

CHARITABLE TRUSTS – QUICK REFERENCE SHEET

Type	Charitable Gift Annuity (CGA)	Charitable Remainder UniTrust (CRUT)	Charitable Remainder Annuity Trust (CRAT)	Charitable Lead Annuity Trust (CLAT)
Set Up By	CFTB Staff with advice from your Advisor, if desired.	Must have involvement of Professional Advisor.	Must have involvement of Professional Advisor.	Must have involvement of Professional Advisor.
Definition	Gift annuity is a combination of a gift to charity and an annuity obligation to the Foundation to a beneficiary and is used when a guaranteed income is desired. A gift of cash or securities is transferred to CFTB in exchange for a contractual life income. Annuity payment is guaranteed by assets of the Foundation. A portion of each payment is interest earned and taxable as ordinary income. Part of the payment is return of principal and is tax free. If an annuitant survives beyond life expectancy, all payments are taxed as ordinary income. Any capital gains taxes due on the asset that was exchanged for the annuity are paid over the annuitant's life expectancy.	Most popular and flexible life income plan; cash, securities, real property or other assets are transferred into a trust. Trustee manages trust assets & pays beneficiaries a percentage of the assets of the trust valued January 1st of each year. Payments may be for life or a term of years. When trust terminates, remaining assets in trust are transferred to CFTB fund for desired charity. CFTB shall have a surviving interest in the trust.	Popular life-income plan where cash, securities, real property, or other assets are transferred into a trust. Trustee manages trust assets and pays donors or others that donor chooses a fixed income for life or for a term of years. When trust terminates, remaining assets in trust are transferred to CFTB fund for desired charity.	Viewed as opposite of a charitable remainder trust. Donor transfers property to lead trust, which pays a percentage of the value of trust assets, usually for a term of years, to the charity. At the end of trust term, remaining assets and any growth realized are passed to donor's heirs. One of the few transfer devices currently used that can discount the value of original assets and result in little or no taxes. At the same time, charitable desires are met.
Tax Benefits	Tax deduction on charitable portion of initial contribution; annuity payments partially tax free based on calculations determined by IRS. Capital gains are spread over life expectancy.	Donor receives an immediate tax deduction for the charitable portion of the initial contribution. Deduction based on life expectancy and payout percentage to beneficiaries.	Donor receives an immediate tax deduction for the charitable portion of the initial contribution. Deduction based on life expectancy and payout amount to beneficiaries.	No tax deduction when created, but income earned in trust is not attributed to you. Trust is taxed according to trust rates. Gift or estate tax is discounted; any growth is passed to heirs free of gift and estate taxes.
Best to Use When	Donor needs a guaranteed fixed income for life and gift amount range is from \$25,000 to \$100,000.	Donor needs income for life or a specified term of years. Gift amount is over \$100,000.	Donor needs income for life or a specified term of years. Gift amount is over \$100,000.	Has a moderate to large taxable estate; desires to pass certain assets to heirs; wants to hold assets with growth potential.
Requires	\$25,000 minimum.	\$100,000 minimum.	\$100,000 minimum.	Usually utilized with taxable estates.
Tax Reporting	Receives 1099R from Foundation.	Donors receive K-1 for income to be included in their tax returns.	Donors receive K-1 for income to be included in their tax returns.	See Professional Advisor for details.
CFTB Fees	Annual fee of 1.0% of fair market value calculated monthly. Does not affect payment to beneficiary.	If CFTB is Trustee, annual fee is 1.0% of fair market value.	If CFTB is Trustee, annual fee is 1.0% of fair market value.	If CFTB is Trustee, annual fee is 1.0% of fair market value.