

Lesson F2–3

Implementing SAE Programs

Unit F. Supervised Experience in Agriculture/Horticulture

Problem Area 2. Planning and Developing SAE Programs

Lesson 3. Implementing SAE Programs

New Mexico Content Standard:

Pathway Strand: Leadership and Teamwork

Standard: XI: Use leadership skills in collaborating with others to accomplish organizational goals and objectives.

Benchmark: XI-G. Embrace goal-setting, planning, respect, dependability, loyalty, trustworthiness to develop personal growth.

Performance Standard: 1. Plan and implement professional goals and set priorities. 2. Demonstrate professional ethics. 3. Demonstrate exemplary employability skills.

Student Learning Objectives. Instruction in this lesson should result in students achieving the following objectives:

1. Discuss the importance of keeping records on an SAE program.
2. Explain the types of financial records needed to support a chosen SAE program.
3. Identify standards to follow in keeping records on an SAE program.

List of Resources. The following resources may be useful in teaching this lesson:

Recommended Resources. One of the following resources should be selected to accompany the lesson:

Chelewski, Ray E., Jasper S. Lee, Elizabeth M. Morgan, and Elizabeth Wilson. *AgriScience Explorations*. Danville, Illinois: Interstate Publishers, Inc., 2000. (Textbook, Chapter 21)

National FFA Organization. *FFA Student Handbook*. Alexandria, Virginia: National FFA Organization, 1995.

National FFA Organization. *Official Manual*. Indianapolis, Indiana: National FFA Center, 1998.

SOE Programs in Agriculture. (VAS Unit #7003). Vocational Agricultural Service, College of Agriculture, University of Illinois, 1410 S. Maryland Drive, Urbana, IL.

Other Resources. The following resources will be useful to students and teachers:

Cooper, Elmer L. and Bret Iverson. *Agriscience Fundamentals and Applications*. Albany, New York: Delmar Publishers, Inc., 1997. (Textbook, Unit 6)

Fraze, Steven D., Sharon Hunter, Marshall Stewart, Brenda Scheil, and Robert Terry, Jr. *Developing Leadership and Personal Skills*. Danville, Illinois: Interstate Publishers, Inc., 1997. (Textbook, Appendix A)

List of Equipment, Tools, Supplies, and Facilities

Writing surface
Overhead projector
Transparencies from attached masters

Terms. The following terms are presented in this lesson (shown in bold italics):

Budget
Cash flow statement
Financial statement
Inventory
Receipts and expenses
Training plan

Interest Approach. Use an interest approach that will prepare the students for the lesson. Teachers often develop an approach for their unique class and students' situations. One possible approach would be to show students record books kept by selected former students. Exam-

ples of poor record books may also be used to help students understand the desired standard. Discuss the pros and cons of keeping accurate, neat records on a SAE program.

Summary of Content and Teaching Strategies

Objective 1: Discuss the importance of keeping records on an SAE program.

Anticipated Problem: Why should records be kept on SAE programs?

- I. Good records on SAE programs help to determine if the enterprise/program is profitable or worthy of the time devoted.
 - A. Seven reasons for keeping records on a SAE program include:
 1. To help in analyzing cash flow.
 2. To stimulate better money management skills.
 3. To determine profit or loss.
 4. To observe financial progress over several years.
 5. To provide a basis for sound management decisions.
 6. To guide investment and purchasing activity.
 7. To provide evidence needed for FFA awards and degree programs.
 8. To furnish information for income tax returns.
 - B. Record keeping is an essential description utilized throughout life to assist in planning and managing for improvement.
 - C. Keeping SAE records teaches basic record keeping skills that can be used in any life experience.
 - D. As records are kept, the usefulness of complete, current, and accurate records becomes evident.

Several teaching techniques can be used to assist students in understanding the importance of keeping records on SAE programs. Text materials will enhance student learning. Chapter 21 in Agriscience Explorations and VAS Unit 7003 "SOE Programs in Agriculture" are recommended. Use TM: F2-3A to help students understand the reasons for good record keeping skills. Show students examples of selected record books of former students who have earned FFA awards. Discuss the connection between good records and success in FFA, and in careers. Invite a local certified public accountant to the class to discuss the importance of good records.

Objective 2: Explain the types of financial records needed to support a chosen SAE program.

Anticipated Problem: What types of records should be kept on a SAE program?

- II. There are similarities as well as differences in the kinds of records needed for ownership and placement SAE programs.
 - A. Each student needs to complete the following types of records.
 1. Training plan.
 2. Budget.
 3. Record of receipts and expenses related to the SAE program.
 4. A monthly cash flow statement.
 5. An inventory for both beginning and end of the year.
 6. A financial statement.
 - B. A **budget** is a record of anticipated expense and income for the SAE program. It will show the estimated profit or loss for the program.
 - C. A record of **receipts and expenses** in the recording of all forms of income and expenses during the year for the SAE program.
 - D. A monthly **cash flow statement** is a record that shows how much money is coming in and the amount being paid out each month over the course of a year for the SAE program.
 - E. An **inventory** is a list of items on hand at the beginning and at the end of the SAE program.
 - F. A **financial statement**, sometimes called a net worth statement, determines financial worth at any point in time over the course of the SAE program.
 - G. A **training plan** is an agreement between the student and employer of experiences and competencies that will be accomplished as a result of the SAE program.
 - H. Components of an ownership SAE program records include:
 1. Budget estimates and project plans.
 2. Business agreements.
 3. Sales or receipt records.
 4. Expense records.
 5. Production records.
 6. Labor records.
 7. Opening and closing inventories.
 8. Financial statement.
 9. Depreciation schedule.
 10. Profit and loss statement.
 11. Cash flow statement.
 12. Accounts payable.

13. Accounts receivable.
- I. Components of a placement SAE program records include:
 1. Experiences planned and experiences obtained.
 2. Hours worked.
 3. Earnings and withholdings.
 4. Skills learned.
 5. Expenditures related to the job.
 6. Cash flow statement.
 7. Financial statement.
 8. Profit and loss statement.

Use a variety of teaching techniques to help students understand the types of records needed for an SAE program. Text materials will assist student mastery. Chapter 21 in Agriscience Explorations and VAS unit 7003 "SOE Programs in Agriculture" are recommended. Use TM: F2-3B to show the components of ownership SAE records and TM: F2-3C to explain the components of placement SAE records. Use TM: F2-3D and TM: F2-3E to illustrate examples of an SAE program projected budget. Use TM: F2-3F to illustrate an example of a training plan form. Have students develop projected budgets for various SAE programs as a small group activity. Show students examples of the record book used for SAE programs in your state and discuss the sections used for ownership and placement programs.

Objective 3: Identify standards to follow on keeping SAE records.

Anticipated Problem: What guidelines should be followed in keeping records on a SAE program.

- III. Several "approved practices" should be followed in keeping records on a SAE program.
 - A. Standards for keeping SAE program records include:
 1. Use the appropriate records for each phase of the SAE program.
 2. Use a pencil for all entries. Never a use pen.
 3. Keep records on a calendar year basis beginning January 1 and ending December 31.
 4. Make sure entries are neat, complete, and easy to read.
 5. Enter expenses and income as they occur.
 6. Review the record book every week to make sure all entries are current.
 7. Keep the record book in an accessible, protected place.
 8. Complete all relevant pages in the record book for the SAE program.
 9. Ask your teacher for assistance as needed.
 - B. Maintenance and use of good records requires extreme discipline.
 - C. Get into a habit of recording details on a regular basis, before they are forgotten.
 - D. Keep a calendar at home to write down items to be recorded in the record book at a later date.

- E. Periodic review and evaluation of the records allows for recognizing potential problems early and avoiding them.
- F. The day to day experience and practice in keeping records will lead to improved record keeping skills.

Numerous teaching techniques can be used to assist students in understanding the importance of good record keeping skills. Text materials will enhance student learning. Chapter 21 in Agriscience Explorations and VAS Unit 7003 "SOE Programs in Agriculture" are recommended. Use TM: F2-3G to illustrate the standards to be followed by students in keeping records in the SAE programs. Teach all students how to complete the various parts of the record book. Use sample record book entry problems available from commercial distributors. Provide special incentives to students to encourage them to keep good records on their SAE programs. Some examples include (1) recognizing the best record book each grading period, (2) providing an extra privilege to students who meet the accepted standard for SAE program activity and record book quality.

Review/Summary. Use the objectives for the lesson as guides in reviewing and summarizing the content. Have the students explain the content associated with each objective. Use questions at the end of the chapter of the text materials as a form of review

Application. Students can apply the content of the lesson in the FFA activities. The exploring activities at the ends of the chapters in the textbooks will also be useful in applying the lesson content.

Evaluation. Assessing the extent to which the students have achieved the objectives can be based on student participation in reviewing and summarizing the lessons as well as attentiveness throughout. A written test can also be given. A sample written test is attached.

Answers to Sample Test:

Part One: Matching

1 = d, 2 = a, 3 = e, 4 = b, 5 = f, 6 = c

Part Two: Completion

1. complete, current, accurate
2. Beginning inventory
3. financial statement
4. training plan

Part Three: Short Answer

1. Refer to transparency master TM: F2-3A for the possible answers.

Test

Lesson F2–3: Implementing SAE Programs

Part One: Matching

Instructions. Match the term with the correct response. Write the letter of the term by the definition.

- | | |
|-------------|------------------------|
| a. budget | d. cash-flow statement |
| b. receipts | e. ending inventory |
| c. expenses | f. financial statement |

- _____ 1. Records showing money coming in and going out on a monthly basis.
- _____ 2. Record of anticipated expenses and income.
- _____ 3. List of items on hand at the end of the year.
- _____ 4. A record of all income for the SAE program.
- _____ 5. Sometimes called a net worth statement.
- _____ 6. A record of all bills acquired with the SAE program.

Part Two: Completion

Instructions. Provide the word or words to complete the following statements.

1. As records are kept, the importance of _____, _____, and _____ records becomes evident.
2. _____ is a list of items on hand at the start of the SAE program.
3. A _____ determines financial worth at any period of time in the SAE program.
4. An agreement between the student and employer as to experiences and competencies to be accomplished is called a _____.

Part Three: Short Answer

Instructions. Provide information to answer the following questions.

1. List and explain five reasons to keep records on an SAE program.

WHY KEEP RECORDS ON YOUR SAE PROGRAM?

- **To analyze cash flow**
- **To stimulate better money management**
- **To determine profit or loss of enterprise**
- **To observe financial progress over several years**
- **To provide a basis for sound management decisions**
- **To guide investment and purchasing activity**
- **To provide evidence needed for FFA awards and degree programs**
- **To furnish information for income tax returns**

COMPONENTS OF AN OWNERSHIP SAE PROGRAM RECORDS INCLUDE:

- **Budget estimates and project plans**
- **Business agreements**
- **Sales or receipt records**
- **Expense records**
- **Production records**
- **Labor records**
- **Opening and closing inventories**
- **Financial statement**
- **Depreciation schedule**
- **Profit and loss statement**
- **Cash flow statement**
- **Accounts payable**
- **Accounts receivable**

COMPONENTS OF A PLACEMENT SAE PROGRAM RECORDS INCLUDE:

- **Experiences planned and experiences obtained**
- **Hours worked**
- **Earnings and withholdings**
- **Skills learned**
- **Expenditures related to the job**
- **Cash flow statement**
- **Financial statement**
- **Profit and loss statement**

SAE PROGRAM PROJECTED BUDGET

YEAR _____

Name _____

Year 1 2 3 4
(circle one)

Expenses

<u>Item</u>	<u>Amount</u>
1. apple and cherry trees (6)	\$100.00
2. materials to stake trees	15.00
3. hand sprayer	15.00
4. tool purchases	<u>25.00</u>
Total	\$155.00

Income

<u>Item</u>	<u>Amount</u>
1. work at school orchard (35 hrs.)	\$122.50
2. sale of apples (6 bu.)	70.00
3. miscellaneous work in tree care and landscaping for others	<u>125.00</u>
Total	\$317.50

Estimated profit or loss **+\$162.50**

TM: F2-3E

SAE PROGRAM PROJECTED BUDGET

YEAR _____

Name _____

Year 1 2 3 4
(circle one)

Expenses

<u>Item</u>	<u>Amount</u>
1. purchase of tools	\$35.00
2. tree care materials	25.00
3. fruit containers	5.00
4. miscellaneous expenses	<u>20.00</u>
Total	\$85.00

Income

<u>Item</u>	<u>Amount</u>
1. sale of apples (12 bu.)	\$ 144.00
2. sale of cherries (10 lbs.)	10.00
3. work at school orchard (50 hrs.)	175.00
4. work at Andersons (200 hrs.)	700.00
5. miscellaneous income	<u>50.00</u>
Total	\$1079.00

Estimated profit or loss **+\$994.00**

SAMPLE TRAINING PLAN

Name of Student _____ Teacher _____
Occupational/Educational Objective _____
Beginning Date _____ Ending Date _____
Training Station/Employer _____
Paid _____ Non-Paid _____ School Name _____

Experiences/Competencies	Date Accomplished	School-Related Instruction	Check When Done

STANDARDS FOR KEEPING RECORDS ON AN SAE PROGRAM

- **Use the appropriate record book for each phase of the SAE program.**
- **Use a pencil for entries.**
- **Keep records on a calendar year basis (January 1 – December 31).**
- **Make sure entries are neat, complete, and easy to read.**
- **Enter expenses and income as they occur.**
- **Review record book every week to make sure all entries are up to date (including improvement projects, supplementary skills, awards, credits, debits, etc.)**
- **Keep record book in an accessible, protected place.**
- **Complete all relevant pages in record book.**
- **Ask your teacher for help as you need it.**