



Alliance Community Foundation

Alliance Community Foundation
Planned Giving Office
10712 Crosscut Drive
Pensacola, FL 32506
(850) 776-2789

drice@alliancecommunityfoundation.org
www.AllianceCommunityFoundation.org

CHARITABLE LEAD TRUSTS

Charitable Trusts afford individuals and families the opportunity to use highly appreciated assets for philanthropic purposes while possibly benefitting from immediate tax deductions, lifetime income, and estate tax avoidance.

ACF works with financial advisors to help their clients achieve their personal financial and philanthropic goals using a variety of tax-advantaged techniques. Below are examples of charitable lead trusts that can be used to achieve those goals.

Charitable Lead Trusts:

Charitable Lead Trusts are an effective way to provide immediate support to a charity while passing assets to the donor's children and grandchildren intact – greatly reducing or altogether avoiding gift and estate tax. The Charitable Lead Trusts makes gifts to the charity first, for a period of years or the lifetime of the donor, then returns the remaining assets to the donor or the donor's family.

Grantor Charitable Lead Trusts –

- Donors qualify for an upfront tax deduction for the income stream the trust will pay the charity.
- ACF can serve as the Trustee
- The trust can be set up for a term of years or a person's lifetime
- When the term ends, all assets – including appreciation- are returned to the donor

Non-Grantor Charitable Lead Trusts (Family Trusts)

- Gift or Estate Taxes are calculated on the value of the assets placed in the trust
- The trust makes fixed annual gifts to the donor's charity or charities
- When the term ends, all assets – including appreciation – are transferred to the donor's heirs, free of any gift or estate taxes
- ACF can serve as the Trustee