

Proficiency Application Help Information

Category	Question	Answer
6A or 6B pages in the Proficiency application	Regarding the entrepreneurial app., pages 6a/6b, section v - is this for all SAE projects and inventory changes or just this application's SAE area? If for all inventory, do we include in section X gifts received that become part of the market value section of the records?	Pages 6a/6b, Section V of the Entrepreneurship proficiency app. Is only for items related to that proficiency award area. Any gifts received, even if not related to the proficiency award, should be listed on the app. Because they effect the student's net worth.
Ag Communications Application	What style of writing should I use in filling out my application? AP Style or MLA Grammar?	we would accept either style for any applications, the reviewer she used is a journalist and they would use AP style as their standard -- if the applicant wishes to use this style, it may impress more judges at the national finals in October should she make it that way, but since most of our national finals judges in July are educators, they would not be likely to grant any advantage based on style -- many of the judges in October are professional journalist and would be likely to notice and prefer this style, but there is no requirement to go that way and no score offered for style -- the candidate will have to use her own discretion as to whether to make the changes or not -- I hope that this is helpful -- Kevin
Award area (dog breeding)	In which proficiency award area do we put a student owned dog breeding program?	Small Animal Production and Care.

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<p>Barter</p>	<p>Unpaid hours. Student Raises steer to show at fair and father trades work for steer (barter). Where do I show that?</p>	<p>The raising of a steer as a part of the SAE is not 'unpaid hours', especially where there is a barter situation -- this is an entrepreneurship and you list the value of the steer as "non-cash current/operating expense-other", line 2e, page 8 a/b. and you show the same amount in line 1.g "value of ag labor exchanged for non-cash operating expenses". If feed costs are also bartered you show the value on line 2c, page 8 a/b and add that amount into line 1.g page 8 a/b.</p>
<p>Capital inventory</p>	<p>What is the difference between "capital" and "non-current" inventory?</p>	<p>None for our purposes - these are two terms for the same group of items. Capital and non-current assets or inventory are those items that a member would normally expect to have a useful life of more than 1 year and all pleasure, draft and breeding animals.</p>
<p>Capital transactions</p>	<p>On the Entrepreneurship app, how do we handle "capital transactions" when breeding livestock appreciate?</p>	<p>You use pages 6a/6B, line 1a, closing current/operating inventory for market livestock appreciation and/or other operating inventory changes. On pages 6a/6b, line 4a, closing non-current/capital inventory, is where you include purchased breeding livestock. Generally speaking all breeding livestock should be annually valued at market prices for this section, as we</p>

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		use cash/market values in our applications. Purchased breeding, draft and pleasure livestock are depreciable in book values used for tax purposes, but these values do not accurately represent student investment or assets for our purposes.
Contract Farming	How should we handle contract farming?	Contracts for raising of livestock or crops are most commonly and correctly counted as an entrepreneurship project, since such a contractor is an entrepreneur.
Current	What is Current Assets?	If you are raising an animal to sell this year, it would be listed as current assets. Once you list that item in current it will remain in current
Current vs Non-Current	When should I use Current vs. Non Current	Once you designate an asset is current or non-current, that is the way it will be posted from then on out. Once you decide to sell a non-current item, it will be a Capital Expense.
Entrepreneurship or Placement application	One year I had an Entrepreneurship SAE and another year I had a Placement SAE. Which application do I use Entrepreneurship or Placement	You can not put both Entrepreneurship and Placement on any one application. You have to decide which way to go and stick with it.
Ethanol	I was curious if the small scale production of ethanol for fuel purposes could be incorporated into some proficiency category.	This type of program would fit well into Agricultural Processing, as long as the SAE is approved (in Wisconsin the approval is in the hands of the local school, so your advisor will certainly know whether or not this is an approved SAE)

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Frozen Embryos	I have an SAE that has frozen embryos. Is that current or non-current?	Frozen Embryos is an asset, determine whether this asset is current or non-current. Once you make it one or the other, if made non-current it will remain that until you decide to sell and then it is a Capital Expense.
Gifts	Where should I list my gifts?	Any gifts received, even if not related to the proficiency award, should be listed on the application because they effect the student's net worth.
Gifts value	Do we account for changes in the values of gifts from year to year? For example, a shotgun given to the student valued at \$110 in December, 1999 and a gift of \$90 in December of 2000.	The gift should be shown at its initial value. A depreciation value should be used for depreciable items in the balance statement. Only items that effect income are depreciated in the proficiency award applications. The value of the gift at the time it is received is the correct value to record in the application on the "income" page.
Grocery Store - SAE	I work in a Grocery Store and need to know what proficiency area that would be in.	The appropriate area would be Agricultural Services. However, you need to check with your state to see if that would qualify as a SAE in your state. If it does, then it would qualify at national. Contact your main contact person of your state to see if it qualifies.
Gross Income	"I have a student with a placement application and he also has cattle which are NOT part of his "SAE Program" However, his expenses for his cattle are deductible on his federal income tax information	we suggest that students list the non-SAE income referred to here on line 22a as a net income -- they MAY list it as gross income and then show the expense on line 22e, but this is unnecessary (the bottom

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	<p>therefore we placed these expenditures under Non SAE Deductable expenses (in the Kansas Record Book). My question is what do we do with this column total for the three years of records that the student has in order to produce an accurate application?"</p>	<p>line will be the same in either case)</p>
<p>Home Farms</p>	<p>I have a couple of students working on their home farms in shares. For instance I have a student with 110 steers in a feedlot situation. He owns 10 percent of these steers and his dad has the other 90 percent. His dad has put him in charge of the whole project (he does 100 percent of the work.) How should the proficiency application be completed?</p>	<p>On a PR app the student only counts 10% of the total project throughout the appl. If his father isn't charging him cash for operating expenses, the student should count his savings from these potential expenses as income for the extra hours that he works (total hours minus his share, 10%). He actually is bartering labor for non-cash operating expenses. There is no free feed, etc. Remember, the bartered value should be a fair market value for the hours worked and any reported non-cash expenses in the summary must be covered by non-cash income in either the summary (page 6A/6b, line 1G) for bartered labor if directly related to the SAE or on page 8 if not directly related to the SAE).</p>
<p>Insuranace</p>	<p>I have insurance and registration fees for the vehicle is use for work. Do I put this as current or non-current?</p>	<p>Insurance and registration is considered personal expenses so on the AD you would put it under Non SAE Income/expenses (page 11, line 22e)</p>

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<p>Learning Disabled</p>	<p>I have a student who is learning disabled. How can he qualify for the American Degree?</p>	<p>The local school district determines whether the student has a passing grade or not. National accepts the schools ruling. No grade point average is necessary. Just a signature from Guidance Counselor.</p>
<p>Leased or Bartered Equipment</p>	<p>I have a lawncare enterprise, but don't own the equipment as it is owned by my parents. Am I Entrepreneurship or Placement and how do I list that on the application</p>	<p>You would be an Entrepreneurship application; however, you would list your equipment as leased or bartered. On the proficiency application that would be listed on line 2E or 1G. You would be unable to list your equipment but you could show what equipment you use in a picture. More than likely you do things for your parents that are not part of your SAE and that lets you barter the equipment from your parents. That way you wouldn't be in a disadvantage with the other applicants.</p>
<p>List of Activities</p>	<p>There is not enough room to list all of my activities. What do I do?</p>	<p>There is ample room to list enough activities for a satisfactory record of activities. If you want to add more activities put it on a resume. However, a resume is not required for the American Degree. If you are a Star a resume is required.</p>

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<p>Missing one year activity in my SAE</p>	<p>I did not take ag for my sophomore year but had an SAE for grade 8, 9, 11 and 12. My ending inventory for my freshman year shows up as beginning inventory my sophomore year but I did not take ag that year. How can I fix this?</p>	<p>There are 2 ways you could do it. You could go back and activate your membership for your sophomore year even though you did not have ag. Or, you would have to sell all of your inventory at the end of your Freshman year and then buy it back at the beginning of your Junior year.</p>
<p>Non-Current</p>	<p>What is Non-Current Assets?</p>	<p>Non-current assets are things you are going to keep over a period of time (more than one year) Once you decide to sell you would post it as a Capital Expense</p>
<p>Operating Inventory</p>	<p>What is the difference between "operating" and "current" inventory?</p>	<p>None for our purposes - these are two terms for the same group of items. Operating or current assets or inventory are those items that the member expects to have for one year or less and all market animals, regardless of the length of time that they would be held. All items for resale would be included in this inventory, even purchased inventory that will be resold.</p>
<p>SAE - Grain</p>	<p>Which area should I place this student. He works at a grain elevator that takes in and merchandises grain. His main tasks are handling grain food and non-food grade; collects bids (not merchandise); some equipment maintenance; Blending grain; Loading and unloading; maintain grain quality.</p>	<p>He would best fit into Ag Processing.</p>

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SAE Agreement	I need an SAE Agreement for a proficiency placement student. Where do I find that?	The Chapter Resource Guide CD ROM has an Excel template of an SAE Agreement. You find that by opening the CD ROM, click on SAE and the link for SAE Agreement is on that page.
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Scholarship	I received a scholarship, how do I show that on the American Degree application. And, how do I show the education expenses?	A scholarship is treated as a gift (listed on page 11, line 22c), unless the scholarship was given as a premium for SAE (example -- in the Houston Livestock Show they give scholarships as part of the show premium for winning certain awards with your livestock i.e. grand champions) If the latter is true, the scholarship is listed as cash income line 1.d., page 8 a/b - It would be very rare that a scholarship is not listed as a gift. When the scholarship is used you can then list that expense as part of what you show in the American Degree as 'Total Education Expenses' on line 19b on page 11.
State degree	I am using the American Degree template to apply for my State degree. I don't have 3 years of schooling as yet. What should I do.	The state degree only requires 2 years and 360 class hours. You would figure the hours as 180 hours per year.
State Office Duties on American Degree hours	I am a State Officer for Florida and have applied for my American Degree. Is it okay to include my hours for state officer?	No, any hours you have worked as a state officer are not allowed on your American Degree. If you did extra duties outside of your state officer duties (for example: Developed things, Promotion, Setting up booths, worked for FFA outside of your state officer duties) then you could include them. However, you need to check with your state office to see if they are outside of your officer duties as some states include those things as state

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Taxes	Where do I put my tax information	<p>officer duties.</p> <p>On the Proficiency applications it would go on Page 7, 3A and on the American Degree it would go on page 10, 6A (taxes paid already by the end of the year are entered on page 8 a/b on the line 2d -- 'cash expenses other' -- since they are annual payments due within a 12 month period and are not purchasing any asset they are current expenses -- Rosalie is correct on her recommendation for these payments if they are due by the end of the year and were not paid in that calendar year (making them a liability)</p>
Travel to Convention - American Degrees	I have a member that has attended the National FFA Convention three times and was wondering how she can account for the money that she has spent from her SAE project on the costs of attending the convention. We travel from Washington State, so it is a significant amount of money.	Travel expenses are considered part of "Total Other Personal Expenses (Including taxes and FICA) on line 22e of the American FFA Degree on Page 11. Educational expenses of registration, tuition, fees and books can be listed on page 11, line 19 A, and therefore are consider productive expenses. but this line would not include travel expenses. Many states do allow the registration fee for convention to be included here on line 22a -- let me know if you have any additional questions, and I hope this is helpful -- Kevin

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Vehicle	I have a vehicle which I am making payments on, where do I put this on my application?	You would put the value of the vehicle in the Non-Current/Capital Assets and then the amount she still owes on the loan in the Non-Current/Capital Liabilities. This should even itself out. If you put just the loan amount it will show up in the negative.
Volunteer Activities	Where should I list my volunteer activities?	Any volunteer activity which applies to their SAE would be listed on Page 4. Say you were participating in SME and you volunteered at the humane society. That would apply to your SAE. If you volunteered at a day care center and your SAE was small animal care, that would not apply to your SAE and you would list that on your resume.
Wiring	Should wiring that is done on the home farm be applied on the AME or HCE award area?	The student could apply in either area as they meet the description printed in the handbook. Students completing the HCE award area would usually apply in the placement area.