

# A Grantor Charitable Lead Trust

Give an annual income to Carleton

Receive a charitable income tax deduction

Receive the remaining assets back when the trust's term ends



Carleton

JOSEPH LEE  
HEYWOOD  
SOCIETY

QUALIFYING GIFT

## How It Works

- When you establish the trust, you qualify for an upfront charitable income tax deduction for the income stream the trust will pay to Carleton.
- Your trust is invested and managed by the professional or private trustee of your choice.
- You can structure the trust to pay income to multiple charities, either for a term of years or a person's lifetime.
- You can designate your gift to start an endowed fund or to support a particular project at Carleton.
- The trust assets—including all appreciation—are returned to you at the end of the trust term.

## How Carleton Benefits

The college receives an annual income from the trust. The income is either a fixed amount or a percentage of the trust assets' annual fair market value.

## Minimum Gift

Trustees' suggested minimum funding amounts and fees will vary, but these trusts are typically funded with at least \$500,000.

## Planning Tips

- This type of trust can be a particularly attractive option to consider if you have unusually high income in a given year (such as from the sale of a business or a significant bonus).
- It is important to note that donors are taxed on the trust's income and realized capital gains each year. You can minimize or avoid these taxes by funding the trust with tax-exempt bonds.
- For information about how a lead trust might work with your specific financial, estate, and charitable plans, contact your own professional advisers.

### QUESTIONS? PLEASE CONTACT US

Phone 800-492-2275 • 507-222-4200  
Email [planned-giving@carleton.edu](mailto:planned-giving@carleton.edu)  
Web [carleton.edu/giving/planned](http://carleton.edu/giving/planned)

One North College Street  
Northfield, MN 55057

Disclosure: This information is not intended as legal advice. Please consult your attorney or financial adviser to learn if a grantor charitable lead trust is appropriate for your situation.

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