

# Giving Gifts of Grain

## Sharing your Harvest:

Your harvest is your livelihood. You spend many days preparing, planting and nurturing your crops. Here at the Community Foundation we believe in that same process when it comes to charitable gifts. Donating a gift of grain to the Community Foundation rather than selling the grain and donating the proceeds is a simple way to provide significant tax benefits and make a lasting difference for your favorite charities.



## How you benefit:

By giving grain directly to the Community Foundation, you avoid including sales proceeds in your farm income. You may be able to deduct the cost of growing the crop resulting in savings of self-employment, federal and state income tax from your farm business expense.

*Example:*

Income	Without the Charitable Gift	With the Charitable Gift
Income from Farming	\$50,000	\$50,000
Income from Grain Sale	\$15,000	\$0
Total Income	\$65,000	\$50,000

*You may be able to deduct self-employment, federal and state income taxes based on adjusted gross income.*

## Other things to consider:

- Crop share landlords cannot give gifts of grain. They must report shares of grain as income on their tax return.
- Gifts of grain can be made from the current or previous year's harvest.
- This is a unique way you can benefit even if you don't itemize your taxes.

## Following these steps will help ensure you receive intended tax benefits from a gift of grain.

- Notify the Community Foundation of your elevator of choice. The Community Foundation may need to set-up an account, which needs to be done prior to transfer.
- Cash basis farmer delivers unsold grain with no prior sale commitment to the elevator.
- Farmer asks elevator to transfer x number of bushels to the Community Foundation of Shelby County.
- The Community Foundation receives warehouse receipt and authorizes sale of grain.
- The elevator will sell it at the closing price on the day of the delivery and the Community Foundation will receive the sale proceeds.
- The Community Foundation will send you a gift acknowledgement for your gift. Remember it is non-deductible for your taxes. You simply avoid paying income tax for the amount of grain.

*Please consult your tax advisor before making a gift of grain to make sure you understand the proper procedures and documentation needed to make a completed gift.*

