Agriculture Gifts

An effective way for cash basis farmers to give

If you produce agricultural goods, such as crops or livestock, and you desire to maximize impact in your giving, consider donating these commodities directly to Cru or to a Great Commission Donor Advsed Fund account. A donation of agriculture allows you to make a charitable contribution before the products become taxable — providing federal, state, and self-employment tax savings.

The information we provide should not be construed as tax advice. You should always consult your tax advisor to determine if contributing commodities is appropriate for your specific situation.

How Does it Work?

NOTIFICATION

Notify Cru Foundation of your gift

Complete and return the Gift Directive

TRANSFER

Upon delivery to the elevator, request the transfer of ownership of your desired quantity to Cru Foundation

IMPACT

Cru Foundation will authorize the sale

Sale proceeds will be directed according to your advice to make a gospel impact

Get Started

1. Notify Cru or Cru Foundation with the details of your gift by completing and returning the Gift Directive.
2. Deliver the grain to the local elevator and transfer the legal ownership of the commodity to Cru or Cru Foundation.
3. If needed, a representative will contact the elevator to initiate the sale of grain. The elevator will then issue a check for the sale of the commodity to Cru or Cru Foundation.
    - You receive an acknowledgement letter for the gift, but not a tax-deductible receipt.

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Accelerating the Great Commission through smarter generosity.

Technical Requirements

- The farmer must give up “dominion and control” of the commodity. The farmer cannot sell the grain and order the proceeds to be sent to Cru Foundation. This results in a cash sale transaction and cash donation, not a gift of crops.
- Consult your tax professional about excluding the sale of the cash crop from income and deducting the cost of growing crops.
- These concepts are generally available for cash basis farmers. Farmers must engage in cash accounting.
- Crop share landlords cannot gift grain. Shares of crops are rental income that must be reported as income on the taxpayer’s tax return.
- Grain can be given at any time during the tax year. The gift should be from unsold crop inventory and prior to any agreement of sale.
- The farmer should not provide guidance to the charity regarding the sale of the commodity.
- Cru Foundation assumes the risk after the transfer. These risks include storage, transportation and marketing costs as well as price risk. The transaction must be well documented to show Cru Foundation as the owner.
- 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. Therefore, gifts made from the prior years' unsold crop inventory may offer the best tax results. As always, ask your tax advisor to determine if this is the best course of action for your circumstances.

For assistance and questions, please contact us. We look forward to serving you.