limit your activities with your project. Being economically efficient not only assists those with the objective of making a profit with their projects, it also is important for those trying to maximize the amount of pleasure they receive for every dollar they spend.

People use many different types of records for their business, family and hobby needs. This handbook is designed to familiarize 4-H members with a record keeping system for their horse project. It contains the basic records that apply to most projects. In addition, one of the objectives of the handbook is to encourage the development of supplemental records for a specific project. The handbook provides a format for keeping three different types of documentation: 1.) Management records, 2.) Financial records and 3.) Evaluation of records.

To complete this handbook successfully, 4-H'ers will depend on parents, leaders and other resource people for guidance. Before starting, review each section so that you have a clear understanding of the overall objective of the section, what types of information are needed, and routines you will need to insure complete, accurate records. Additionally, member progress should be frequently reviewed. One suggestion is for leaders to provide a small amount of time at the beginning or end of monthly meetings for youth to update their records. Many members will find it of most benefit to use this handbook as a record for one year's activities.

Participation in the 4-H Horse Project Record keeping program is encouraged for all youths. Younger members should not be expected to independently develop record keeping skills. As such, teaching methods for younger members should use as much active participation with a leader or parent as possible. Older youth may need less day-to-day instruction. However, frequent reviews will be important to insure completeness of information.

There are numerous computer based record keeping software systems available. While use of such is more realistic under business practices, hand-recording may be a more effective teaching tool. The basis behind the different financial records may be more completely understood. Also, recording records 'by hand' may be less intimidating for those in the beginning stages of record keeping.

Some 4-H'ers may be equipped to use the general layout of the records and develop simple computer-based systems that link individual expense and income records with the general ledger. Whether computer or hand-written recording systems are used, the general objectives are to encourage accurate, up to date record keeping practices, instill the abilities to separate expenses and income, and promote personal evaluation of practices and finances.

¹ Prepared by Dr. David Freeman, Extension Equine Specialist, Oklahoma State University, Stillwater, OK.

Name: _____ Recording Period: _____ to _____

SECTION ONE. MANAGEMENT

This section contains records that aid in the management of your project. The records are designed for use with one horse. Duplicate records can be used for additional horses. Place any additional records at the end of this section. All horses that are included in the next section should have individual management records. The records included in this section are designed to document care practices. Some of the records may not be applicable to your individual project. You are encouraged to develop additional records that will help in evaluating management practices.

Project Identification

<i>Horse's name</i>	<i>Sex¹</i>	<i>Age</i>	<i>Breed</i>	<i>Registration Number²</i>	<i>Color/markings</i>	<i>Intended Use³</i>

¹Mare, Gelding, or Stallion ²If unregistered, mark 'grade' ³Show, pleasure, breeding, race, etc.

Feeding Record¹

	<i>MONTH</i>											
	<i>Jan</i>	<i>Feb</i>	<i>Mar</i>	<i>Apr</i>	<i>May</i>	<i>Jun</i>	<i>Jul</i>	<i>Aug</i>	<i>Sep</i>	<i>Oct</i>	<i>Nov</i>	<i>Dec</i>
Grain (lb/day)												
Grain Type:												
Hay (lb/day)												
Hay Type:												
Pasture (days)												

¹Record weight of feed by weighing grain and hay. Reweigh when changing amounts or types of feedstuffs. List grain type by brand name or grain (oats), and hay type by grass specie (bermudagrass). Use abbreviations if you desire. Estimate number of full days by month horse had access to pasture. Combine partial days if turnout time is limited.

Exhibition and Use Record¹

<i>Date</i>	<i>Type of Exhibition or Use²</i>	<i>Notes on Activity³</i>

¹List off-site activities that you participated in with your project, i.e. horse shows, trailrides, clinics. Copy this page and add additional pages if necessary.

²Name, location, etc. of activity

³Awards, animal performance, highlights, needs

SECTION TWO. FINANCES

This section contains a set of records that can be used for keeping the financial status of your horse project activities. There are many different types of financial records and record keeping systems; this section contains tables for one method. You may wish to modify the following records to meet your individual needs. These records monitor the expenses and incomes that relate to your project that are identified in section one. Some members have more than one animal, and the financial records will represent shared expenses and income. If this is the case, complete an additional set of tables in section one for every horse included in records for section two.

Part One. Recording Day to Day Activities

Some of the records in this system require recording information every time a financial transaction is made. Others are used to summarize financial entries for an evaluation on a periodic basis. The steps required are 1) Maintaining a General Ledger, 2) Recording Ledger Entries into Specific Accounts.

Step 1. Maintaining a General Ledger.

A general ledger is a record of all monetary transactions of the horse project. It resembles the balance sheet of a checkbook. A monetary transaction refers to each time money was brought in or taken from your project. Other records rely on information from the general ledger, so complete, accurate accounting of all monetary transactions is a must. The general ledger should include the date of the transaction, the specific account that the transaction relates to, and the amount of income or expense the transaction represents. It may also be of help to index the entries by assigning each a number as they are entered. This index number can be used as a reference to transfer information to tables in step 2. Also, monthly 'sub-totals' for the year's activities will help evaluation and also maintain checks on accuracy.

Step 2. Recording Ledger Entries into Specific Income or Expense Accounts.

Once an entry is made in a general ledger, the item needs to be recorded in a specific income or expense account. These accounts resemble the general ledger. Information should include the date of transaction, a description of the item and the amount of transaction. Additionally, it may be helpful to record the general ledger entry number of the specific transaction.

There are two general types of specific accounts: income and expense. Income accounts include transactions where you received money from your project activities, i.e. sale of project animals or equipment, show prize money or personal labor income you apply to your project. Expense accounts include transactions that you spent money for your project activities, i.e. feed, veterinarian care, farrier care, exhibition expense and labor expense.

The tables in this section will allow you to maintain a general ledger and specific accounts. There are extra tables to meet your specific needs, and you can duplicate tables as needed. A simplified example is provided for your review.

Example. Suppose you bought 200 pounds of grain from Joe's Feed Store on September 1. You should record this in the general ledger (page 8) and in the expense account titled Purchased Feed (page 11). The entry in the general ledger would be:

General Ledger

<i>Date (mo/day/yr)</i>	<i>Ledger Entry #</i>	<i>Specific Account Name</i>	<i>Income Amount</i>	<i>Expense Amount</i>	<i>Reference Notes on Transaction</i>
9/1/2011	20	Feed	-----	\$30.00	200 pounds grain from Joe's Feed Store. Receipt number 22 in receipt box.

The entry into the Feed Expense Account would be:

Purchased Feeds

<i>Date (mo/day/yr)</i>	<i>Ledger Entry #</i>	<i>Item</i>	<i>Expense Amount</i>
9/1/2011	20	200 pounds feed	\$30.00

Suppose you get paid \$100.00 on June 1, 2011 for hauling hay and you apply this money to your project. The entry would look like this:

General Ledger

<i>Date (mo/day/yr)</i>	<i>Ledger Entry #</i>	<i>Specific Account Name</i>	<i>Income Amount</i>	<i>Expense Amount</i>	<i>Reference Notes on Transaction</i>
6/1/11	15	Labor Income	\$100.00	-----	Hauling Hay

The entry into the Labor Income Account on page 9 would be:

Labor Income Account

<i>Date (mo/day/yr)</i>	<i>Ledger Entry #</i>	<i>Item</i>	<i>Income Amount</i>
6/1/11	15	Hauling Hay	\$100.00

General Ledger

<i>Date (mo./day/yr)</i>	<i>Ledger Entry #</i>	<i>Specific Account Name</i>	<i>Income Amount</i>	<i>Expense Amount</i>	<i>Reference Notes on Transaction</i>
	1				
	2				
	3				
	4				

INCOME ACCOUNTS*Sale of Livestock or Equipment*

<i>Date</i> <i>(mo/day/yr)</i>	<i>Ledger</i> <i>Entry #</i>	<i>Item</i>	<i>Income</i> <i>Amount</i>

Labor Income

<i>Date</i> <i>(mo/day/yr)</i>	<i>Ledger</i> <i>Entry #</i>	<i>Item</i>	<i>Income</i> <i>Amount</i>

Account Name:

<i>Date</i> <i>(mo/day/yr)</i>	<i>Ledger</i> <i>Entry #</i>	<i>Item</i>	<i>Income</i> <i>Amount</i>

INCOME ACCOUNTS*Account Name:*

<i>Date</i> <i>(mo/day/yr)</i>	<i>Ledger</i> <i>Entry #</i>	<i>Item</i>	<i>Income</i> <i>Amount</i>

Account Name:

<i>Date</i> <i>(mo/day/yr)</i>	<i>Ledger</i> <i>Entry #</i>	<i>Item</i>	<i>Income</i> <i>Amount</i>

INCOME ACCOUNTS

Account Name:

<i>Date (mo/day/yr)</i>	<i>Ledger Entry #</i>	<i>Item</i>	<i>Income Amount</i>

Account Name:

<i>Date (mo/day/yr)</i>	<i>Ledger Entry #</i>	<i>Item</i>	<i>Income Amount</i>

Account Name:

<i>Date (mo/day/yr)</i>	<i>Ledger Entry #</i>	<i>Item</i>	<i>Income Amount</i>

INCOME ACCOUNTS

Account Name:

<i>Date (mo/day/yr)</i>	<i>Ledger Entry #</i>	<i>Item</i>	<i>Income Amount</i>

Account Name:

<i>Date (mo/day/yr)</i>	<i>Ledger Entry #</i>	<i>Item</i>	<i>Income Amount</i>

EXPENSE ACCOUNTS

Purchased Feeds

<i>Date (mo/day/yr)</i>	<i>Ledger Entry #</i>	<i>Item</i>	<i>Expense Amount</i>

EXPENSE ACCOUNTS

Health care

<i>Date (mo/day/yr)</i>	<i>Ledger Entry #</i>	<i>Item</i>	<i>Expense Amount</i>

Farrier

<i>Date (mo/day/yr)</i>	<i>Ledger Entry #</i>	<i>Item</i>	<i>Expense Amount</i>

EXPENSE ACCOUNTS

Account Name:

<i>Date (mo/day/yr)</i>	<i>Ledger Entry #</i>	<i>Item</i>	<i>Expense Amount</i>

EXPENSE ACCOUNTS

Account Name:

<i>Date (mo/day/yr)</i>	<i>Ledger Entry #</i>	<i>Item</i>	<i>Expense Amount</i>

Account Name:

<i>Date (mo/day/yr)</i>	<i>Ledger Entry #</i>	<i>Item</i>	<i>Expense Amount</i>

Part Two. Summarizing Activities for Evaluation

From time to time, you will want to summarize your specific accounts so you can prepare a project financial summary for evaluation. Your objective is to complete a closing summary statement. The closing summary statement provides you a bottom-line on your net income or expense. To complete the closing statement, you will need a value of inventory. Inventory refers to items you have on hand at the beginning and end of your recording period. Inventory includes your project animal(s) and feed, supplies, buildings and equipment. Your estimated value for inventory should equal the amount you paid for the item or you would receive if selling the inventory. Beginning and ending project inventory summaries allow you to track the beginning and end of the record period.

You will also need to include a summary of the income and expense activity by accounting for the total income and expense for the period. Income and expense summary statements summarize the specific accounts in part one of this section. The income summary statement includes a listing of all income account totals. The expense summary statement includes a listing of all expense accounts totals. This part contains one income and one expense summary account. Duplicate these if you summarize more than once in the time period you are keeping these records. Make sure you record the date of the summary. Summaries should be conducted at least once every three to four months so you can monitor your income and expense items.

Inventory summaries can then be combined with income and expense summaries to complete the closing summary statement. Beginning inventory information is combined with the final expense total from the expense summary to obtain a total project expense. Income total is obtained by adding the closing inventory value with the final income total from the income summary. The final profit and loss statement is obtained by subtracting the total expense from the total income columns. A simplified example follows.

Example: Suppose you want to summarize your financial status on September 1, 2011.

You should have already recorded inventory on hand at the beginning of the recording period. The estimated worth of horses and feed, supplies, buildings and equipment is recorded in the project inventory tables on page 16.

Suppose you started your record on January 1, 2011. At that time, you had two horses, 100 pounds of feed and tack. You should have listed the value of each item at that time. During the time between January 1 and September, suppose you sold one of the horses. When you summarized your financial status on September 1, 2011, your inventory on hand included one horse, 200 pounds of feed and tack.

Your beginning and ending value for inventory on hand would appear in the inventory tables as follows.

PROJECT INVENTORY: HORSES

<i>Item</i>	<i>Beginning Worth Date: 1/1/11</i>	<i>Ending Worth Date: 9/1/11</i>
Blaze	\$1200.00	Sold
Spot	\$1200.00	\$1200.00
TOTAL	\$2400.00	\$1200.00

PROJECT INVENTORY: FEED, SUPPLIES, BUILDINGS AND EQUIPMENT OWNED

<i>Item</i>	<i>Beginning Worth Date 1/1/11</i>	<i>Ending Worth Date: 9/1/11</i>
Feed	\$15.00	\$30.00
Tack	\$300.00	\$300.00
TOTAL	\$315.00	\$315.00

The totals in the project inventory tables will be used in the closing statement summary.

You must also total up all the specific income and expense accounts in part one of this section. Suppose you have only two expense accounts: Feed @ \$500.00 and Health Care @ \$200.00. You also have only two income accounts: Sale of Livestock @ \$1600 and Labor Income @ 250.00.

Your income and expense summary tables would appear as follows:

INCOME SUMMARY STATEMENT Date: 9/1/11

<i>Account Name</i>	<i>Amount</i>
Sale of Livestock	\$1600.00
Labor Income	\$250.00
Total	\$1850.00

EXPENSE SUMMARY STATEMENT Date: 9/1/11

<i>Account Name</i>	<i>Name</i>
Feed	\$500.00
Health Care	\$200.00
Total	\$700.00

You would place these totals in the Income and Expense Summary Tables and then total the tables. You would then have all the information for your Closing Summary Statement. The income summary would be the sum of the closing inventories values and the income summary statement. The expense summary would be the sum of the beginning inventories values and the expense summary statement. The net profit or loss would be the differences between income and expenses.

Closing Summary Statement for the Period between:

1/1/11 to 9/1/11

<i>Income Summary</i>	<i>Amount</i>
1. Closing Inventory: Horses	\$1200.00
2. Closing Inventory: Feed, Supplies, etc.	\$ 330.00
3. Income Summary Total	\$1850.00
4. Income Total (add items 1, 2 and 3)	\$3380.00
<i>Expense Summary</i>	
5. Beginning Inventory: Horses	\$2400.00
6. Beginning Inventory: Feed, Supplies, etc.	\$ 315.00
7. Expense Summary Total	\$ 700.00
8. Expense Total (add items 5, 6 and 7)	\$3415.00
NET PROFIT OR LOSS (Income total minus Expense total) (item 4 minus item 8)	Minus \$35.00

In this example, there was a decrease (net loss) of \$35.00 in the financial status of the project. The increase in sale price over the beginning inventory value helped cover expenses for the year.

Your records will probably have more income and expense accounts, however, the summaries would be prepared the same. This example should point out the need to be complete and accurate in recording your income and expenses starting with the general ledger. Beyond that step, it is a matter of placing the entries into the correct expense and income accounts. These totals, along with inventory values, will provide you all the information you need to financially summarize your project activities.

PROJECT INVENTORY: HORSES¹

<i>Item</i>	<i>Beginning Worth Date:</i>	<i>Ending Worth Date:</i>
TOTAL		

¹Include all horses listed in records in section one that are on hand at the beginning or end of the recording period. Any inventory showing in the ending worth column that is not included in the beginning worth should appear in an expense account in part one.

PROJECT INVENTORY: FEED, SUPPLIES, BUILDINGS AND EQUIPMENT OWNED¹

<i>Item</i>	<i>Beginning Worth Date:</i>	<i>Ending Worth Date:</i>
TOTAL		

¹Include all feed, supplies, buildings and equipment on hand at the beginning or end of the recording period. Any inventory showing in the ending worth column that is not included in the beginning worth should appear in an expense account in part one.

INCOME SUMMARY STATEMENT¹ **Date:**

<i>Account Name</i>	<i>Amount</i>
Total	

¹List totals for all income accounts in part one of this section

EXPENSE SUMMARY STATEMENT¹ **Date:**

<i>Account Name</i>	<i>Amount</i>
Total	

¹List totals for all expense accounts in part on of this section.

Closing Summary Statement for the Period between:

<i>Income Summary</i>	<i>Amount</i>
1. Closing Inventory: Horses	
2. Closing Inventory: Feed, Supplies, etc.	
3. Income Summary Total	
4. Income Total (add items 1, 2 and 3)	
<i>Expense Summary</i>	
5. Beginning Inventory: Horses	
6. Beginning Inventory: Feed, Supplies, etc.	
7. Expense Summary Total	
8. Expense Total (add items 5, 6 and 7)	
NET PROFIT OR LOSS (Income total minus Expense total) (item 4 minus item 8)	

5. What management practices do you think helped maximize your income and minimize your expenses?

6. What are your plans to help improve the financial status of your project?

.....
Date Member Completed the 'Record Keeping' Handbook _____

This certifies that _____ has successfully completed the 4-H
Member Activity Manual 'Record Keeping for Owning a Horse'.

(Signature of 4-H Leader who Supervised and Checked Activities)

(Signature of Extension Educator who Reviewed Activities and
Completion of This Manual)

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