Frontier Extension District # 11

ESTATE PLANNING AND FARM TRANSITION

Producers in the Frontier Extension District attended a series of estate planning and farm transition meetings held over a three-week period this spring. Some fifty individuals attended the series of three meetings to learn more about how to transfer the ownership of the farm business on to the intended heirs with as few complications as possible.

According to Dr. Charlotte Shoup Olsen, Extension Specialist in Family Studies, often the process begins with “Getting the Family Talking.” In her presentation, Dr. Olsen emphasized that this first step of the planning process is to identify the core values that lay the foundation for all the planning to follow. Passing the family farm business on to the next generation often fails because of lack of communication, inconsistency of family goals, unwillingness to sacrifice the good of the common goal, and lack of planning. In reality, transitions will happen, one way or another. If accomplished with effective communication and formal business planning, the result can be an operation that is highly competitive and will enable another generation to come aboard.

No transition plan can be effective and sustainable without addressing the issue of estate planning. Not just for the retiring generation, it is important for the succeeding generation as well. Common reasons some postpone estate planning include excuses such as “I'm too young,” “It's too expensive,” and “I don't have time.” However, having an estate plan may avoid the confusion, expense, and family quarreling that might occur when a death occurs without an estate plan. If individuals die without an estate plan, state and federal law decide what happens to the estate.

In his remarks, Dr. Gregg Hadley, Assistant Extension Director for Agriculture, Natural Resources and Community Development, explained the difference between estate planning and succession planning. Estate planning is about
how assets will be transferred to heirs. Succession planning integrates financial feasibility, business planning, dealing with emotional roadblocks, and learning how to communicate, with estate planning being the last step.

Forrest Buhler, Kansas Agricultural Mediation Services Staff Attorney, discussed with participants the importance of utilizing estate planning tools to minimize estate and inheritance taxes, avoid probate settlement costs, and care for minors. Also discussed was information on gift tax exclusion, types of trusts, transfer on death deeds, wills, power of attorney, and farm transition mediation.

Once an estate plan is completed, participants learned that it should be revisited. For example, the value of property may change, your objectives may change, you may marry, divorce, or have more children, and tax laws may change. Some advisors suggest a review of an estate plan every three to five years or whenever there is a major change in your situation.

SPRING FLING 2014

Frontier Extension District Agents routinely serve as resource people on a variety of community coalitions. By working together collaboratively, organizations help accomplish shared visions by pooling information and resources available. Coalitions maximize what can be accomplished in a community and help provide efficient ways to address common issues.

In March, the Frontier Extension District collaborated with the Franklin County Children’s Coalition and many others to promote Spring Fling, in Ottawa. In existence now for 16 years, the event provided family-oriented activities for area children and their families for free or at a low-cost, during the week of spring break. As a result of the activities, 9,000 individuals participated in the various events and activities, and over 700 canned goods (used in place of an admission fee for some activities) were donated to the local food pantry. Coalitions and groups from surrounding communities have also used the coalition’s model to organize their own Spring Fling event.

In addition to having a Frontier Extension District agent serve on the event planning committee, a district Family and Consumer Science agent proved two sessions of Kids-A-Cooking during the Spring Fling week. The goal of the program was to encourage children to help in the kitchen. When kids help with preparation of foods, it promotes independence and self-confidence. Another goal was to expose children to healthy food, because children may choose nutritionally sound foods if they understand the role of food in good health.

During the Spring Fling activities 30 Frontier Extension District 4-H youth and volunteers offered a 4-H Petting Zoo and Project Fair. At the event, 4-H members shared with 320 youth and adults about their 4-H projects. Participants were allowed a hands-on learning experience with the 4-H projects, which included: beef, sheep, goats, rabbits, poultry, dog, entomology, wildlife, fiber arts, livestock judging, and arts & crafts. In their presentations for the public, 4-H members shared information about their projects including the purpose, what they learn, and why they enjoy the experience.

Spring, 2014