



Charitable Gifts of Commodities

Tips for Making Gifts of Commodities

- 1. Timing** – A great benefit of donating commodities is that it doesn't matter if the donation is made in the year of production or a later year. Gifts of commodities can be donated from the current year or previous years' harvests.
- 2. Available for Cash Basis Farmers.**
- 3. Unsold commodity** – The gift should be from unsold crop/commodity inventory, with no prior sale commitment made prior to the gift.
- 4. Physical delivery** – Be sure the gift is farm commodities, not warehouse receipts, which could be considered a cash equivalent. The fund must be able to demonstrate "control and dominion" over the gifted property.
- 5. Retention of control** – The farmer/rancher should provide no guidance in the transfer agreement as to the retention or sale of the gifted commodity.
- 6. Documentation** – Either a properly executed warehouse receipt in the fund's name, or a notarized letter of transfer for crops stored on the farm. The original sales invoice should list the fund as seller.
- 7. Storage & transportation costs** – After the transfer, the fund should assume costs of storage, marketing or transportation.
- 8. Crop share leases** – Gifting will not work for a crop share landlord. A share of a crop received as a rental payment is considered the equivalent of rental income.

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OPERATIONS

FUND ADVISOR TOOLKIT

Northwest Minnesota Foundation



Charitable Gifts of Commodities

Donor Name

Donor Address

City, State, Zip

Amount of Commodities: _____ Type of Commodities: _____

I wish to transfer the above commodities to benefit: NMF/_____ Fund

Signature

_____/_____/_____
Date

Commodities Receiver

Phone

Message to Commodities Receiver/operators:

Please call the number below to create an account and set up commodities disposition instructions. Please contact Dawn Ganje or John Shimkus at 218-759-2057. Please send or fax this form along with the appropriate documentation to:

Northwest Minnesota Foundation
Phone: 218-759-2057

201 3rd St. NW Bemidji, MN 56601
Fax: 218-759-2328

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We believe Northwest Minnesota offers boundless opportunities.

