

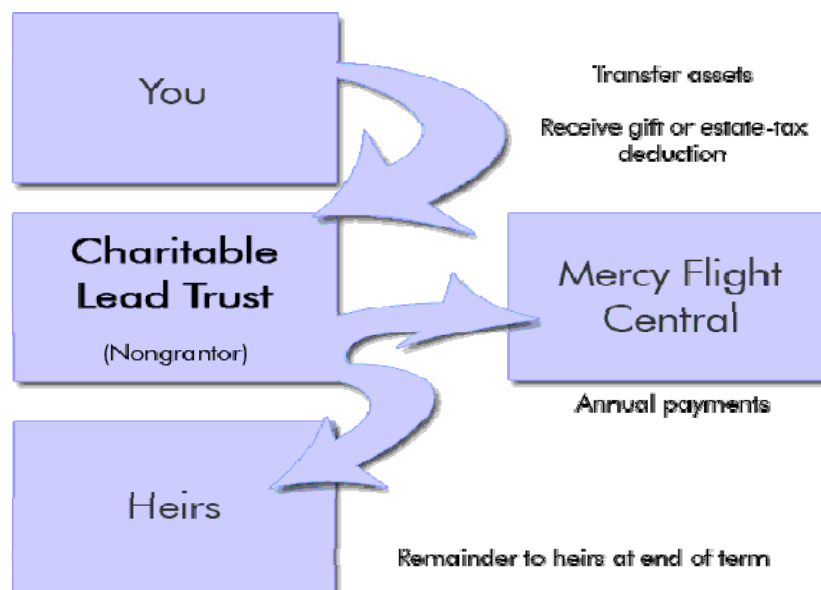
Charitable Lead Trust – Nongrantor & Grantor

The Charitable Lead Trust is one of the most powerful ways to simultaneously generate benefits for you, your family, and for Mercy Flight Central. The design of a Charitable Lead Trust is also quite flexible; donors should recognize the array of options as a positive benefit, particularly when coupled with the guidance of appropriate advisors.

There are two basic types of Charitable Lead Trusts: a **grantor trust** and a **non-grantor trust**.

Nongrantor Lead Trust

Most often, donors will establish a non-grantor trust that passes assets to heirs. In doing so, the donor is making a gift in the future to the heirs – as well as a charitable gift of the income stream paid from the trust.



How Does It Work

- Create trust agreement outlining terms of the trust—usually for a term of years
- Transfer cash or other property to trustee
- Trustee invests and manages trust assets
- Trustee makes annual payments to Mercy Flight Central
- Remainder transferred to your heirs

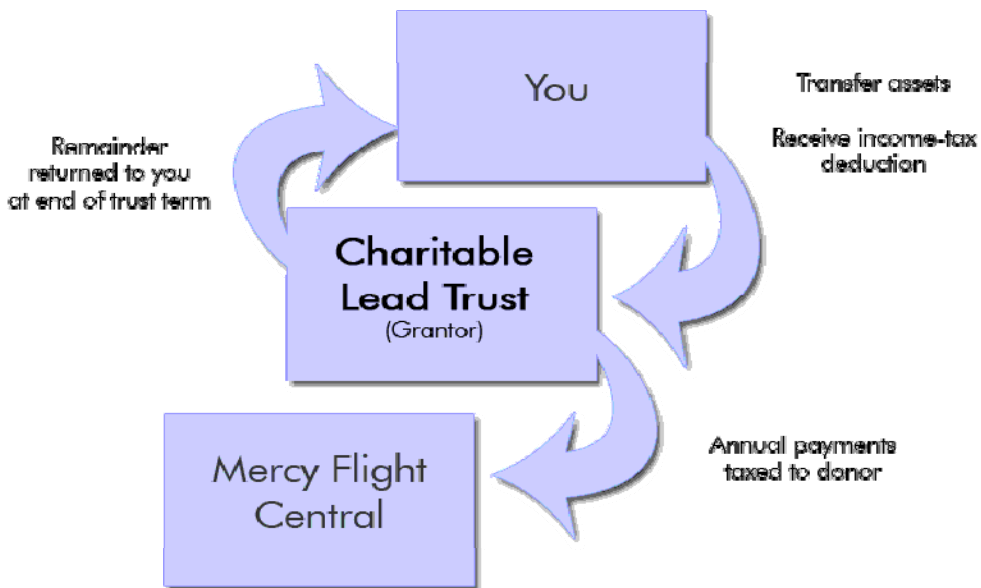
Benefits

- Annual gift to Mercy Flight Central
- Future gift to heirs at fraction of property's value
- Professional management of assets during term of trust
- No charitable deduction, but donor not taxed on annual income

For more information, please call the Development Office at 585-396-0584 or e-mail pmiller@mercyflightcentral.org.

The Grantor Lead Trust

Grantor Charitable Lead Trusts usually return the trust assets to the donor. The donor will receive an income tax charitable deduction at the time the trust is established, for the present value of the payments to Mercy Flight Central. The donor, however, must pay taxes on all trust income, including the portion that is paid to Mercy Flight Central. One option for minimizing taxes is to fund the trust with tax-exempt bonds. The donor benefits by making a current stream of gifts to Mercy Flight Central without relinquishing ultimate control and enjoyment of the asset(s).



How Does It Work

- Create trust agreement outlining terms of the trust—usually for a term of years
- Transfer cash or other property to trustee
- Trustee invests and manages trust assets
- Trustee makes annual payments to Mercy Flight Central
- Remainder transferred back to you

Benefits

- Annual gift to Mercy Flight Central
- Property returned to donor at end of trust term
- Professional management of assets during term of trust
- Charitable deduction, but you are taxed on annual income

For more information, please call the Development Office at 585-396-0584 or e-mail pmiller@mercyflightcentral.org.