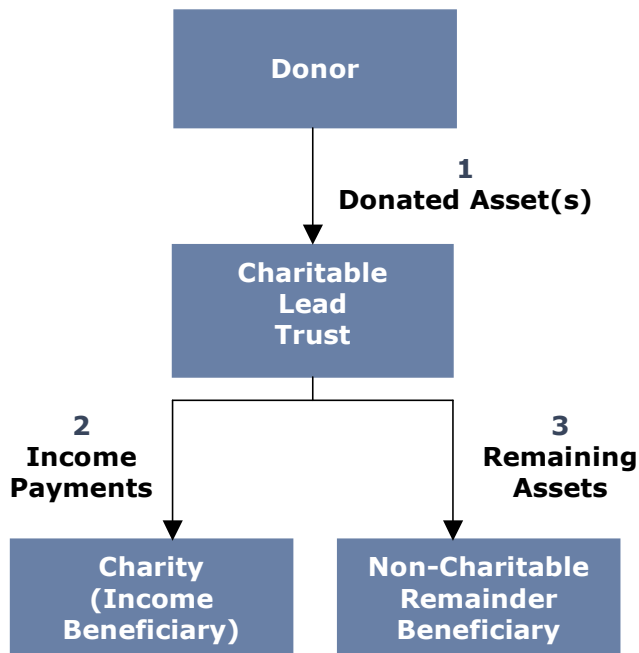


Charitable Lead Trust

What Is a Charitable Lead (or Income) Trust?

The charitable lead trust works in reverse fashion from the charitable remainder trust...the named charity receives a fixed amount of income from the trust for a specified number of years or for the lifetimes of specified individuals, such as the donor or the donor and spouse. At the end of that time, the donor, donor's estate or individuals named by the donor receive the remaining trust assets.



- 1.** The **donor** transfers the donated asset(s) to an irrevocable **charitable lead trust** and receives a current income tax deduction for the present value of the charity's income interest.
- 2.** The **charity** receives a **fixed annual income** from the trust for a specified number of years or for the lifetimes of specified individuals (e.g., the donor or the donor and spouse).
- 3.** At the end of the income period, the remaining trust assets go to the **final beneficiary(ies)** named by the donor. The final beneficiaries can be the donor, if the term of the trust is for a set number of years, or, for example, the donor's surviving spouse, children or grandchildren.