

Missoula Community Foundation...

We're Creating a Buzz...



A Charitable Remainder Trust (CRT) provides a payment stream (cash flow) to donors or other named beneficiaries. It also distributes the remaining assets to a designated charity(ies) at the end of the trust term.

The following example* illustrates a \$1 million charitable remainder unitrust (CRUT). Given certain assumptions, the CRUT provides donors with a charitable income tax deduction of \$466,110 at the time of contribution.

A CHARITABLE REMAINDER TRUST provides donors who make an irrevocable CHARITABLE gift of cash, securities, real estate or other assets with income and significant tax benefits during their lifetimes. At death the assets remaining in the trust are paid to the charity(ies) of the donors' choice.

A CRT may, if the assets are ultimately intended for deposit into a charity's endowment, qualify for the Montana Endowment Tax Credit.

● **TAX BENEFITS:** Donors may be eligible to take an immediate tax deduction for their contribution to the fund. Each contribution is at least partially tax deductible but may not exceed certain limits set by the IRS. By contributing securities, real estate or other assets with unrealized capital gains direct to a Charitable Remainder Trust, donors can give more to charity and, in many instances, increase their income.

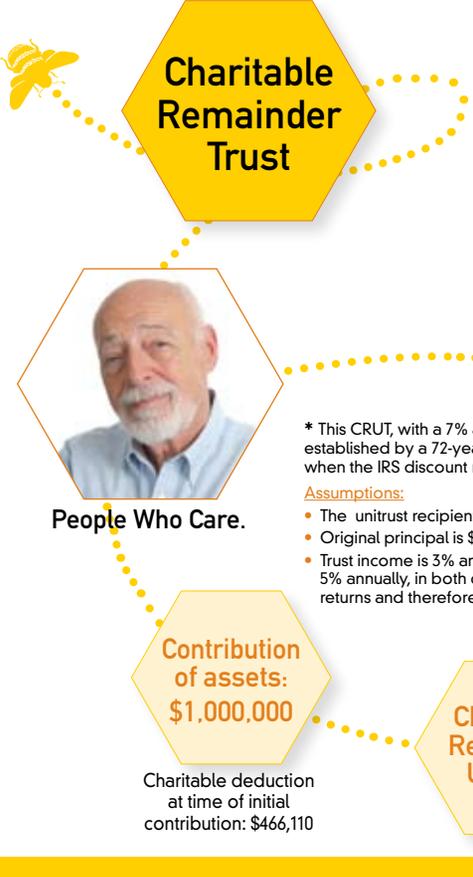
● **MONTANA ENDOWMENT TAX CREDIT:** A contribution to a Charitable Remainder Trust may be eligible for the Montana Endowment Tax Credit.

OTHER WAYS WE CAN HELP:

The Missoula Community Foundation is an affiliate of the Montana Community Foundation. Therefore, we can draw upon statewide resources and offer a variety of philanthropic tools and planned giving solutions to donors, including the Montana Endowment Tax Credit.

With the help of the Montana Community Foundation, we provide information to help donors and their legal and financial advisors determine the income and tax implications of specific gifts and how to transfer assets to fund the gift. However, the Foundation does not give legal or tax advice. Be sure to contact your advisor before making a planned gift.

● **CONTROL:** Donors can, if the trust documents allow, retain the right to add or delete named beneficiaries of the trust. Donors can also change the amounts or percentages of funds each charity will ultimately receive. Donors can, within IRS limits, determine the payout rate from the trust.



* This CRUT, with a 7% annual payment, was established by a 72-year-old grantor at a time when the IRS discount rate was 6.2%.

Assumptions:

- The unitrust recipient lives another 14 years.
- Original principal is \$1,000,000.
- Trust income is 3% and capital appreciation is 5% annually, in both cases net of fees. Actual returns and therefore results will vary.

- Donor Advised Funds
 - Charitable Remainder Trusts
 - Deferred Charitable Gift Annuities
 - Pooled Income Fund Trusts
 - Charitable Lead Trusts
 - Charitable Life Estate Agreements
 - Paid-up Life Insurance Policies
- All tools and planned giving options listed above may qualify for the Montana Endowment Tax Credit.

Create your own buzz at...

www.MissoulaCommunityFoundation.org