



**GRAHAM COUNTY
COMMUNITY FOUNDATION**
AN AFFILIATE OF GREATER NORTHWEST KANSAS COMMUNITY FOUNDATION

Give the GIFT OF GRAIN

As you plant, nurture, and grow your crops, our foundation plants, nurtures, and grows each gift entrusted to us!

Steps to Give Grain

1. Deliver grain to elevator
2. Donor completes Gift of Grain Form
3. Donor informs elevator and the Foundation of intent to donate a set amount of grain
4. Elevator contacts GNWKCF authorization to sell grain for local foundation
5. Elevator sends the check, Gift of Grain Form, and warehouse receipt to GNWKCF
6. GNWKCF deposits gift to the charitable fund and a gift receipt is sent to the farmer

WHY GIVE GRAIN?

- Reduces income from grain sales
- Allows full deduction of production costs
- Reduces taxable income
- Minimizes self-employment tax
- Provides a charitable gift that could benefit generations to come

Gift of Grain Form

Donor Name: _____

Donor Address: _____ **City, State, Zip:** _____

Amount/Type of Grain: _____

Please designate below which Fund you wish to have your gift benefit:

Fund Designation: _____

Signature: _____ **Date:** _____

Grain Elevator: _____

Elevator Phone Number: _____

A check mark in this box verifies that this grain does not have a lien against it; or if the grain does have a lien against it, a lien waiver from the lender is attached.

Greater Northwest Kansas Community Foundation (GNWKCF)
c/o Graham County Community Foundation
PO Box 593, Bird City, KS 67731
accounting@gnwkcf.org
785-734-2406

Graham County Community Foundation is an affiliate of Greater Northwest Kansas Community Foundation. All gifts made will remain for the benefit noted within the "Fund Designation" instructions.

Disclaimer: The content included in this brochure is for informational purposes only and does not constitute legal or tax advice. Please consult your professional advisor for legal and tax advice specific to your situation.



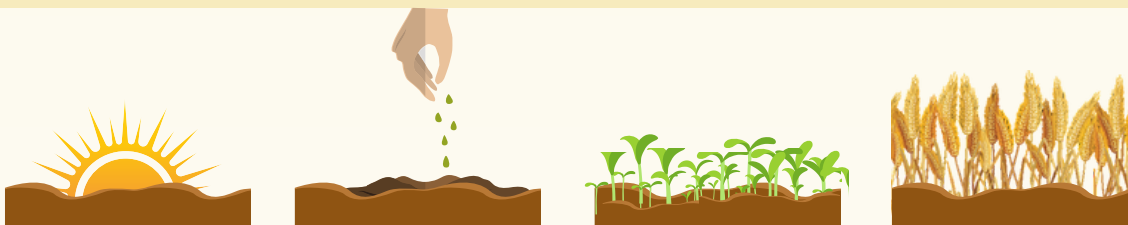
AN AFFILIATE OF GREATER NORTHWEST KANSAS COMMUNITY FOUNDATIONS

*CF: Community Foundation

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.

TIPS FOR GIFTS OF GRAIN

- **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 Community Foundation (CF*), or designate a specific charitable fund within the Foundation.
- **Physical delivery.** Be sure the gift is farm commodities, not warehouse receipts, which could be considered a cash equivalent. The CF 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 retention or sale of the gifted commodity.
- **Documentation.** The transaction must be well-documented to show the CF as owner of the grain. A Gift of Grain Form and a properly executed warehouse receipt in the Community Foundation's name must be completed. The original sales invoice for the gift of grain must list the CF as the seller.
- **Storage and transportation costs.** After the transfer of ownership of the grain, the CF assumes the risks of storage, marketing & 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.
- **Farm Corporations.** The benefits described in this brochure apply to calendar year-cash basis sole proprietorships. Corporations are not treated the same way from a tax perspective. Ask your tax professional to see if your farm operation can benefit from a charitable gift.
- **Government payments limitation caps.** The gift of grain will not count as income in government payments limitation caps calculation.



The wheat in the GNWKCF logo represents the cycles of nourishment and growth experienced by our affiliates, for our region. The sun represents GNWKCF's role in enhancing and elevating potential within the foundation's lifecycle. Just as wheat matures in its life cycle our affiliates flourish and become stronger through education, stewardship, and collaboration.

