

LETTER OF UNDERSTANDING

REQUIREMENTS FOR CONSIDERATION AND ACCEPTANCE
OF AGRICULTURAL COMMODITIES



NAME OF DONOR:

DESCRIPTION OF ASSETS PROPOSED TO BE TRANSFERRED (quantity & type):

THIS LETTER OF UNDERSTANDING DEFINES THE TERMS ACCEPTANCE OF AGRICULTURAL GIFTS RAISED BY CASH METHOD SOLE PROPRIETOR FARM OPERATORS. THE DONOR UNDERSTANDS AND AGREES TO THE FOLLOWING TERMS AND CONDITIONS APPLICABLE TO THE DONOR AND HIS/HER TRANSFER OF THE ASSETS LISTED ABOVE TO CRU FOUNDATION (“CF”):

1. The Donor has received, reviewed, and agrees to the terms in CF’s Donor Advised Fund Program Description and Application, and this Letter of Understanding.
2. CF must review and approve all transfers to CF. No transfer is complete until formally accepted by CF. CF reserves the right to require the Donor to agree to additional terms of acceptance, if necessary.
3. The Asset, once transferred to and accepted by CF, transfers the property to CF and cannot be returned to the donor. Once CF accepts a transfer, it is irrevocable and not refundable.
4. The Donor is the legal owner of the Asset, has the authority to transfer the Asset and/or if applicable, has obtained the requisite consents to transfer the Asset.
5. The Donor is not under any legal obligation to sell the Asset and has no prior pricing commitment regarding the Asset.
6. The Asset should consist of crop inventory from the tax year prior to the year of transfer for maximum tax benefits to the Donor.
7. The Donor will obtain, and provide CF with a copy, of all necessary waivers of any liens on the Asset prior to its transfer to CF’s control. Donor will indemnify CF for any unrelated business income tax which it is required to pay on the proceeds of the sale of the Asset in the event that any necessary lien waiver is not obtained to the extent that such tax exceeds the cash and liquid assets in the Donor Advised Fund established by the Donor at CF at the time any such tax is due.

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8. The Donor will deliver ownership and control of the Asset to CF either by: (i.) physically delivering the Assets to an elevator or bin operator and by directing the elevator or bin operator to transfer the Assets unto the name of CF and to bill all future costs incurred with the Asset to CF; or (ii) to execute a notarized letter of transfer of the Asset to CF if the Asset is stored on Donor's farm assigning all future costs, such as storage and transportation of the Asset, to CF.

9. CF will receive the warehouse receipt or the notarized letter of transfer for the Asset, as applicable, and will authorize the sale of the Asset in terms determined by CF in its sole discretion.

10. CF will receive the proceeds from the sale of the Asset and will pay the costs (such as storage, transportation and marketing costs) incurred as owner of the Asset after the transfer of the Asset to CF from the proceeds of the sale, and will transfer the net proceeds of the sale into the Donor Advised Fund established by the Donor at CF.

11. The Donor will not claim a charitable contribution deduction for the value of the Asset transferred to CF.

12. CF will recover all legal and professional costs and accrued administrative fees incurred by CF in connection with accepting the transfer of the Asset. CF may require the Donor to make additional contributions to recover such costs.

13. Donor is advised to consult his/her legal/tax advisor regarding the tax effects of the transfer of the Asset. CF does not provide legal or tax advice.

ACCEPTED & AGREED

DONOR'S SIGNATURE

DATE

DONOR'S PRINTED NAME

Accelerating the Great Commission through *smarter generosity*.

100 Lake Hart Drive, #3600 • Orlando, FL 32832 • (800) 449-5454 • Fax (407) 541-5106
www.crufoundation.org • hello@crufoundation.org