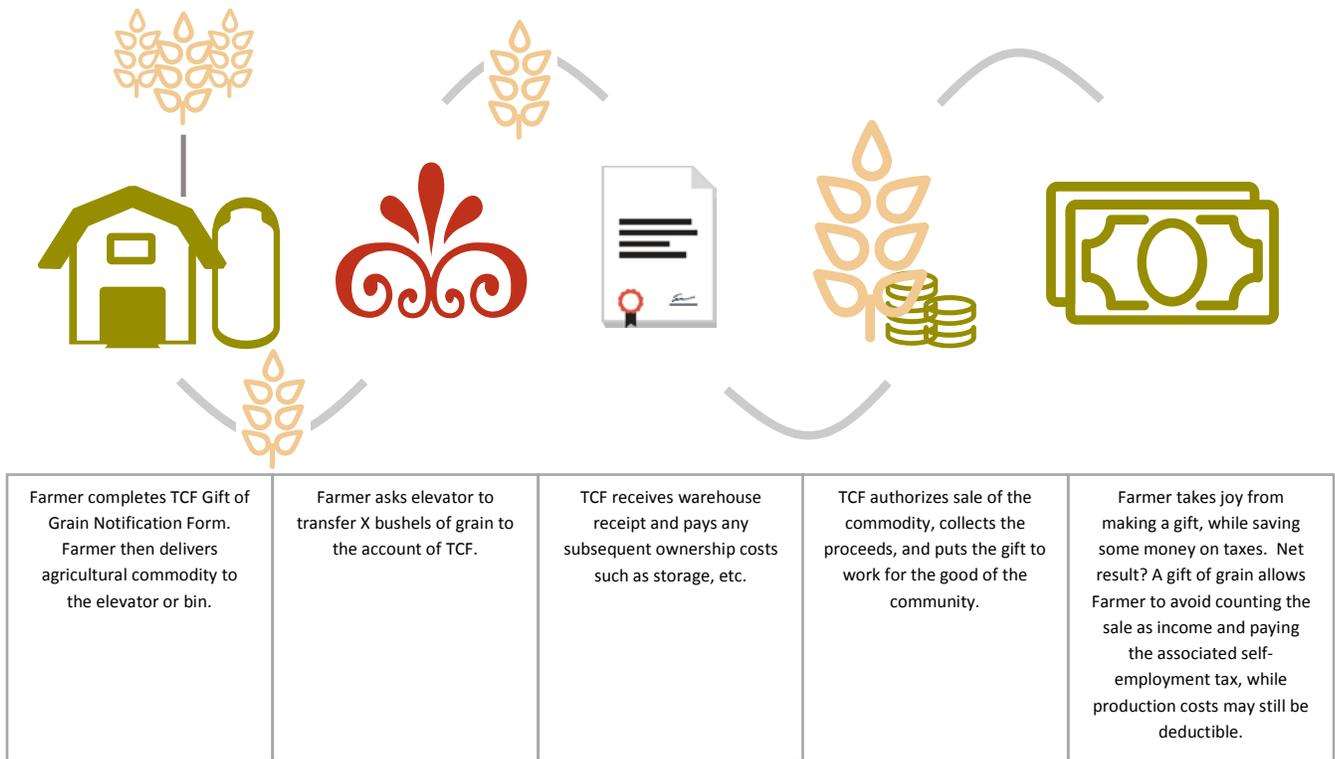


GUIDELINES FOR CHARITABLE GIFTS OF GRAIN

How it works:



Tips for Making Gifts of Grain to Benefit Your Community

- **Timing.** Gifts of grain to charity can be made from the current or previous year's harvest.
- **Unsold commodity.** The gift must be from unsold crop inventory with no prior sale commitment. A farmer will gift the grain to the Findlay-Hancock County Community Foundation (TCF) and let TCF decide what to do with it and when to sell it.
- **Physical delivery.** Be sure the gift is farm commodities, not warehouse receipts, which could be considered a cash equivalent. TCF must be able to demonstrate "control and dominion" over the gifted property.
- **Retention of control.** Farmers cannot offer guidance in the transfer agreement as to the retention or sale of the gifted commodity.
- **Documentation.** The transaction must be well-documented to show TCF as owner of the grain. A Gift of Grain Notification Form and a properly executed warehouse receipt in the Findlay-Hancock County Community Foundation's name must be completed. The original sales invoice for the gift of grain must list TCF as the seller.
- **Storage and transportation costs.** After the transfer of ownership of the grain, TCF assumes the risks of storage, marketing and transportation costs, as well as price risk.
- **Crop share landlords.** Crop share landlords cannot gift grain. Shares of crop are rental income that must be reported as income on their tax return.
- **Tax outcomes.** Costs associated with growing the crops may not be deductible if those costs are incurred in the same year as the year of the donation of the grain. Therefore, gifts made from the prior years' unsold crop inventory may offer the best tax results. Tax outcomes are also impacted by whether a farmer does cash or accrual accounting. See your tax advisor to determine if this is the best course of action for your circumstances.

Always consult your professional tax or legal advisor to determine the tax implications for your situation prior to making a gift. This document contains guidelines to assist in the mechanics of making a charitable gift of agricultural commodities and is not to be construed as specific tax advice.