

## CRTs & CLTs as Gift Planning Tools

Charitable Remainder Trusts and Charitable Lead Trusts are wonderful financial and estate planning tools (created by Congress in the 1969 Tax Reform Act) that can help donors achieve their own personal financial and estate planning objectives for themselves and their families, while at the same time allowing them a way to Leave A Legacy, a lasting impact, to benefit their favorite nonprofit(s).

### USES OF CHARITABLE TRUSTS

#### Charitable Remainder Trusts

- Can be used to sell appreciated assets and avoid recognition of capital gain on lump sum upon sale leaving more principal to invest to produce income for the donor.
- Often used by business owners upon sale of their business, or by real estate investors when their properties are liquidated.
- Creates a supplemental tax favored “charitable retirement plan” option when traditional retirement plan contribution levels are reached by high income donors.
- Provides donor with tax-favored retirement income for life.
- Trust assets are not included in donor’s taxable estate at death.
- Trust assets are not subject to claims of donor’s creditors in a lawsuit.

#### Charitable Lead Trusts

- Can be used to offset large taxable income after the sale of an appreciated asset.
- Can be used to offset tax burden upon receipt of a large taxable payment in one year, e.g. Deferred Compensation Plan payouts.
- Allows donor to transfer substantial assets to next generation during life without gift tax, or at death without estate tax.

### The Challenge

Charitable Remainder Trusts and Charitable Lead Trusts are wonderful financial and estate planning tools (created by Congress in the 1969 Tax Reform Act) that can help donors achieve their own personal financial and estate planning objectives for themselves and their families, while at the same time allowing them a way to Leave A Legacy, a lasting impact, to benefit their favorite nonprofit(s).

Unfortunately, most nonprofits are unable to provide the financial, legal and technical guidance to help the donor properly implement these types of trusts in such a way as to efficiently fit into the donor’s overall financial and estate plan. Furthermore, regulations limit how much nonprofits may assist the donor in those areas. Often, a donor’s professional advisors may lack the knowledge, training, experience and sometimes motivation to assist the donor in using these intricate trust vehicles for accomplishing his/her charitable legacy objectives.

### The Solution

The **Charitable Trust Solutions™ Program** has been created to help your nonprofit staff address these challenges. This turnkey program includes customized charitable trust design services based on the individual donor’s situation and objectives, full administration and tax reporting, Charitable Remainder Trust or Charitable Lead Trust illustrations powered by **Crescendo Interactive** (if needed), full-service investment management of the trust assets and ongoing updates and servicing.

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### Program Partners

**Charitable Giving Resource Center (CGRC)** A resource center and consultant for nonprofits, CGRC will *coordinate and manage* the turnkey program for nonprofits. CGRC is a subsidiary of Values Based Holding Corporation.

**Syverson Strege and Company (SSCO)** A fee-only financial firm, SSCO has over 60 years of cumulative experience in *charitable trust design and implementation*. They often work together in collaboration with the donor's own professional advisors to meet the goals of the donor. SSCO is a subsidiary of Values Based Holding Corporation.

**Renaissance Administration, LLC** Renaissance is the largest independent charitable gift services provider in North America. They will *administer the technical aspects* of the trusts each year for the donors who can act as their own trustee. They currently support over \$5 billion of charitable planned gift assets under administration and 12,170 gift instruments. Their team has over 680 years of charitable gift experience.

**Legal Help** In cases where *legal expertise* is needed, our strategic alliance with various legal professionals allows us to connect donors with qualified attorneys to help prepare the trust documents to meet their objectives.

**Sherpa Investment Management\*** Sherpa, a fee-only Registered Investment Advisor, *provides the investment management services* for the trust using institutional investment management techniques specifically designed for charitable trusts on a fee basis with no commissions. Sherpa is a subsidiary of Values Based Holding Corporation.

\*Sherpa Investment Management, a subsidiary of Syverson Strege & Company, is an independent Registered Investment Advisor regulated by the Securities and Exchange Commission and is not affiliated with any bank, stock brokerage firm or insurance company. They receive no sales commissions and act as a fiduciary directly for the donor/trustee of a custom designed charitable trust.

### Contact Us

If you have a donor who might benefit from a Charitable Remainder or Charitable Lead Trust, please contact us:

Charitable Giving Resource Center  
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