

Keys To Effective Charitable Giving

GIFT OF GRAIN, LIVESTOCK AND FARM COMMODITIES

If you have grain, livestock or other farm commodities, you can donate them prior to sale, and you could be exempt from declaring it as income. You can claim the gift at the market price. The charitable deduction you receive can reduce your state and federal taxes, as well as your self-employment taxes. This savings also reduces your cost of making a charitable gift or could enable you to increase the amount you can give.

Here is an illustration of how this works:

Jim and Jane Farmer wanted to make a \$10,000 charitable contribution. They donated 2,000 bushels of corn at \$5 per bushel.

Assuming Jim and Jane have not exceeded the self-employment tax limit, they will save 13.3% or \$1,330 of self-employment tax. They will also save 25%, or \$2,500 of federal income tax and 5%, or \$500, of state income tax. The total tax savings is \$4,330.

If they sold the corn and donated the \$10,000, they could itemize the cash gift, but their tax savings would be only \$2,500 (in a 25% tax bracket). If unable to itemize, there would be no tax savings from a cash gift.



The benefit for Jim and Jane at harvest time is clear; they chose to give a portion of their corn to the ministry instead of cash, and here they saved \$1,830. They now give this way on an annual basis.

For further explanation of Gifts of Grain, Livestock and Farm Commodities or to arrange an immediate gift, please contact the Cru Foundation at (800) 449-5454, or email us at info@crufoundation.org. The Cru Foundation provides complimentary, no obligation, professional consultation and gift administration services to friends of Jesus Film Project®.

When making your gift, please reference the Cru® (Campus Crusade for Christ®)
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