

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.