

# Farm Commodities

A way to stretch your firstfruits giving

Farming presents special opportunities to make donations to Hesston College and reduce your taxes. You can give gifts of grain, livestock – even honey. Not only do we benefit, but you can also deduct the cost of production of the donated commodities.

## How it works

You notify Everence Foundation of your intent to give a farm commodity. You sell the commodity acting as our agent, and the buyer writes the check to Everence Foundation. The check and a scale ticket or auction receipt are sent to Everence Foundation. We deposit the money into your donor advised fund.

Your gift represents an irrevocable contribution to Everence Foundation and is not refundable to you. You may then recommend that the foundation make a disbursement when you want money distributed to Hesston College.

You benefit by reducing your net income, which in turn reduces your state and federal taxes. You also can deduct the cost of producing the commodity.

Opening a donor advised fund with Everence will give you the satisfaction of knowing Hesston College will benefit from your generosity.

You may recommend to send donations from your account to Hesston College by simply logging into your MyEverence account or by sending Everence Foundation the recommendation form. We ask that recommended amounts be at least \$100 to help keep our operation as efficient as possible. Everence Foundation will then send a check or ACH deposit to Hesston College.

## What Hesston College receives

Hesston College is delighted to receive contributions from a Everence Foundation donor advised fund account funded by commodities. We are often dependent upon the generosity of donors just like you, and giving through commodities is a way to make that process easier.

## Advantages

- **Qualify for a business tax deduction on your cost of production.**
- **Reduce your state and federal taxes.**
- **Recommend the charity you want to support.**

### Hesston College

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## What you receive

Because the money from the sale of the commodity is given directly to Everence Foundation, you never realize any of the income. This reduces the amount of your income that is subject to income tax. And even though you do not realize the income, you can still deduct the cost of producing the commodities.

If you do not itemize deductions on your tax return, you still benefit by reducing your net income.

Since your commodity gift is a cost basis deduction, tax laws permit you to deduct up to 60 percent of your adjusted gross income.

## A case study

George Black is a grain farmer. He contributed grain valued at \$1,000 in 2015. All expenses of producing the grain (\$750) were incurred in 2014, so \$750 is deductible as a business expense in 2014. His earned income for 2015 is also \$1,000 less than if he had sold the grain and kept the money himself.

## Act today!

**Contact us and we'll show you exactly how donating farm commodities can work for you and what tax savings you would receive from the donation of your commodities.**

*Gift plan services for the nonprofit are offered through the unaffiliated entity of Everence Foundation.*

*Investments and other products are not NCUA or otherwise federally insured, may involve loss of principal and have no credit union guarantee.*