



GUIDELINES

“Bushels for Care” – “From This Land Grows a Gift”

OSF Saint James - John W. Albrecht Medical Center Foundation

There are specific steps that need to be followed in order to receive the intended tax benefits from a gift of grain. Failure to follow these steps may result in the IRS treating the transaction as a sale by the farmer. The donor will need to take the following steps to insure that ownership of the gifted grain is transferred prior to the sale and he/she receives recognition for their gift.

- **Donors considering making a gift of grain are encouraged to consult their tax adviser and the office of development at OSF Saint James Medical Center.**
- Gifts of grain may be used to make outright gifts or gifts with reserved life income, such as gift annuities or charitable remainder unitrusts.
- Gifting grain to OSF Saint James Medical Center Foundation is a creative way to support quality, compassionate healthcare, while at the same time providing donors with favorable tax benefits. Gifts of grain may eliminate or avoid taxes yet retain 100 percent of the value for a charity. It's a win-win situation for everyone involved.
- Farmers may avoid federal and state income taxes on their gift of grain, and they also may avoid paying the 15.3 percent self-employment taxes on the income which they would have recognized on the amount of grain gifted.

Steps to making a gift of grain:

1. Donor contacts one of the following individuals at the OSF Saint James Medical Center Foundation to advise us that a gift is being made by sending the pledge form to:
 - a. Susan Karls, Director of Foundation Development, (815) 842-6827, Susan.E.Karls@osfhealthcare.org
 - b. Carrie Matlack, Foundation Assistant, (815) 842-6808, Carrie.A.Matlack@osfhealthcare.org
2. Donor delivers the grain to the grain elevator or notifies elevator employees if the grain is in storage. If pledge form not sent to OSF Saint James Medical Center the donor completes the “Letter from the Donor Regarding a Gift of Grain” form and sends to the OSF Saint James Medical Center Foundation, 2500 West Renolds Street, Pontiac, IL 61764.
 - a. Donor requests the grain to be transferred to the OSF Saint James Medical Center Foundation.
 - b. Elevator staff completes the warehouse or storage receipt and sends to the OSF Saint James Medical Center Foundation. NOTE: THE STORAGE RECEIPT IS EVIDENCE THAT OWNERSHIP OF THE GRAIN WAS TRANSFERRED FROM FARMER TO THE OSF SAINT JAMES MEDICAL CENTER FOUNDATION.

NOTE: THE DONOR SHOULD HAVE NO INVOLVEMENT IN THE SALE OF THE COMMODITY OR DIRECTION OF THE INCOME ONCE THE OWNERSHIP HAS BEEN TRANSFERRED.



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3. Donor instructs the grain elevator to send the contract to sell the grain to the OSF Saint James Medical Center Foundation for signature. If the elevator does not use written contracts for grain sales an “Instructions to Grain Elevator for Gift of Grain” form will need to be completed. NOTE: BECAUSE OSF SAINT JAMES IS THE OWNER OF THE GRAIN, THE PRODUCER MAY NOT INSTRUCT THE ELEVATOR TO SELL THE GRAIN.
4. The grain elevator gives the farmer a receipt of the number of bushels that was transferred to the OSF Saint James Medical Center Foundation.
5. The grain elevator issues the check for the sale of the grain to the OSF Saint James Medical Center Foundation along with the “bill of sale” indicating number of bushels and sale price to the address in Step 2.
6. The OSF Saint James Foundation staff sends a thank you letter to the donor indicating number of bushels of grain donated, the market value of the grain on the date of donation which indicates the total contribution to the OSF Saint James Medical Center Foundation and the amount of sale. Donors will be recognized according to the size of the contribution.