Ways to Give

# Family Lead Trust

**Receives cash or property from a donor and makes payments to Coyote Hill for a specified period, then distributes the trust property to a designated beneficiary.**

## THE NEED

A donor wants to make a gift to Coyote Hill for a period of time, then transfers an asset to family (and pays minimal gift or estate taxes.)

## THE SOLUTION

A donor contributes property to a trust that will make distributions to Coyote Hill for a number of years and ultimately distribute the property to the donor's family.

## THE BENEFITS

***Appreciation to Family***

A donor gives property to a Lead Trust. That property plus growth passes to family with no additional tax.

***Tax Deduction***

A donor receives a current federal gift or estate tax deduction for the present value of the payments that will go to Coyote Hill.

## THE DONOR

A person who wants to pass specific property with growth to family at reduced gift or estate tax cost.

Ideal for a person with an estate of $3 million or more.

## THE DETAILS

A donor transfers cash or property to the Charitable Lead Trust (CLT.) Unlike a CRT, a CLT is a taxable trust. Each year, the CLT will report its income and take a deduction for the amount that it distributes to Coyote Hill. Any excess income is taxable.

***Duration***

A CLT can last for the lifetime of one or more beneficiaries or for a specific term of years.

***Annuity vs. Unitrust Payout***

Each year, a CLT pays either a fixed annuity amount or a percentage Unitrust amount to Coyote Hill. A Charitable Lead Annuity Trust (CLAT) pays a ***fixed amount*** to Coyote Hill each year. A Charitable Lead Unitrust (CLUT) pays a ***different amount*** each year to charity; this amount is equal to a fixed percentage of the trust value at the beginning of the year in which the payment was made.

***Lead Trust Types***

A family CLT receives property and usually distributes it to the beneficiary at the end of the term. A gift tax deduction is available to a donor who creates a family CLT.

Another typical Lead Trust is a Grantor CLT. A Grantor CLT receives property that ultimately returns to the donor, who gets an income tax deduction when the trust is created. However, the donor has to report trust income on his or her personal income tax return each year.


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