



Legacy Giving Glossary of Terms

Bequest: Property of a person's estate given through their will.

Charitable Gift Annuity: Serving as both a charitable gift and an investment, a CGA is a contract between a donor and charity in which the donor gives a gift to the charity and in return is guaranteed a partial tax break and a stream of income for life. Once the donor passes away, the charity is left with the remainder of the gift.

Charitable Remainder Trust: A trust that generates annual income for the donor or beneficiaries for a specified period of time, with the remainder of the donated assets being granted to the charitable organization(s) of the donors choosing. Donors may receive immediate partial tax breaks based on the value of the eventual charitable donation.

Donor Advised Fund: Essentially a "philanthropic checking account" established by a charitable organization. Donors can add money into the DAF as often as they like, receiving tax benefits and interest for their investments. After the money is deposited, donors can send grants to the charitable organization(s) of their choosing at their discretion. They can also name beneficiaries for the funds upon their passing.

Endowment fund: A fund which preserves the principal of a gift into perpetuity, and of which the annual interest is allocated to named beneficiaries.

Wills vs. Trusts: There are several attributes that differ between wills and trusts. A few of the key differences are as follows:

A will only goes into effect once a person passes away, whereas a trust goes into effect as soon as it is created, allowing the option to pay allocations to beneficiaries before the benefactor's passing

An individual's will covers any property that is in their name upon their death whereas a trust only contains property that is specifically named to be included in the trust.

Wills are required to go through probate meaning the court oversees the administration of property, whereas a trust is not required to go through court proceedings.

Lastly, wills become part of the public record once they go into effect, unlike trusts which have the legal option of remaining private.