
Handling New Government Support Payments in FINPACK for 2020

There have been many new government support programs in 2020. Many of these related to the COVID-19 pandemic. Here is an initial look at the recommendations of how to handle these new programs for the 2020 FINAN financial analysis. There may be additional programs as we move through the remainder of the year. Final information will be distributed in the Closeout Manual and via meetings and webinars.

PPP LOAN

- Assumption is that we do not want PPP to impact expense trends and cost of production.
- Treat initially as a **Current Loan**.
- Include **all expenses** paid with loan proceeds as normal farm expenses (including portion that will not be tax deductible related to PPP forgiveness).
- **If forgiven:**
 - Enter the amount of forgiveness as **Other Government Payment income** in the whole farm analysis.
 - Use this cash inflow to pay down the loan for the amount of forgiveness.
- **If forgiveness is not approved by the end of the year:**
 - Show expected forgiveness as **Account Receivable** and leave **Current Loan** on the **Balance Sheet**.
- ****Do not allocate government payment income portion to the crop or livestock enterprise analysis.****

WHIP+

- Include as **Other Government Payment income** in 2020 whole farm analysis (FINAN).
- **** Do not allocate to the crop enterprise analysis. **** (Payments for 2018 & 2019, not related to this year's production.)

NOTE: This is an update to the recommendation provided on 3/19/20 on how to handle WHIP+ payments. The payment received in 2020 should not be included on the Jan. 1 balance sheet.

CFAP

- Include as **Other Government Payment income** in 2020 whole farm analysis (FINAN).
- **Inclusion in Enterprise Analysis:**
 - Crop Enterprise Analysis
 - Allocate the portion received for crops as **Crop Government Payment income**.
 - Allocate like ARC & PLC.
 - Livestock Enterprise Analysis
 - Allocate to the enterprises the payment was based on as **Livestock Government Payment income**.

SBA EIDL LOANS

- Treat as any other long-term loan on the Balance Sheet and within the financial analysis (FINAN).

SBA EIDL EMERGENCY ADVANCE GRANT

- Emergency Advance (\$10,000 maximum) received by producers was considered grant funds received.
- Include as **Other Government Payment income** in 2020 whole farm analysis (FINAN).
- **** Do not allocate to crop or livestock enterprise analysis. ****

MN SMALL BUSINESS RELIEF GRANTS

- Include as **Other Government Payment income** in 2020 whole farm analysis (FINAN).
- **** Do not allocate to crop or livestock enterprise analysis ****

SHIPP (SOIL HEALTH AND INCOME PROTECTION PROGRAM)

- Include as **Conservation Government Payment income** in whole farm analysis (FINAN).
- Allocate to the appropriate crops as **Other Income** in the crop enterprise analysis.

EIP (ECONOMIC IMPACT PAYMENTS – “STIMULUS CHECKS”)

- Include as **Other Personal Income** (non-farm income) in the 2020 whole farm analysis.
- **** Do not allocate to crop or livestock enterprise analysis. ****