

AGRICULTURE GIFTS

An effective way for cash basis farmers to give



TIPTON COUNTY
—FOUNDATION—

If you produce agricultural goods, such as crops or other commodities, and you desire to maximize impact in your giving, consider donating these commodities directly to the Tipton County Foundation.

A donation of agriculture allows you to make a charitable contribution before the products become taxable – providing federal, state, and self-employment tax savings.

HOW DOES IT WORK?

1

NOTIFICATION

- Notify TCF of your gift
- Complete and return the Gift Directive

2

TRANSFER

- Upon delivery to the elevator, request the transfer of ownership of your desired quantity to TCF

3

IMPACT

- TCF will authorize the sale, if necessary
- Sale proceeds will be directed according to your advice to make an impact on Tipton County

* 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.

GIFT DIRECTIVE

TRANSFER CROPS TO:

Tipton County Foundation
1020 W. Jefferson St.
Tipton, IN 46072

(765) 675-1942
dawn@tiptoncf.org

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

SIGNATURE

DATE

PRINT NAME

STREET ADDRESS

CITY

STATE

ZIP

EMAIL

PHONE #

What will this gift be used to fund?

Purpose:

☐ _____ Fund ☐ Other _____

IMPORTANT! Please email a copy of this letter of instruction to the Tipton County Foundation
(see contact info above) after delivering it to your crop facility to affect the transfer.



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 the Tipton County Foundation. This results in a cash sale transaction and a 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.
- TCF 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 TCF 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.

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