

## Giving back to community and your loved ones

### Charitable Lead Trust



**A Charitable Lead Trust** helps you build a charitable fund with the Del Mar 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.
- Your gift is recognized in the Legacy Society in your name, in the name of your family or business, or in honor of any person or organization you choose.
- You can establish a Charitable Lead Trust through your will.
- Your Charitable Lead Trust pays the Del Mar Foundation an annual amount to build a charitable gift. 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.
- We coordinate all the administrative details with your advisor, issuing grant awards to charities recognizing Legacy Society members.
- 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

Anne Brown wanted to make a gift 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 the Del Mar Foundation as a beneficiary would allow me to give to the community now and provide for my daughter later," says Anne. Using a regular distribution from the trust, Anne has already begun to build a gift at the Del Mar Foundation, which is, in turn, making grants in Del Mar in areas important to her. The trust will continue to build the Brown Family gift until her death, after which the rest of the trust will transfer to Anne's daughter. "By giving through a Charitable Lead Trust," says Anne, "I am doing more for both my daughter and the community... and my estate will owe less in taxes."

This is a donor scenario, a realistic composite of giving stories. It is not an actual Del Mar donor story.



## Ten reasons people choose to give through community foundations

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### one

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

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### two

Our volunteer Board and staff have broad expertise regarding community issues and needs.

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### three

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

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### four

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

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### five

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

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### six

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

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### seven

We offer maximum tax advantage for most gifts under federal law.

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### eight

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

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### nine

We build endowment funds that benefit the community forever and help create personal legacies.

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### ten

We are a community leader, convening agencies and coordinating resources to create positive change.

## More benefits

A Charitable Lead Trust entitles you to a number of financial benefits. It shelters 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.

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 Del Mar Foundation—either for a number of years or for your lifetime. And, you select one of two types of Charitable Lead Trust. A Charitable Lead Unitrust makes annual distributions of a fixed percentage of the trust assets to the charitable beneficiary you establish. If you create a Charitable Lead Annuity Trust, it will generate a fixed dollar amount each year.

During its term, the trust can be managed expertly by your advisors, 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.

The Del Mar Foundation provides a simple, powerful, and highly personal approach to giving. We offer a variety of giving tools to help people achieve their charitable goals.

You can make a gift of cash, stocks, bonds, real estate, or other assets to your community foundation. Most charitable gifts qualify for maximum tax advantage under federal law. For more information and ideas on ways to integrate your financial planning with charitable giving, ask your financial advisor or Shelley Moore, Executive Director, Del Mar Foundation at 858-635-1366 or Shelley@delmarfoundation.org.