

# GUIDE TO AGRICULTURAL GIFTS



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](http://www.crufoundation.org) • [hello@crufoundation.org](mailto:hello@crufoundation.org)



# WHAT ARE AGRICULTURAL COMMODITY GIFTS?

Farmers and agricultural producers often hold significant value in the commodities they produce, such as crops or livestock. In certain situations, these commodities can be donated directly to Cru before they are sold.

By donating agricultural commodities instead of selling them first, donors may be able to reduce taxable income and avoid certain federal, state, and self-employment taxes while supporting the work of ministry.

# HOW AGRICULTURAL GIFTS WORK

Agricultural gifts typically involve transferring ownership of crops or livestock to Cru before they are sold. Once the donation is completed, the commodities can be sold and the proceeds used to support Cru ministries or into a donor advised fund for wider distribution.

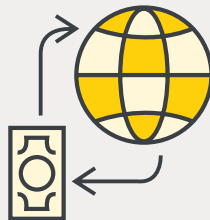
Because agricultural gifts involve unique tax and operational considerations, Cru Foundation works closely with donors and their advisors to ensure the gift is structured properly and completed in accordance with IRS guidelines.

## NOTIFICATION



**COMPLETE AND RETURN  
THE GIFT DIRECTIVE  
NOTIFY CRU FOUNDATION  
OF YOUR GIFT**

## TRANSFER



**UPON DELIVERY TO THE  
ELEVATOR/SALE BARN, REQUEST  
THE TRANSFER OF OWNERSHIP  
TO YOUR DESIRED QUANTITY  
TO CRU FOUNDATION**

## IMPACT



**CRU FOUNDATION WILL  
AUTHORIZE THE SALE  
PROCEEDS WILL BE DIRECTED  
TO YOUR CRU DAF OR THE  
CRU MINISTRY/MISSIONARY  
YOU DESIGNATE**

- 1** Notify Cru or Cru Foundation with the details of your gift by completing and returning the Gift Directive.
- 2** Deliver the crops or livestock to the local elevator/sale barn and transfer the legal ownership of the commodity to Cru or Cru Foundation.
- 3** If needed, a representative will contact the elevator or sale barn to initiate the sale. The elevator/sale barn will then issue a check for the sale of the commodity to Cru or Cru Foundation.

# TECHNICAL REQUIREMENTS

- The farmer must give up “dominion and control” of the commodity. The farmer cannot sell the crops or livestock and order the proceeds to be sent to Cru Foundation. This results in a cash sale transaction and cash donation.
- 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.



# AGRICULTURAL GIFT TRANSFER FORM

CROP OR LIVESTOCK TRANSFER



## TRANSFER TO:

**The Great Commission Foundation of Campus Crusade for Christ, Inc.**

DBA Cru Foundation  
100 Lake Hart Drive, #3600  
Orlando, FL 32832

**Phone:** (800) 449-5454    **Fax:** (407) 541-5106  
**Email:** [hello@crufoundation.org](mailto:hello@crufoundation.org)    **Federal Tax ID Number:** 95-2814920

**THIS GIFT IS A TRANSFER OF:**     Crops     Livestock

I am a cash basis farmer and I elect to transfer \_\_\_\_\_ of \_\_\_\_\_  
\_\_\_\_\_ to the account of Cru Foundation. I would like to transfer ownership  
as of today and request that all future costs incurred be billed to Cru Foundation. No encumbrances exist on the  
inventory described and Cru Foundation is free to sell and use the gift according to its own discretion.

\_\_\_\_\_  
**SIGNATURE**

\_\_\_\_\_  
**DATE**

**FIRST NAME:**

**LAST NAME:**

**STREET ADDRESS:**

**CITY:**

**STATE:**

**ZIP CODE:**

**TELEPHONE\*:**

**EMAIL\*:**

*\*Optional, but helpful if we need any further clarification*

**WHAT WILL THIS GIFT BE USED TO FUND?**

Donor Advised Fund     Cru Staff or Ministry     Other: \_\_\_\_\_

**PURPOSE:**

**Important!** Please submit a copy of this letter of instruction to Cru Foundation (see contact info above) by email - [hello@crufoundation.org](mailto:hello@crufoundation.org) or submit online at [crufoundation.org/forms](http://crufoundation.org/forms) to affect the transfer.

# 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.



**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](http://www.crufoundation.org) • [hello@crufoundation.org](mailto:hello@crufoundation.org)