

**Appreciated Assets** – Assets that have a higher market value than their basis or tax purpose value. Such assets would, if sold by an individual or non-charitable organization at a price higher than their basis, potentially generate a taxable capital gain (either long-term or short-term depending on the holding period).

**Beneficiary** – An individual or entity named to receive some assets.

**Bequests** – A direction in a Will to pay over or distribute personal property.

**Capital Gains Tax** – The tax imposed upon profits realized from the sale of financial assets that have increased in value since they were acquired.

**Charitable Gift Annuities (CGAs)** – A contract under which a charity, in return for a transfer of cash, marketable securities or other assets, agrees to pay a fixed payment to one or two individuals, for their lifetime.

**Charitable Lead Trust (CLT)** – A trust designed to reduce beneficiaries' taxable income by first donating a portion of the trust's income to charities and then, after a specified period of time, transferring the remainder of the trust to the beneficiaries.

**Charitable Remainder Trust (CRT)** – A trust funded with assets by a donor, with an income beneficiary and a remainder beneficiary. The donor (or other designated individual(s) is the income beneficiary, and receives an income stream for life (or a term of years) based on the value of trust assets and pay-out rate. The nonprofit is the remainder beneficiary and receives the remainder of the trust upon death of the income beneficiary(ies) or end of term of years.

**Estate Tax** – A tax on the value of the property held by an individual at death.

**Fixed Income** – Payments received on a regular basis that are not subject to change.

**Gift Tax** – A tax imposed on someone who gives money or property to another person without consideration.

**Grantor** – The creator of a trust or other legal instrument.

**Annuity** – A contract (legal obligation) to pay specified amounts over a specified period of time to a specified individual(s) in exchange of cash, securities, or other tangible property.

**Irrevocable Trust** – A trust that cannot be changed or dissolved.

**Life Income Gift** – A gift of a principal sum, property, or securities with a stipulated life income paid to the donor or another person for his or her lifetime(s).

**Life Income Trust** – A plan whereby gift assets are placed in trust for the lifetime benefit of an income beneficiary, with the remainder going to another beneficiary upon the death of the income beneficiary.

**Qualified Retirement Plan** – A retirement plan is eligible for favorable tax treatment.

**Real Property** – Land, buildings, or other forms of real estate.

**Tangible Property** – Includes movable objects (e.g. jewelry, artwork, antiques, clothing, etc.).

**Probate** – The process of proving a Will's validity: used loosely to mean the administration of an estate.

**Remainder** – The amount remaining in a trust after income payments have ended.

**Revocable Trust** – A trust that can be changed or dissolved at any time by the grantor.

**Trust** – An arrangement whereby property is held by an individual or institution, as fiduciary, for the benefit of others.

**Trustee** – Party legally responsible for carrying out the terms and performance of a trust.

**Variable Income** – payments received on a regular basis that are subject to change, not fixed.

**Will** – A legal instrument disposing of a person's property at the time of his or her death.