



## HOW TO GIVE Charitable Lead Trusts

A charitable lead trust helps you build a charitable fund with Spartanburg County Foundation 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

- You transfer cash, appreciated stocks, real estate or other assets into an irrevocable charitable trust.
- We set up a fund in your name, in the name of your family or business or in honor of any person or organization you choose.
- Your charitable lead trust pays the community foundation an annual amount to build a charitable fund. You designate the trust to exist for a specified number of years or until your death.
- You also designate your family or anyone you choose as the final beneficiary of your trust.
- If you choose, you can stay involved in the good works your gift makes possible—working with our professional program staff to support the causes and agencies you care about most.
- We handle all the administrative details, issuing grant awards to charities in the name of the fund you establish. (If you prefer, grants can be made anonymously.)
- 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—and all future earnings from 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,” Annette said. 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 and then the rest of the trust will transfer to Annette's daughter. “By giving through a charitable lead trust,” Annette said, “I am doing more for both my daughter and the community.”



Spartanburg  
County  
Foundation®

# 10 REASONS TO GIVE THROUGH THE COMMUNITY FOUNDATION

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

2 We have **broad expertise** regarding community issues and needs.

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

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

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

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

7 We offer maximum **tax advantages** for most gifts under state and federal law.

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

9 We build **endowment funds** that benefit the community for decades and help create personal legacies.

10 We are a **community leader**, coordinating collaborative resources to create positive change.

## HOW TO GIVE CHARITABLE LEAD TRUSTS

### MORE BENEFITS

A charitable lead trust entitles you to a number of financial benefits. It protects investment earnings from tax and offers gift, estate and generation-skipping tax benefits. For example, trust assets are removed from your estate for estate tax purposes. You may also capture future gift tax deductions. However, at the time the trust is established, you may owe gift tax on the present value of your gift to the final beneficiary.

You have several options when establishing a trust. You can create a charitable lead trust during your life or through your will. The trust contributes to charity through the community foundation—either for a number of years or for your lifetime. And, you select one of two types of charitable lead trust:

**Charitable Lead Unitrust** makes annual distributions of a fixed percentage of the trust assets to the charitable fund you establish.

**Charitable Lead Annuity Trust** makes annual distributions of a fixed dollar amount to the charitable fund you establish.

During its term, the trust can be managed expertly 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 transfer-tax savings.

### LET'S CONNECT

Contact us to learn more about the ways we can help you have a positive impact on the community and causes you care about.



Spartanburg County Foundation  
Karen Nichols  
(864) 582-0138  
knichols@spcf.org  
<https://spcf.org/>