**Charitable Lead Trust Gifts**

A charitable lead trust is the reverse of a charitable remainder trust. A charitable lead trust, created by a deed of trust or by your will, allows you to provide that an annuity or unitrust payment be made to the ACCF for a term of any duration. After the term ends, the principal is paid to you or any other non-charitable beneficiary you select.

You do not receive a charitable deduction for federal income tax purposes upon the creation of a lead trust unless you choose to be taxed on the trust income (i.e., the income that will be paid to the ACCF.) Some people may find that the chance to take a federal income tax deduction in the initial year outweighs the disadvantage of paying taxes on the trust's income in later years. You can avoid a negative tax impact by funding the lead trust with tax-exempt securities.

**Advantages**

A charitable lead trust is especially useful for property that will realize a high level of appreciation and may be attractive to a donor whose family can afford to relinquish the income from the gifted property during the term of the lead trust. A lead trust can be established either during your lifetime or in your will. If it is created by your will, it can substantially reduce the estate taxes payable on your death. If you create a charitable lead trust during your lifetime, you generally eliminate income taxes on the income from the assets placed in the trust and you can also reduce the gift tax on the property left to your children or grandchildren.