



The Gift of *Grain*

Why Donate Grain?

Your harvest can help your community! Farmers can turn gifts of agricultural commodities such as corn and soybeans into a donation for charity. By providing a portion of what you've grown, you're investing in medical technology, equipment, and other resources that will sustain CMH for generations to come.

Benefits of Gifting Grain?

For farm operators, gifting grain directly, rather than selling the grain and making a gift from the proceeds, may provide a more significant tax savings. Giving a commodity means this is a sale that your business never realized. Contributing unsold crop inventory allows you to avoid the sale of the commodity as income and will not be recorded on your taxes, while the production costs may still be deductible. Reducing taxable income may provide advantages such as minimizing or eliminating self-employment tax and reducing adjusted gross income.

A donor should always consult with their tax preparer or financial advisor to determine the tax implication prior to making a charitable gift of grain.

Timing of the Gift?

Many grain farmers annually certify or document bushels of production with Risk Management Agency (RMA)/Crop Insurance Agents for purposes of enrolling that grain production in various agriculture subsidy programs. It is important to visit with RMA before making a gift of grain commodities to any organization.

Another great benefit of donating grain is that it doesn't matter if the donation is made in the year of production or a later year. Gifts of grain can be donated from the current year or previous years' harvest at any time during the tax year.

How Does it Work?

Choosing to donate a gift of grain to Friends of CMH is simple. To ensure compliance with tax laws, farmers wishing to donate a commodity should follow these steps:

1. After checking with your tax advisor, notify the Friends of CMH Foundation of your intended gift by phoning or writing us. Describe what the commodity is, and the quantity being contributed. Retain a copy of the letter for your records. (The gift should be from unsold crop inventory with no sale commitment made prior to the gift.)
2. The Friends of CMH Foundation will set up an account at the elevator you intend to use.
3. Transfer the bushels of grain as a gift to the Friends of CMH Foundation by having the elevator send a warehouse storage receipt to the Foundation. The elevator's receipt must show the Friends of CMH Foundation as the owner of the grain and your name on it in the body of the receipt. Important: please notify the Friends of CMH Foundation when you have delivered the grain to the elevator.
4. The Friends of CMH Foundation will provide you with a donation receipt for your gift. Do not report the donation on your tax forms as you are not entitled to any additional deduction. The tax benefit comes from deducting your production expenses as usual.
5. The Friends of CMH Foundation will sell the grain and receive the sale proceeds. Any sales invoice will name the Friends of CMH Foundation as the seller of the grain. Per Internal Revenue Service (IRS) rules, it is necessary that the Friends of CMH had 'dominion and control' of the commodity.

 **Friends of Community Memorial
Hospital Foundation**
UnityPoint Health

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