

# FOSTERING GENEROSITY



## CHARITABLE TRUSTS

### Popular Avenues of **GENEROSITY** Used by Catholic Community Foundation Donors

Your Catholic legacy is the mark you leave on the world and an example of God's grace in your life. Donors, just like **you**, give through CCF to sustain our Catholic heritage for future generations.

A **Charitable Trust** is an estate planning tool that allows you to ensure the financial well-being of your family while providing a significant planned gift to your parish, alma mater, or favorite nonprofit ministry. For wealthy individuals, this may translate into hundreds of thousands of dollars in estate and income tax savings.

#### Key Benefits

- Remove assets from an estate, helping to possibly reduce estate taxes.
- Provide an income to you and/or your designated survivor(s) for life (or for a set number of years).
- Secure professional management of your assets, protecting beneficiaries who are too young or who do not have business or financial expertise.
- Enable assets to move swiftly, smoothly, and confidentially into the hands of the desired recipient(s) because the assets escape probate.

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# TYPES OF CHARITABLE TRUSTS

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## Charitable Remainder Annuity Trust

**(CRAT):** The donor establishes a CRAT at the Catholic Community Foundation to create a permanent charitable fund and receives a fixed annual income for the life of the trust, as does a surviving spouse. The donor benefits from a significant income tax deduction that can be taken immediately or carried forward up to five additional years, and possibly from reduced estate taxes.

### How It Works

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1. Make a gift of property to the Annuity Trust.
2. Receive a tax deduction and fixed income.
3. Remainder passes through CCF to benefit designated charities.

## Charitable Remainder Unitrust

**(CRUT):** The CRUT similarly provides for a charitable fund, an income for the life of the trust, and has accompanying tax advantages. Instead of a fixed annual income, however, a specific percentage of the trust assets (recalculated on a year-end basis) is returned to the donor each year.

### How It Works

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1. Make a gift of property to the Unitrust.
2. Receive a tax deduction and fixed income.
3. Remainder passes through CCF to benefit designated charities.

## Charitable Lead Trust (CLT):

The CLT lets donors use their estates to provide support for their parish, school, or ministry and, at the same time, preserve an inheritance for future generations, lower estate taxes, and minimize generation skipping transfer taxes.

### How It Works

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1. Transfer property to the Lead Trust.
2. Fixed yearly payments pass through CCF to benefit designated charities.
3. Remainder is given to your family.



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