

Charitable Lead Trust

DISCLAIMER

The materials available on this website are for informational purposes only and not for the purpose of providing financial, legal or accounting advice. You should contact your attorney, accountant and financial advisor to obtain information on any particular issue or problem. The opinions expressed at or through this site may not reflect the views of Give Something Back or any one individual. All potential donors should consult the Internal Revenue Code of 1986; specifically, the section entitled "Exempt Organizations Examination Guidelines" (Section 4.76.51) for additional information.

DONATING FROM A CHARITABLE LEAD TRUST

A donor may wish to contribute securities or other appreciated assets to a charitable lead trust. The trust makes fixed annual payments to Give Something Back for a specified period. When the trust expires, the remaining principle is paid to the beneficiaries.

The donor contributes securities or other appreciated assets to a charitable lead trust. The trust makes fixed annual payments to the Give Something Back charity for a determined period of time. When the trust expires, the remaining principle is paid to the beneficiaries.

WHAT ARE THE BENEFITS?

- The payments made to Give Something Back for a term reduce the ultimate tax cost of transferring an asset to the beneficiaries.
- The amount and term of the payments to Give Something Back can be set so as to reduce or even eliminate transfer taxes due when the principal reverts to the beneficiaries.
- All appreciation that takes place in the trust goes tax-free to the beneficiaries named.

WHO SHOULD CONSIDER A CHARITABLE LEAD TRUST?

- A donor who holds an appreciating asset and wishes to pass it on to the next generation.
- A donor wants to reduce estate taxes.
- A donor has a planning objective to preserve the value of one's property, not increase income or reduce income tax.
- A donor is looking for techniques that will give their family more of their estate over a longer period of time.
- A donor's desire is to provide a stream of income to the Give Something Back Charity.

The charitable lead trust pays income to the Give Something Back Charity now, while reducing tax costs for transferring assets to beneficiaries.

DISCLAIMER REGARDING RESTRICTED/DONOR DIRECTED GIFTS

"If such use (donor directed funds) should prove to be impracticable or undesirable for any reason as the Trustees may determine, in their sole discretion, they shall then provide for alternative uses of the funds in a manner consistent with and reflecting the spirit of the original gift."