

CHARITABLE GIFTS OF CROPS, LIVESTOCK AND MACHINERY



Every year farmers sell crops, livestock and machinery. These assets are very valuable and often result in sizable tax bills, which can make farm planning more complex.

These same farmers are often looking for ways to support their favorite causes in a more significant way. They aren't limiting themselves to just gifts of cash. They are giving crops, livestock and machinery directly to nonprofits and avoiding the taxation associated with selling the assets themselves.

Crops, livestock and machinery can make excellent charitable gifts.

At the Saint Paul & Minnesota Foundation, we've been helping Minnesota farmers use these assets to support their favorite causes for over 80 years.

HOW A DONOR ADVISED FUND WORKS



HOW WE WORK TOGETHER

- 1** Talk with a Foundation Gift Planner about your charitable goals.
- 2** Our experienced staff will work with you and your advisors to determine if a gift of crops, livestock or machinery is right for you.
- 3** Establish your own donor advised fund (DAF) that can easily accept a wide variety of agricultural assets.
- 4** Your fund sells the agricultural assets free of taxes, leaving 100% of the proceeds available to distribute to your favorite charitable causes.



OUR PROMISE TO YOU

- + You will be guided each step of the way.
- + You will work with a local partner who will act in your best interest at all times.
- + Your goals are our goals.
- + You will get more than a transaction. You will get a trusted partner in giving.
- + You will work with a local team who knows the community.

FINANCIAL BENEFITS

- Avoid selling the assets yourself and potentially avoid the taxes associated with the sale.
- Assets are sold tax-free by the Foundation and proceeds are used to support your favorite causes.
- Agricultural assets can be used to establish gifts that provide you with income, such as a charitable gift annuity or charitable remainder trust.



How Bill and Doreen Used Agricultural Assets to Establish Their Donor Advised Fund

Bill and Doreen spent more than 35 years operating a large family farm in Northwest Minnesota. All three of their children are grown with their own families and careers. Bill and Doreen are ready to end their farming days, but are uneasy about selling. They inherited the land from Doreen's parents and they're sad to see it go. They also worry about the potential tax liability of the sale of land, crops, livestock and machinery.

Fortunately, Bill and Doreen work with experienced advisors who introduced Bill and Doreen to the idea of adding a charitable legacy to their farm sale. After more conversation, they began to get excited about their transition into retirement.

First, Bill and Doreen created a donor advised fund with the Saint Paul & Minnesota Foundation named in memory of their parents. They contributed their harvested crops, livestock and machinery to the fund and avoided the income tax on the sale of those assets.

Second, they sold the land to a neighboring farm family and added the proceeds from the sale to their retirement savings, which will allow them to live comfortably for the rest of their lives.

The Foundation sold the crops, livestock and machinery tax-free and the sales proceeds are now available in their donor advised fund to support their favorite causes. Every year Bill and Doreen include their grandchildren in the conversations about where to recommend grants. The legacy of their beloved family farm will live on for many years to come.

Start a conversation with a Gift Planner today.

Call 651.224.5463 or email the team at philanthropy@spmcf.org.