

The gift of farmland
can be given for the benefit of the
Spring Valley Area Community
Foundation through Southern
Minnesota Initiative Foundation

Preserving Our Heritage

Farmland Retention Program

“Investing in our region’s natural assets”



Southern Minnesota Initiative Foundation's **Preserving our Heritage** program provides a means of giving that preserves one of the greatest natural assets of southern Minnesota: farmland. SMIF retains the gifted land as an asset, allowing it to continue to be farmed. And your land provides a lasting legacy for the community and region.

Who it Benefits

- **Landowners** receive a tax deduction for the charitable portion of the gift; bypass all capital gains taxes; create stable revenue source for remainder of lifetime; and benefit favorite charities
- **Tenants** continue renting the land and keep wealth generated by the land local
- **County** maintains tax base, as SMIF continues paying property taxes on the land
- **SMIF** retains ownership of the land and helps landowners create a legacy

Points of Interest

- Farmland retention represents an opportunity for rural philanthropy
- Farmland retention is a tool for landowners, especially for those without children or a way to continue managing their land
- The **Preserving our Heritage** program keeps land locally owned and functional as farmland, providing a lasting legacy to the community and region
- SMIF is well-poised to run **Preserving our Heritage**, with a committee that has strong farming backgrounds and the knowledge needed to manage the land

How it Works

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

- Charitable Life Estate created for donors
 - ◇ Donor receives immediate tax deduction on charitable portion of the gift
 - ◇ Donor retains rental income for life

Upon passing

- Remainder interest passes to SMIF
 - ◇ Annual rental income used to fulfill charitable wishes of the donors through a memorial fund or unrestricted endowment

Land stays in production

- Property managed through the **Preserving our Heritage** farmland retention program
 - ◇ Tenants continue to farm the land
 - ◇ SMIF manages the property according to sound practices

For more information on gifting farmland through the Preserving our Heritage program, contact Brian Conzemius at 507-455-3215 or brianc@smifoundation.org.