

Twin Cities Professional Advisors help their clients make a lasting difference



[Jon Crow](#), Meristem

Many years ago an elderly client of ours with a substantial estate expressed a desire to include a charitable component to her estate planning without necessarily creating a perpetual charitable vehicle.

She wanted to pass on a legacy that continued the family's multigenerational charitable relationships with a handful of organizations and institutions. But she also wanted to give her daughter and grandchildren the flexibility to develop their own philanthropic endeavors.

The client and I decided to create a zeroed-out charitable lead annuity trust (CLAT) with a 10-year term. When our client passed away a few years later, the CLAT was funded and paid direct gifts to a variety of charities the family traditionally supported, such as the Minnesota Landscape Arboretum and the Minneapolis Institute of Arts.

However, a portion of the CLAT income was available for the children and grandchildren to make direct gifts. This has enabled them to support their interests in social welfare and the arts through donations to the Minneapolis Public Library, the United Way, and other similar organizations. We also coordinated family meetings to address governance of the CLAT and to facilitate family communication. The process has provided the family a great entrée into philanthropy and has plugged them into a lifetime of charitable giving.