

# Farmland for Good

**Preserve the land you love and your legacy while creating a source of charitable good for your community and the causes you care about.**

## Love of land and community

Farmland for Good is the Community Foundation of Northeast Iowa's commitment to retaining farmland in our region. The farmland continues to produce, its local economic impact remains, and the charities of your choice benefit from income the land produces through an endowment fund established with CFNEIA. **Sharing your greatest asset shows a deep-seeded love for the land and your community, and provides unmatched generosity that will live on forever.**

## DONATING YOUR LAND THROUGH FARMLAND FOR GOOD BENEFITS EVERYONE.

### LANDOWNERS/DONORS

Receive a tax deduction for the charitable portion of the gift, bypass all capital gains taxes, create a stable revenue source for the remainder of their lifetime, and benefit their favorite charities.

### TENANTS

Current tenants may continue renting the land to pursue their livelihood. This also keeps the wealth generated by the land working in local communities.

### COUNTY

The Community Foundation of Northeast Iowa continues paying property taxes on the land, maintaining an important tax base for the county.

### COMMUNITY FOUNDATION

Retains ownership of the land, earns revenue from the rent for the charitable benefit of communities, and serves donors in a meaningful way.

## How it works

The Community Foundation of Northeast Iowa Farmland for Good program provides a way to:

- Keep land locally owned.
- Keep land functional as farmland.
- Provide a lasting charitable legacy to the community.

Gifts of land provide significant benefits for you while providing vital support in your community. Depending on the type of gift, you may enjoy tax savings and lifetime payments. Your gift is unique and the Foundation is here to assist you in accomplishing your charitable goals.

### 3 simple steps to take now if you are considering a gift of farmland.

1. Contact the expert staff at the Community Foundation of Northeast Iowa at 319-287-9106 to discuss your charitable goals.
2. Involve your professional advisor. CFNEIA works side-by-side your advisor to structure and facilitate the gift.
3. Complete our inquiry form at [cfneia.org/farmland4good](http://cfneia.org/farmland4good). It is important for you, your advisor, and CFNEIA to have all the information to evaluate and decide on the best vehicle for making a gift of farmland.

### ABOUT THE COMMUNITY FOUNDATION OF NORTHEAST IOWA

The Community Foundation of Northeast Iowa is a nonprofit committed to creating long-term impacts in 20 counties in Iowa. CFNEIA helps people establish funds for the causes they care about and makes grants to organizations creating a stronger and more vibrant quality of life for everyone.

# Farmland for Good

## Ways to Give



The Farmland for Good program has three flexible ways to make your gift. All three scenarios help you create a charitable legacy for your community. Proceeds from the sale of the land (if sold) or annual income from the land is used to support the charitable wishes of the donor through the establishment of an endowment fund. In all cases, the land will be managed by CFNEIA, tenants may continue to farm the land, and the land remains on the county tax roll. *We recommend consulting your tax advisor and attorney for information specific to your situation.*

### MAKE A GIFT DURING YOUR LIFETIME: OUTRIGHT GIFTS

When a donor makes an outright gift of land, the land may remain in production at their request. By donating real estate, you bypass capital gains and may deduct the fair market value of the gift. The gift may also be eligible for the Endow Iowa 25% state tax credit. Because the gift is during the donor's lifetime, the donor sees the impact their gift makes, and depending on the type of fund established, may actively participate in grantmaking.

Gift of farmland is used to provide tax benefit, charitable giving, and continued crop use.

Land stays in production



### MAINTAIN AN INCOME SOURCE FOR LIFE: CREATE A LIFE ESTATE GIFT

Donor retains income and full use of the land for life. Donor receives an immediate tax deduction on the charitable portion of the gift. Upon donor's death, annual income from the land fulfills the charitable wishes of the donor. The Donor may request the land continue in production for a stated period of time following his/her death.

Gift of farmland is used to provide tax benefit, stream of income, charitable giving, and continued crop use.

Upon death

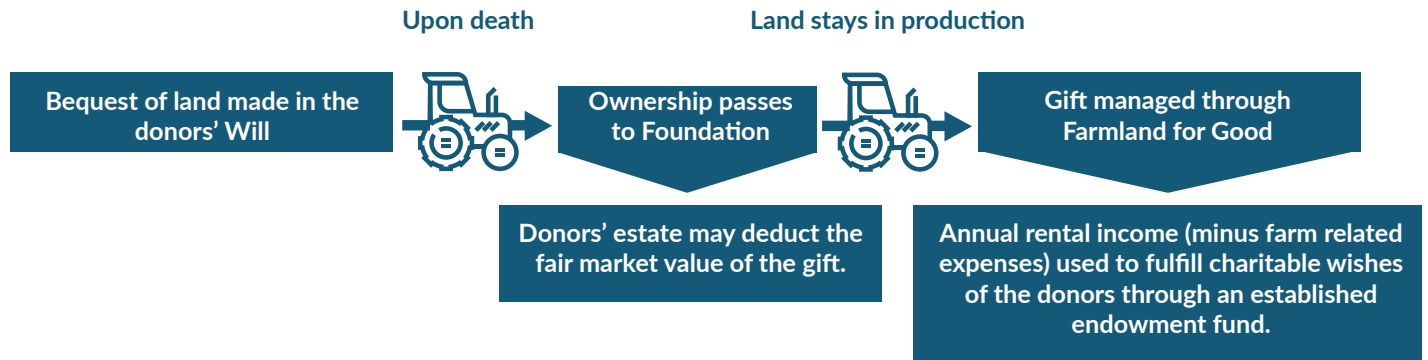
Land stays in production



## LEAVE A LEGACY AFTER YOU'RE GONE: THROUGH YOUR WILL OR TRUST

Make a specific bequest of land to the Community Foundation and request the land remain in production for a stated period of time. By donating real estate, you bypass capital gains and your estate may deduct the fair market value of your gift.

Gift of farmland is used to provide tax benefit, charitable giving, and continued crop use upon donors' death.



**MORE QUESTIONS?** Contact CFNEIA's team of giving experts at 319-287-9106 or [info@cfneia.org](mailto:info@cfneia.org) to discuss your specific questions.

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**CFNS**  
ACCREDITED  
FOUNDATION

administrative office  
3117 Greenhill Circle  
Cedar Falls, Iowa 50613  
319-287-9106

[cfneia.org](http://cfneia.org)

# Farmland for Good

## Frequently Asked Questions



### **If I have a tenant farming the land now. Can he/she continue to lease the land even after the gift is made?**

The Community Foundation of Northeast Iowa (CFNEIA) may honor lease agreements, and we welcome donors to recommend specific tenants to continue renting the land. Of course, any tenants need to comply with farming best practices and an annual lease agreement will need to be in place.

### **If I currently use a property management company, can they continue to manage the land?**

CFNEIA will execute any management agreement, and will take property management company continuation requests from donors under consideration.

### **If I give a gift of farmland and retain a life interest in the farm (continue benefiting from the farm income during my lifetime), can I still receive Endow Iowa tax credits?**

No. A gift with a retained life interest is not eligible for the Endow Iowa tax credit. Only current, completed gifts are eligible for the Endow Iowa tax credit. However, there are tax benefits to a gift with a retained life interest. The donor may receive a tax deduction on the charitable portion of the gift. Your tax advisor can assist you in determining the deductibility of the gift.

### **If I give land but retain a life interest to continuing farming, who is responsible for upkeep, repairs, tiling, etc?**

If the gift has a retained life interest, the donor is responsible for all upkeep, maintenance, insurance, taxes, and any other related costs during their lifetime.

### **How long will the Community Foundation agree to keep my land in production?**

A donor can request the property is farmed through Farmland for Good for a term of years. Upon completion of the agreed upon term, the farmland is then sold and the revenue is put into an endowed fund benefiting the donor's charity(ies) of choice. CFNEIA intentions are to honor the donor's term wishes, however, if circumstances become impossible or impractical for CFNEIA to continue managing the farmland and it must be sold prior to the term, CFNEIA will put the proceeds into an endowed fund benefiting the donor's charity(ies) of choice.

### **I am interested in conservation, are there ways to incorporate conservation into the gift?**

Yes, we can discuss all of your interests during our meetings and develop a plan to address a conservation plan for the land.

### **What about the farm equipment, livestock and/or grain on the land?**

Farmland for Good is designed to keep Iowa farmland in production while benefiting a donor's favorite charities. Farmland is the asset accepted into the program; however, CFNEIA accepts other types of assets, including equipment, livestock, grain, etc. These assets may be gift options and will be assessed and accepted on a case-by-case basis.

### Who can be the beneficiaries of the income from the farmland?

The donor will establish an endowment fund administered by CFNEIA to support the charitable causes they care about.

### What type of tax benefits are provided through Farmland for Good?

Donors receive a tax deduction for the charitable portion of the gift and capital gains taxes can be avoided or reduced. The property is also removed from the donor's estate. In some cases, the gift may also be eligible for Endow Iowa 25% state tax credit.

### What are the fees associated with a gift of farmland?

Fees such as property ownership expenses, farm operating expenses, taxes (including, if applicable, unrelated business income taxes) and the annual fee to administer the gift of farmland, will be deducted from annual farm income. Fees to manage endowed funds will also be administered based on CFNEIA's current fee schedule.

### Will the land stay on the county property tax roll?

Yes. The land will continue to be a source of property tax, allowing the county to maintain its tax base. While CFNEIA is a tax exempt organization, it is important for the well-being of the county to continue to have this source of revenue. All taxes will be deducted from annual farm income.

### Can I give land that still has some debt against the property?

Real estate with debt will not be accepted by CFNEIA.

### Can I alter my charities of choice at a later date if I change my mind?

It depends on the fund type established by the gift. If the donor establishes a donor advised fund or advised field of interest fund, they are able to name the charities they wish to receive grants from their fund at any point during their lifetime. The timing of the contributions can also be determined by the donor. If a designated fund is established, the donor names the charities when the fund is established and then those charities benefit from the income forever, and cannot be changed by the donor.

The CFNEIA team will walk you through the variety of fund options to design a customized approach to meet your charitable goals for the gift of farmland.

### Is there a minimum amount I can donate through Farmland for Good?

We do prefer a minimum of 200 acres or more. However, please contact CFNEIA to discuss specifics as each gift is examined on a case-by-case basis.

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