

Giving back to community and your loved ones

Charitable Lead Trust



A Charitable Lead Trust helps you build a charitable fund with the Community Foundation of the Great River Bend during the trust's term. When the trust terminates, the remaining assets are transferred to you or your heirs, often with significant transfer tax savings.

How it works

- n You transfer cash, appreciated securities, real estate, or other marketable assets into an irrevocable trust with the help of your attorney.
- n We establish a fund in your name, in the name of your family or business, or in honor of any person or organization you choose.
- n Your Charitable Lead Trust distributes an annual amount to the Community Foundation of the Great River Bend to build a charitable fund. You designate the trust to exist for your lifetime or a specified number of years.
- n You also designate your family or anyone you choose as the final beneficiary of your trust.
- n If you choose, you can stay involved in the good works your gift makes possible - working with our professional staff to support the causes and community you care most about.
- n We handle all of the administrative details, issuing grant awards to charities in the name of the fund you establish (if you prefer, grants can be made anonymously).
- n Your gift can be placed into an endowment that is invested over time. Earnings from your fund are used to make grants addressing community needs. Your gift is a permanent source of community capital, helping to do good work forever.

A lifetime gift for two

Annette Bernack wanted to create a fund to support her favorite charitable interests for years to come. At the same time, she wanted to provide an inheritance for her daughter in a way that created the least tax burden. "My attorney told me that creating a Charitable Lead Trust and designating my community foundation as a beneficiary would allow me to give to the community now and provide for my daughter later," says Annette. Using a regular distribution from the trust, Annette has already begun to build a fund at her community foundation, which is, in turn, making grants to her community in areas important to her. The trust will continue to build the Bernack Family Fund until her death, after which the rest of the trust will transfer to Annette's daughter. "By giving through a Charitable Lead Trust," says Annette, "I am doing more for both my daughter and the community... and my estate will owe less in taxes."



Community Foundation
Great River Bend

Charitable Lead Trust

Ten reasons to give through the Community Foundation

one

We are a **local organization** with deep roots in the community.

two

Our professional program staff has **broad expertise** regarding community issues and needs.

three

We provide highly **personalized service** tailored to each individual's charitable and financial interests.

four

Our funds help people **invest in the causes** they care about most.

five

We accept a wide **variety of assets**, and can facilitate even the most complex forms of giving.

six

We partner with **professional advisors** to create highly effective approaches to charitable giving.

seven

We offer maximum **tax advantage** for most gifts under federal law.

eight

We **multiply the impact** of gift dollars by pooling them with other gifts and grants.

nine

We build **endowment funds** that benefit the community forever and help create personal legacies.

ten

We are a **community leader**, convening agencies and coordinating resources to create positive change.

More benefits

A Charitable Lead Trust entitles you to a number of financial benefits. It shelters investment earnings from tax and offers gift, estate and generational tax benefits. For example, trust assets are removed from your estate for estate tax purposes. You may also capture a future gift tax deduction. (However, at the time the trust is established, you may owe gift tax on the present value of your gift to the ultimate financial beneficiary).

You have several options when establishing a trust. You can create a Charitable Lead Trust during your lifetime or through your will. The trust contributes to charity through your fund at the Community Foundation of the Great River Bend either for a number of years or through your lifetime. And, you select one of the two types of Charitable Lead Trusts. A Charitable Lead Unitrust makes annual distributions of a fixed percentage of the trust assets to the charitable fund you establish. If you create a Charitable Lead Annuity Trust, the charitable fund you establish will receive a fixed dollar amount each year.

During its term, the trust can be managed by experienced trust professionals, which may help your trust investments grow over time. When the trust terminates, its final assets are transferred to those you designate; any growth in the trust passes to recipients, often with significant tax savings.

For more information on ways to integrate Charitable Lead Trusts into your financial planning, estate planning or tax planning, ask your financial advisor.

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