

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?

Generally, the value of the land should be \$250,000 or more. However, please contact CFNEIA to discuss specifics as each gift is examined on a case-by-case basis.

MORE QUESTIONS? Visit cfneia.org/farmland4good, or contact CFNEIA's team of giving experts at 319-287-9106 or info@cfneia.org to discuss your specific questions.

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.

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