



GIFTS OF GRAIN TO NORTHWESTERN COLLEGE

The Northwestern College advancement office is encouraging their farming contributors to consider gifts of grain this harvest season. These gifts can be in the form of grain just harvested or grain taken from storage and delivered to the elevator.

There are several distinct advantages for donors to use grain when making a gift to charity instead of contributing cash. Foremost among these is the fact that the commodity (corn, beans, etc.) becomes an asset of the charity, and when it is sold the value of the grain contributed is not reported as income by the farmer. Typically the farmer will still be allowed to claim his deduction for the costs of production of the gifted commodity as a farm business expense. This gifting method allows the farmer to reduce his federal income tax, self-employment tax and state income tax.

As the IRS' standard deduction has risen, many families do not have sufficient qualifying deductions to itemize their tax deductions so they don't receive a tax benefit for a charitable contribution of cash. This makes the charitable gift of grain, which reduces their taxable income, a win-win situation for both Northwestern College and the donor.

We recommend you take the following steps if you are contributing grain to Northwestern College. However, you should always consult with your tax professional for advice pertaining to your personal tax situation prior to making a charitable contribution of grain.

1. Fulfill any agricultural subsidy program obligations prior to their donation. (LDP's, etc.)
2. To receive the most favorable tax results, the grain must be designated as belonging to Northwestern College prior to the grain crossing the scales and/or the grain being dumped. Prior to the weighing or dumping, the farmer should inform the elevator as follows:
 - "this load belongs to Northwestern College"
 - "a portion of this load belongs to Northwestern College" (then specifying exactly what that portion will be: 1/2, 1/3, etc.)
 - " _____ bushels of this load belong to Northwestern College."

Farmers gifting grain should utilize the "in-house" form which many grain elevators have to designate a charitable gift of commodities. If the elevator of the farmer's choice does not have an "in-house" form, use Northwestern's Grain Transfer Form, which is posted below (p. 3) or can be requested by contacting NWC's advancement office at 712-707-7106.

3. You must give up "dominion and control" of the commodity. Northwestern College will be responsible for any subsequent risk and charges (drying, shrink, etc.) and will market the commodity as determined by our office.
4. You should inform the college by letter or word of mouth that you will be making or have made a contribution of grain to the college. This information should include the description of the commodity and the quantity being contributed. If you have a separate farming entity—such as a corporation or LLC—that actually produces the commodity, we need to know that as well so the documentation for the contribution can be completed correctly.

Also, inform the college how you want the gift designated. For example, it can be designated for a current building project such as the new athletic practice and training facility, the Northwestern Fund, or any other specific Northwestern College project or program.

After we have been notified of the contribution, Northwestern will then authorize the sale of the grain and collect the proceeds from that sale. Northwestern has sent letters of direction concerning the sale of grain to most elevators and other known purchasers of grain near Orange City. If you deliver your commodity to a facility that has not received this letter, have them contact us immediately at 712-707-7106 and we will share that information with them.

Upon receipt of the proceeds for the grain, Northwestern College will send you a letter confirming the date of the donation, description, quantity and selling price of the donated commodity, its total value and how the gift was designated.

Although this information comes from reliable sources, it is not intended as legal advice. For legal advice, please consult an attorney.



NORTHWESTERN COLLEGE GRAIN TRANSFER FORM

Date: _____

Elevator: _____

Phone: () _____

Fax: () _____

Contact person at elevator: _____

Name on grain: _____ Customer # _____

Grain transferred: (Circle) CORN BEANS OTHER _____

Amount transferred: _____ Bushels

I further warrant or guarantee that the above proceeds are free and clear of all liens and encumbrances.

Signature: _____ Date: _____

Move grain to: Northwestern College
101 – 7th Street SW
Orange City, IA 51041

Date sold: _____

Selling price: \$ _____ per bushel

NORTHWESTERN COLLEGE WISHES TO SELL THIS GRAIN AT 10:00 AM ON THE NEXT BUSINESS DAY THAT THE GRAIN MARKET IS OPEN FOR BUSINESS.

Make check(s) payable to: Northwestern College

Send checks to: Northwestern College
Advancement Office
101 – 7th Street SW
Orange City, IA 51041

Any questions concerning the transfer of grain to Northwestern College can be directed to the Northwestern College Advancement Office at (712) 707-7106 or by fax at (712) 707-7117. Information is also available online at www.nwciowa.edu/give-grain.

Make additional copies of this form as needed.

If a farmer makes more than one (1) donation of grain to Northwestern College please complete a separate form for each donation.

Thank you for your assistance!