



STEP 3: Pick the right accountant

By KRISTINE THOMAS
For the Capital Press

The old saying “time is money” applies to Bells Up winemaker and owner Dave Specter. While he certainly has the skillset to tackle the business side of his winery, what he lacks is the time.

Before he and his wife, Sara, started Bells Up Winery in Newberg, Ore., in 2013, Specter spent more than a decade as a successful corporate tax attorney working for multinational public accounting firms.

“For a small winery like ours, it is simply not possible for a single person to handle every aspect of the operation and be successful even if you have expertise in a field,” Specter said. “Making and selling wine are where my attention is needed each day, so what we pay our CPA to do our annual tax returns and planning is among the best money we spend each year.”



Courtesy Dave Specter

Dave and Sara Specter started Bells Up Winery in Newberg, Ore., in 2013.

Hiring an experienced, capable accountant is critical to assist farmers and ranchers take care of the most important area of their business — their finances. Careful consideration should be given to who to hire, and it’s best to think about where the account-

ant is located, how much does he or she know about agriculture, what kind of accounting software they use, what they charge and how they keep up with new tax laws.

A fourth-generation farmer, Lori Pavlicek is one of the original Bs in

4B Farms in Mt. Angel, Ore. The family-owned and -operated farm was founded in 1972. On 2,500 acres, the family raises crops for the wholesale market including hops, garlic, grass seed, pumpkin seed, wheat, beans, corn and hazelnuts.

Pavlicek said it was important to choose the right accountant who knows the new tax codes, which are extremely complicated to follow and digest.

“An accountant whose expertise is agriculture and farming is important to me so I can take advantage of opportunities that are directed at agriculture or steer me away from a making wrong business decisions that would add more taxes or raise a red flag to the IRS,” Pavlicek said.

She said it’s important for her to maintain a good, long-term relationship with her accountant. She recommends hiring a professional who understands the goals of the owner

and business, along with being able to support the owners in case of an audit. Before she hired an accountant, she inquired how long they have been in business and asked for references.

On 4B’s webpage, Pavlicek shared that her family’s lives consist of planting, growing and harvesting crops.

“We are not only providing for our families, but for our employees and their families and, being a part of Oregon agriculture, providing for the world,” she wrote. “What a big responsibility!”

That’s one reason it is extremely important for Pavlicek have professionals like an accountant assist her in doing tasks that she is unsure of because it will save her time and money in the long run.

“Professionals have a degree in their specific areas and know the rules and regulations that I would not,” she said. “Professionals will ask the questions to obtain the answers they need to help you achieve your goals.”

STEP 4: Look for the right financial planner

By KRISTINE THOMAS
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Ask almost any farmer or rancher who is the most unpredictable member of their team, and they will probably answer, “Mother Nature.”

Farmers and ranchers are no strangers to the risks caused by the weather and fluctuating markets that can threaten their business.

The benefits of hiring a financial planner are he or she can provide guidance on how to mitigate those risks associated with farming and make sure you stay on solid financial ground.

A financial planner also allows farmers and ranchers to focus on the operation of their business while he takes care of ensuring its future.

“Many modern farms also now have financial assets that need to be managed as well,” business attorney Joe Hobson said. “Financial management in today’s world is not something you want to try on your own at home. It takes special expertise with access to research and advice that most of us will never be privy to.”

“A good financial planner can be a big help over the long haul to help grow the wealth of the farming organization,” he said.

If you are looking for advice on who to hire as a financial planner, the best place to start is talking with your network of peers. They can recommend who they have worked with. When it comes to hiring a financial planner, ask for three references. Remember, this person will be managing the financial future of your business.

When interviewing the person, ask how he would manage market volatility risks.

Age is another factor. Farmers should consider a financial planner to manage long-term

care and health-care risks, especially since almost 70% of people over age 65 will eventually need long-term care at some point in their lives. Planning ahead could help prevent farmers from having to sell or downsize the farm to pay for health care costs.

A good financial planner also should have the expertise to manage your farm or ranch’s succession plan. It takes time and consideration to pass the farm or ranch to the next generation and a financial planner can help reduce the emotional stress while making sure the plan’s goals are met.

A financial advisor for Prudential Advisors in Salem, Ore., David Souter said business succession is a tough topic for families to tackle without assistance. A financial planner can help the family navigate issues such as children not wanting to succeed the parents in the farming business and the farm business being owned by multiple family members.

A financial planner would make certain things are in order for a succession plan including having an official valuation of the farming business and answering questions about estate equalization.

An example of estate equalization is, let’s say Greg and Cindy are the children of farm owners. Cindy works on the farm and Greg does not. The owner parents will eventually die, and Cindy expects to inherit the business but that would leave Greg with nothing.

This is not an acceptable result for Greg. Rather than this becoming a legal issue, it could be resolved using a financial planner ahead of time. For example, the farmers could buy joint life insurance that that would pay Greg for his share of the farm and allow Cindy to have the farm free and clear.



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