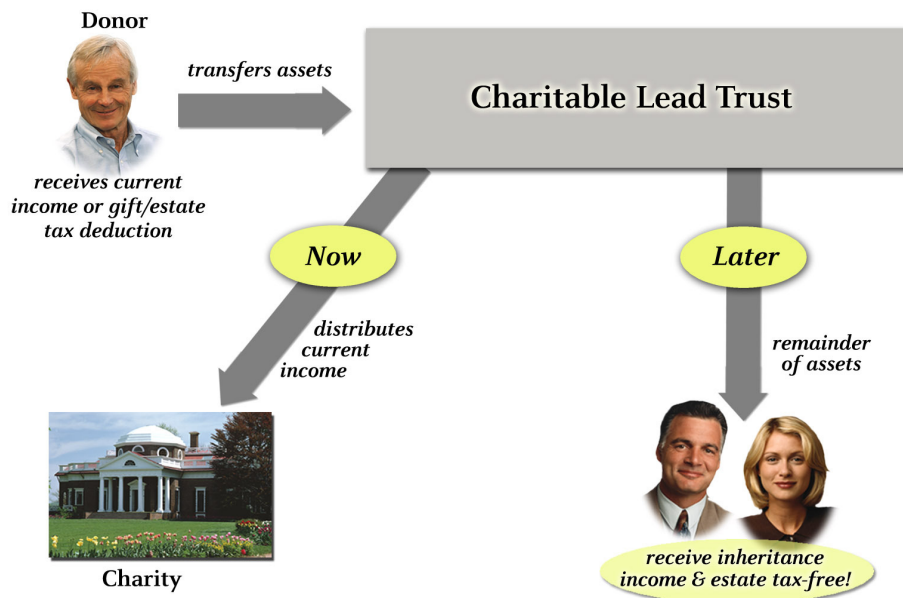


CHARITABLE Giving Strategies

Many individuals have charitable giving goals which they must balance with their desire to maintain and grow family wealth. A Charitable Lead Trust (CLT) is an excellent way to help donors fulfill their charitable intentions while ensuring that assets are returned to their designated beneficiaries – or back to the donor – at the end of the trust’s term.

HOW A CHARITABLE LEAD TRUST WORKS

- A donor creates a CLT and transfers specified assets into the trust – for example cash, securities, or real estate. The type of assets transferred is carefully considered in order to maximize the tax advantages of the trust while fulfilling the donor’s charitable and personal goals.
- The value of assets transferred may be “frozen” for gift or estate tax purposes.
- A designated charitable organization receives an annual income payment during the life of the trust as its gift.



- With a **grantor lead trust**, the donor is entitled to a charitable income tax deduction when the trust is funded. The amount of the deduction is based on the net present value of the future income payable to the charity. During the life of the trust, income earned by the trust is paid to the charity but included on the donor’s personal income tax return. At the designated end of the trust, assets are generally returned to the donor.

BENEFITS TO THE DONOR

- The donor enjoys knowing that charitable intentions are fulfilled and that the investment portfolio will be returned to them or a designated beneficiary at a specified future point in time.
- With a grantor lead trust, the donor can “accelerate” the amount of the charitable income tax deduction and use the deduction to offset taxable income in the year the trust is funded.

BENEFITS TO THE CHARITABLE ORGANIZATION

- Provides a current source of funding.

- Provides consulting opportunities to enhance relationships with existing donors.
- Assists in developing new donor relationships.

HOW CAN I CREATE A CHARITABLE LEAD TRUST?

We have partnered with Wachovia Nonprofit and Philanthropic Services who can assist our donors in the process of evaluating options and structuring the CLT. Once the trust is executed and funded, Wachovia can provide full investment, administrative and tax services, while closely monitoring the trust to ensure ongoing qualification and tax savings.

REPORTING AND ADMINISTRATION

- *Payment Services* - Wachovia will value the trust and calculate the amount of each payment required to meet the terms of the trust. Wachovia will ensure timely distribution of payments to the designated charity via check or electronic funds transfer.
- *Preparation and Filing of Federal and State Tax Returns* - Wachovia will prepare the required federal and state tax forms for each trust and file these with the appropriate regulatory authorities. Wachovia also will maintain all records required for the filing.
- *Detailed Tax Information for Each Beneficiary* – On grantor lead trusts, Wachovia will provide timely tax information to the grantor describing the type of income that was paid from the trust in the previous tax year.
- *Periodic Statement of Transactions and Investment Analysis* - Wachovia will provide to the charity and the donor complete reporting with current period-end values, including a detailed statement of all transactions and activity in the trust account and a listing of the assets held in the portfolio.
- *Distribution of Assets* – At the end of trust term, Wachovia distributes the remaining assets to the designated beneficiaries.

HELP MAKE A WORLD OF DIFFERENCE

If you would like more information about the services Wachovia can provide regarding Charitable Lead Trusts or other charitable solutions, please contact Jeffrey Malavsky at (239) 292-9384 or Lisa Spearman 239-936-3319 x1308.