

CHARITABLE REMAINDER TRUSTS

at the San Francisco Foundation

Charitable trusts can be a solution for those who wish to receive income and make a future gift to benefit their community. Charitable remainder trusts (CRTs) are trusts designed to generate income for the life of a specified individual(s) or a specific time period and at the end of the trust term, the balance passes to the charity(ies) designated by the donor. Below are the details for the Charitable Trust Program at the San Francisco Foundation.

HOW IT WORKS

If SFF serves as Trustee:

1. Establish the trust and fund it with a gift of at least \$250,000. You may use the trust agreement drafted by your attorney (subject to SFF review) or request SFF's template trust agreement for review.
2. The beneficiary(ies) you have chosen will receive income for life, lives, or a term of up to 20 years.
3. At the end of the trust term, the charity(ies) you have chosen will receive the remaining assets. At least half must go to a new or existing endowed fund at SFF.



PARTNERING FOR THE FUTURE

For decades, we have worked hand in hand with individual and family donors to create legacies that are a part of the solution to the evolving needs of the region.

The San Francisco Foundation has deep roots and expertise in the Bay Area. We have intimate knowledge of the region's unique challenges, and the bold solutions to address them. Our role as a community foundation provides our family of donors access to this expertise, and a vast network of organizations and leaders making a difference.

We are committed to ensuring a more equitable future for all in the Bay Area.



Photocourtesy of Compass Community Services, a foundation grantee.

TYPES OF CRTs

- **Unitrust:** The income payment equals a set percentage of trust value, which is recalculated annually. Therefore, the payments will fluctuate over time.
- **Annuity trust:** The income payment equals a set percentage of the initial trust value. This is a fixed amount that will not change for the entirety of the trust term or until the trust assets have been exhausted.
- With a unitrust, additional contributions may be made which can generate a new deduction and possible increase in income payments. Additional contributions are not permitted to an annuity trust.

BENEFITS

- Income for life, lives, or for a term of up to 20 years.
- Tax deduction for the present value of the charitable gift.
- No capital gains tax on the sale of an appreciated asset.
- May minimize estate and/or gift taxes.
- If SFF serves as Trustee, we provide professional investment management and trust administration through BNY Mellon.

BNY MELLON PARTNERSHIP

Planned giving services are provided by BNY Mellon's Charitable Gift Services group. The foundation's charitable trust program combines the foundation's stewardship and planned giving knowledge with BNY Mellon's trust administration, investment, and tax expertise. The foundation has fiduciary responsibility for the assets it oversees as trustee and is responsible for communication with donors and monitoring and evaluating the charitable trusts' investment performance. In managing the assets of the trusts, BNY Mellon collects all income, implements the investment strategy, and makes periodic payments to the income beneficiaries. BNY Mellon also prepares periodic donor statements and all trust tax filings.

PERSONALIZED CALCULATION

There are many factors to consider when setting up a CRT and we recognize that each donor has unique income needs, tax considerations, and philanthropic goals. We can help you explore how a CRT can address your specific charitable and financial objectives. Please contact us for a personalized calculation.

The San Francisco Foundation does not provide tax, legal, or financial advice. Any document or information provided to you by our staff is intended to be educational and informational. All donors are strongly encouraged to seek counsel from their own legal and financial advisors.



**San Francisco
Foundation**

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