



BENEFITS OF A GIFT OF AG COMMODITIES

Nebraska farmers and ranchers can save significant taxes by contributing commodities such as corn or cattle to charitable organizations instead of writing a check after selling the commodities.

When an agricultural producer transfers legal ownership of grain or livestock to a 501(c)(3) charitable organization such as Nebraska Community Foundation for the benefit of an NCF affiliated fund before the commodity is sold, the producer will not realize taxable income from a sale, thus minimizing taxes.

The producer may still be able to deduct the entire cost of the production of the commodity. Depending on the producer's specific circumstances, savings may be realized on federal and state income tax and self-employment tax.



Nebraska Community Foundation unleashes abundant local assets, inspires charitable giving and connects ambitious people to build stronger communities and a Greater Nebraska.

Headquartered in Lincoln, the Foundation serves communities, donors and organizations by providing financial management, strategic development, education and training to a statewide network of 1,500 volunteers in more than 250 communities.

We would be happy to meet with you and your professional advisor to discuss your charitable gift planning ideas.

Please contact us for more information.

The Office of Gift Planning
Nebraska Community Foundation
402.323.7330
info@nebcommfound.org
nebcommfound.giftlegacy.com

Committed to Quality and Accountability



Excellence. Accountability. Impact.™

Nebraska Community Foundation is confirmed in compliance with National Standards for U.S. Community Foundations as established by the Council on Foundations. This means that NCF meets the nation's highest philanthropic standards for operational quality, integrity and accountability.

GIFTS OF GRAIN AND LIVESTOCK



A tax-wise strategy for ag producers





HOW GIFTS OF GRAIN OR LIVESTOCK WORK

Nebraska Community Foundation (NCF) can help you make a gift of ag commodities to benefit your local community and get the desired tax treatment.

- A producer should consult with his or her tax advisor to determine whether a contribution of commodities is appropriate to their tax situation.
- You must provide written documentation to NCF regarding the commodity gift and where and when it will be physically delivered **before** the commodity is transferred to the grain elevator or sale barn.
- Nebraska Community Foundation must be in control of the sale and will communicate directly with the grain elevator or sale barn with instructions to sell the commodity and disburse the proceeds to NCF. We will then deposit the proceeds in the affiliated fund's account, according to your charitable intentions.

WE CAN HELP YOU THROUGH A VERY SIMPLE PROCESS

- NCF can provide you with an easy-to-use form letter to submit to us prior to making your gift. You should call Nebraska Community Foundation first to confirm the details and complete a gift letter prior to delivering the commodity. We'll take care of the rest!
- Following the sale, we will inform the affiliated fund of the value of your gift, and we will send you a letter of thanks, noting the number of bushels of grain or head of livestock that you gifted.

- Because you will not realize taxable income from the sale, your federal, state, and self-employment taxes may be minimized, yet all production costs associated with your gift are still tax-deductible on your Schedule F tax form.

To ensure that your charitable intentions are met and that you receive the appropriate tax benefits, please contact:

LES LONG, Controller
Nebraska Community Foundation
402.323.7346 ▪ llong@nebcommfound.org

SUPPORT YOUR HOMETOWN WITH A HOMEGROWN GIFT

Dan and Sarah Miller made a five-year pledge of gifts of grain to the Shickley Community Foundation Fund. Dan is a former member of the Fund Advisory Committee, and he says that other members are making similar pledges.

"Giving bushels of corn instead of dollars allows us to make a larger gift to our community fund, because we can still deduct all our production costs on our income taxes. It's a really smart way to give back," Dan said.

A producer should consult with their tax advisor to determine whether a gift of ag commodities is appropriate for their tax situation. Then call Nebraska Community Foundation, because certain steps are required to ensure the intended tax benefits. It is important that the commodity is delivered but not sold. Instead, ownership is transferred to NCF for the benefit of an affiliated fund. NCF will communicate directly with the grain elevator or sale barn with instructions to sell the commodity and disburse the proceeds.

