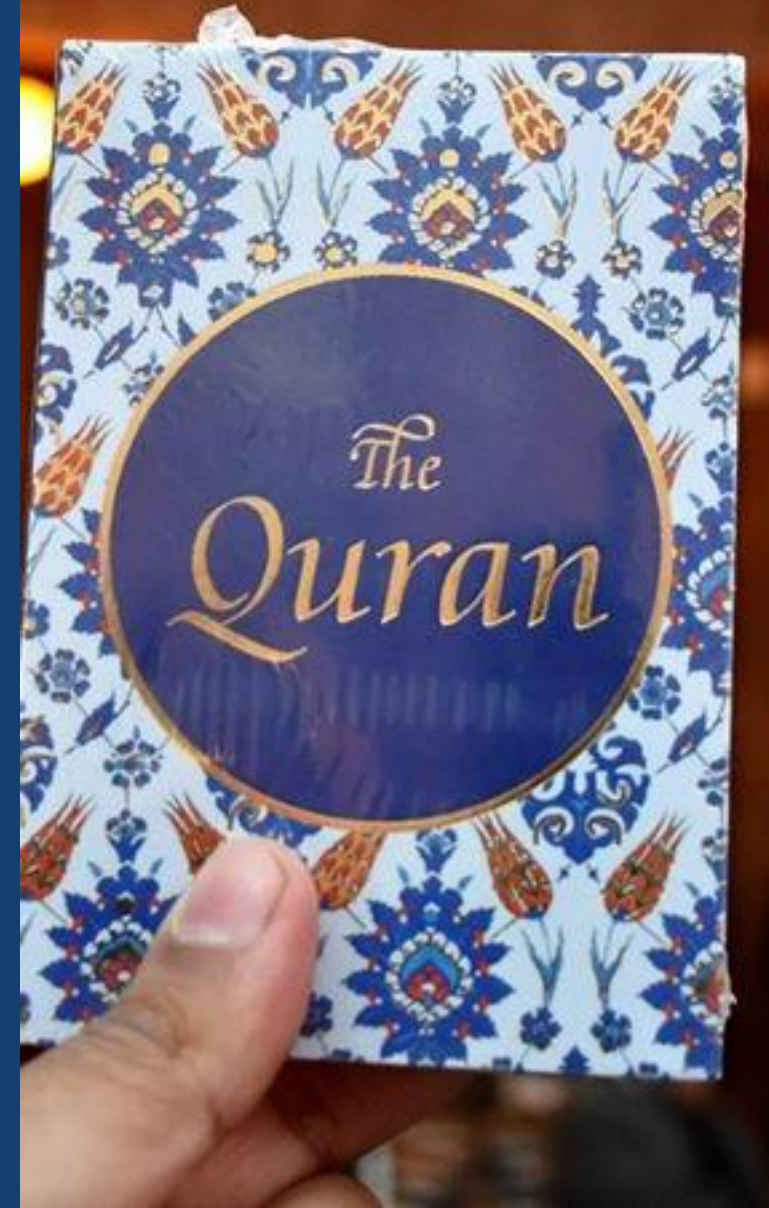


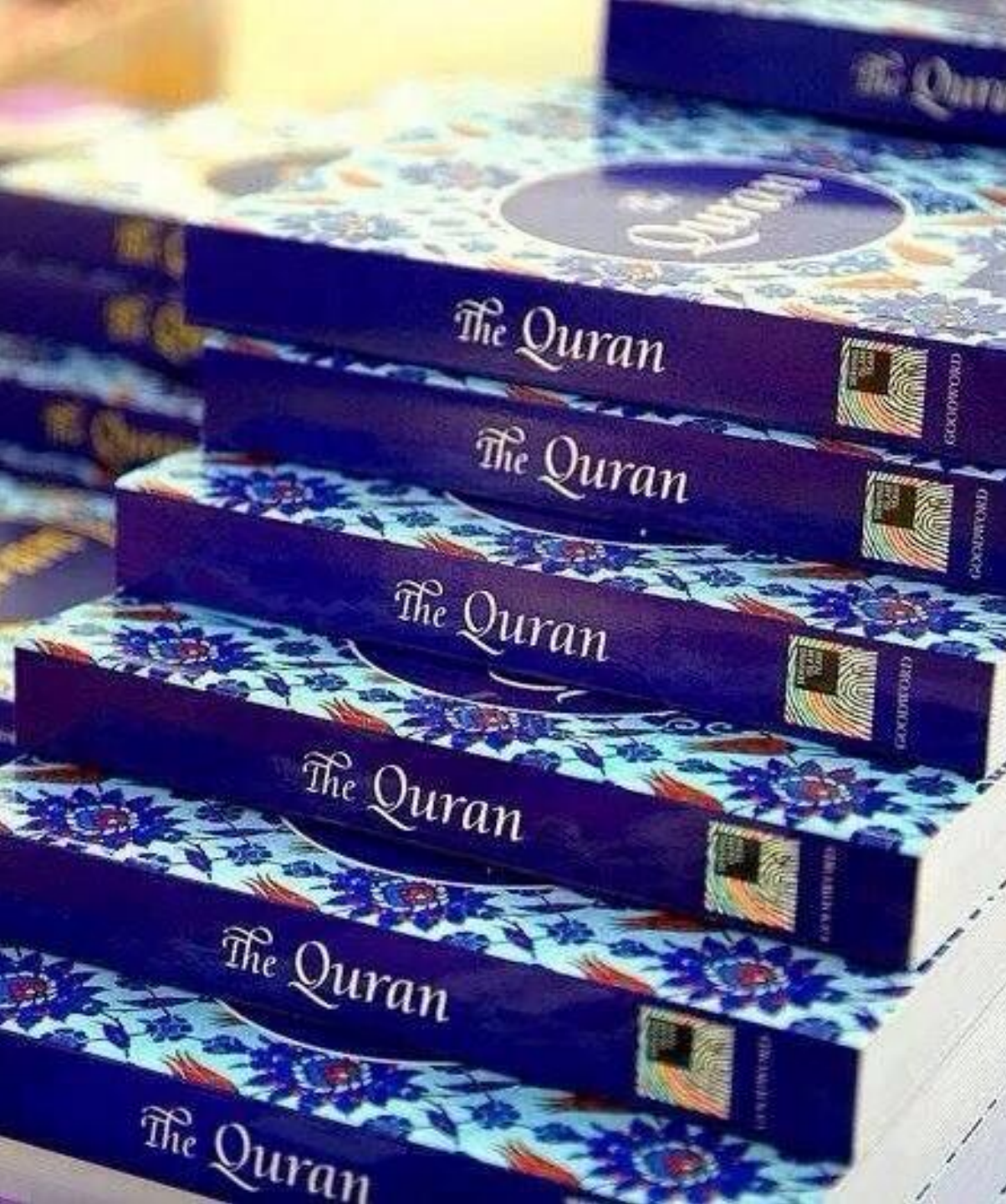
Center for Peace & Spirituality USA

# ENDOWMENT PROJECT

A Waqf for Da'wah



This brochure is not a solicitation, nor does it constitute tax, investment, or legal advice. Please consult an investment advisor and a tax accountant.



## CHARITABLE LEAD TRUST

### Invest

We invite you to invest in your very own Charitable Lead Trust, which will function like a Waqf (Endowment) for the benefit of Center for Peace and Spirituality USA. God Willing, you will earn a spiritual reward - *sadaqa jaariya*, as well as a potential financial reward (potential investment growth as well as significant tax benefits\*), while supporting Da'wah work that benefits the world and changes lives for years to come with just one action today.

### How it Works

Instead of leaving all your savings in a bank, where it may not benefit you, you can invest some in your own personal Charitable Trust. Those assets will be professionally invested for you for a fixed term that you specify (typically 7 to 15 years), after which you or your beneficiary will receive it back plus growth\*. The trust will donate, each year, up to 4% of the original principal to CPS USA. Additionally, you may receive significant tax benefits\*.

\*INVESTMENT GROWTH IS NOT GUARANTEED AND PAST PERFORMANCE DOES NOT GUARANTEE FUTURE RESULTS. ALSO, PRINCIPAL IS NOT GUARANTEED AND MAY BE LOST. THIS BROCHURE IS NOT A SOLICITATION, AND DOES NOT CONSTITUTE TAX, INVESTMENT, OR LEGAL ADVICE. PLEASE CONSULT AN INVESTMENT ADVISOR AND A TAX ACCOUNTANT.



# MUTUAL BENEFITS



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## 1 The Benefits to You

Your trust's assets are invested for a fixed term by a professional wealth management firm, after which you or your designated beneficiary receive your investment back plus growth.\*

## 2 You can get a tax benefit\* by either:

- Taking a large up-front tax deduction for all future projected donations\* that the trust will give to CPS USA.
- Or not taking an annual tax deduction for the yearly donation that your trust will give to CPS USA during the years your money is in the Trust.

## 3 More Benefits

You can choose to name your children as the beneficiary of the Trust and transfer wealth with a lower Estate Tax\*. This way more of your assets would go to your children instead of the IRS.

## 4 The Benefits to CPS USA

- Income from the investments will support CPS USA's Da'wah endeavors.
- The goal is to have CPS USA, in 7 to 10 years, not be dependent on donations for its core operations and Da'wah projects, *insha'Allah*. Instead, it can rely on income from the Charitable Trusts, the Waqf (Endowment), and other sustainable revenue generating programs.

# CREATIVE & BENEFICIAL GIVING – SAMPLE SCENARIOS

Examples of Grantors	Amount They Invest in the Trust	How Much They May Get At the End of the Term*	Number of Years in the Trust	Amount Donated on Their Behalf to CPS USA During the Term
Junaid sets up a \$100,000 CLT	\$100,000	\$153,311	10	\$40,000 (4,000/year)
Dr. Fatima sets up a \$500,000 CLT	\$500,000	\$766,533	10	\$200,000 (\$20,000/year)
Sr. Mary sets up a \$1,000,000 CLT	\$1,000,000	\$1,533,105	10	\$400,000 (\$40,000/year)

## Your Options for the Funds in the Trust at the End of the Term

- 1 You can have it returned to you
- 2 You can choose to have some or all of it donated to CPS USA, and receive another significant tax benefit
- 3 You can transfer it to your children or to another Trust for the benefit of your children. Transferring to your children is a method of gifting funds to the next generation at a much lower effective gift or estate tax cost, thereby increasing the overall family wealth, instead of that wealth passing to the IRS.

\*Examples' projection assumes 8% annualized return while donating 4% of the principal to charity each year. Investment growth is not guaranteed, and past performance does not guarantee future results. Also, principal is not guaranteed and may be lost.



# Example

Ahmed has \$1 million worth of assets he expects to appreciate considerably in the future. He would like his children to inherit the asset. Ahmed estimates that if he holds onto the asset, it could be worth \$4 million in 15 years and create about \$2 million in estate taxes. He decides to gift the asset to his children now and avoid the estate tax bill.

To save even more taxes, Ahmed decides to use a CLT. He gifts the \$1 million of assets into the CLT with a \$70,000 annual payout for 15 years to his favorite charity. (Actual valuation would depend on the currently published IRS discount rate.) Because of the charity's income interest, the IRS might value the gift to his children at \$400,000.

Ahmed's unified credit covers the gift tax on \$400,000. If the assets grow by more than 7%, Ahmed's children may receive much more than \$1 million in 15 years even though the gift only cost Ahmed tax on \$400,000.

The charity receives a significant gift, Ahmed's children will ultimately receive the assets, and Ahmed paid gift tax on \$400,000 rather than estate tax on potentially \$4 million.

Strategic

# FINANCIAL GOAL



The strategic financial goal of CPS USA is to become independent from donations in 7 to 10 years, for its core operations. It is as a part of this strategy that the Charitable Trusts initiative has been developed. Other initiatives towards this goal would include investing in real estate, investing in the markets, and adding additional revenue generating projects.



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# DONATE TODAY

## 1 DAF and CLTs

Get in touch with us and we will help you set up Donor-advised Funds (DAFs) and Charitable Lead Trusts (CLTs) so you can contribute to CPS USA as well as grow your wealth.

## 2 Bank Transfer or Check

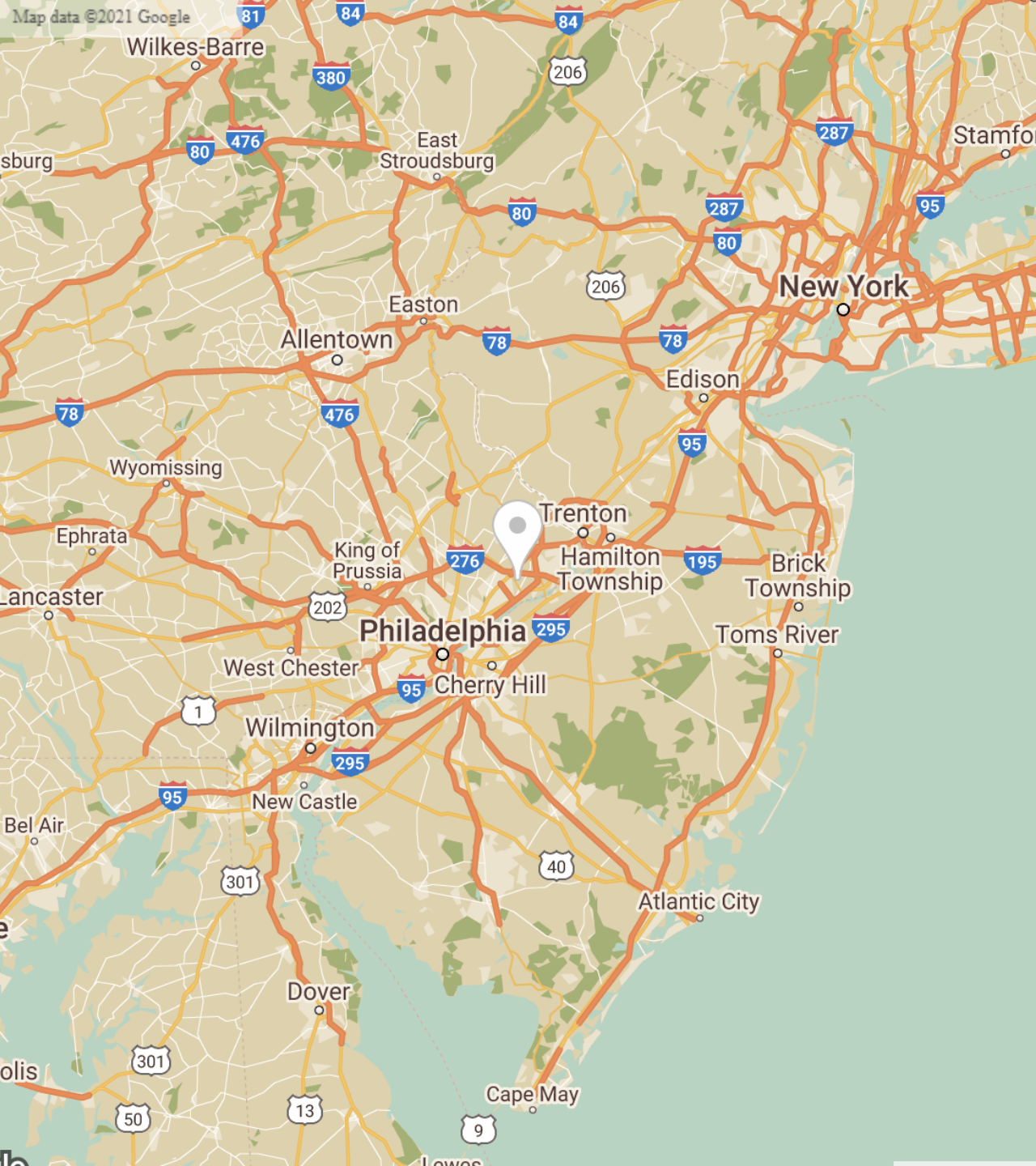
You can write a check to 'Alrisala Forum International Inc.' or wire/Zelle the amount to:

Account No. 94034 33717

Routing No. 021000322 BoA

Zelle Email: khjklmddn@yahoo.com





# CONTACT US

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