



The Community Foundation of Shelby County

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 donating a gift of grain directly to the Community Foundation, you exclude the sale of the grain from your farm income, which can result in triple tax savings. Plus, you may be able to deduct the cost of growing the crop in the year the expense occurred.

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 Taxable Income	\$65,000	\$50,000

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.

Steps:

- Notify the Community Foundation of your elevator of choice. We may need to set-up an account, which must be done prior to transfer.
- Cash basis farmer delivers unsold grain with no prior sale commitment to the elevator and asks the elevator to transfer 'X' number of bushels to the Community Foundation of Shelby County account.
- The Community Foundation receives a warehouse receipt and authorizes sale of the grain.
- The elevator sells the commodity and sends the proceeds to the Community Foundation.
- The Community Foundation will send you an acknowledgement of your gift. Remember, it is non-deductible for your taxes. You simply avoid paying income tax for the amount of grain.
- Once sales proceeds are received, you may request disbursements to preferred charities, including churches and other 501(c)(3) charities.

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.