PG Calc
A FOUNDATION SOURCE COMPANY

YOUR PARTNER IN PLANNED GIVING SUCCESS

eRate Newsletter | March 18, 2019

IRS DISCOUNT RATE: April 3.0%

Fixed Payment Life Income Options: The Gift Annuity vs. The Charitable Remainder Annuity Trust

Life income donors have a variety of charitable gift vehicles to choose from: Pooled Income Funds, Charitable Remainder Unitrusts, Gift Annuities, and Charitable Remainder Annuity Trusts. Each vehicle has its own special rules for funding, permissible terms, taxation, and management.

Gift annuities and charitable remainder annuity trusts belong to the category of life income gifts that make fixed payments. While a gift annuity looks very much like a charitable remainder annuity trust in this respect, there also are significant differences. This article discusses those differences, and identifies the scenarios in which each is most appropriate.

READ THE FULL ARTICLE   **PRINT THE FULL ARTICLE**

UPCOMING WEBINAR

The Do's and (a few) Don'ts of Gifts from IRAs

Presented by
Mike Valoris

Thursday,
March 28
1:00 - 2.30 pm ET

REGISTER

UPCOMING TRAINING

Planned Giving Manager
April 10-11, Chicago, IL
May 2-3, Boston, MA

GiftWrap
March 20-21, Cambridge, MA

VIEW

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## Quick Tip: Verify Your *GiftWrap* Data

One of the more important and often overlooked features in PG Calc's *GiftWrap* is *Verify Person and Gift Data* (*Verify* for short), the purpose of which is to verify the integrity of data in your *GiftWrap* database.

This is very important because errors in data can affect the quality and accuracy of *GiftWrap* reports and calculations. *Verify* will seek out and report on logical inconsistencies in the data. For example, if you are missing a payment for a gift annuitant, *Verify* will point that out. Or perhaps, *Verify* will note that a tax tier does not equal a payment amount, or that bank account information is missing.

You should run *Verify* periodically. We recommend every 30 days. And now, with year-end processing out of the way, is a good time to start.

First, check the setting for how frequently you will be reminded to run *Verify*:

1. Select *Administrator - Settings/Monitoring* from the *Setup* menu and click on the Administrative Settings tab.

2. Set the timing for your *Verify* reminder. It is recommended that you set the reminder to appear every 30 days. Click *Save*.
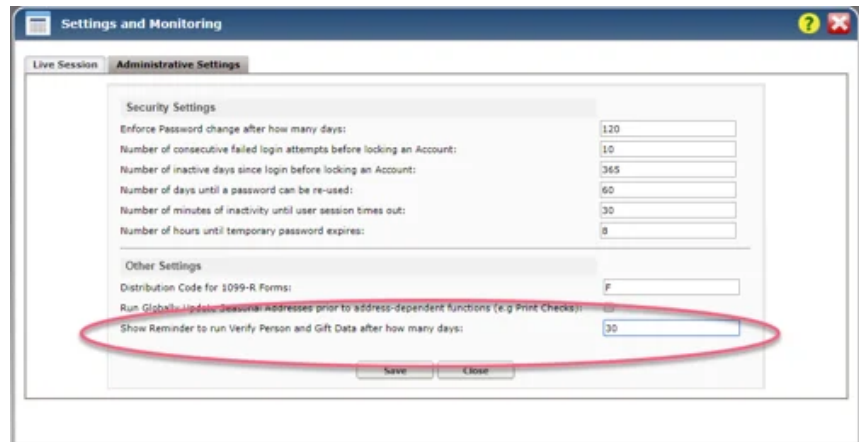
3. When you login to *GiftWrap*, if you are due to run *Verify*, you will see the following reminder.
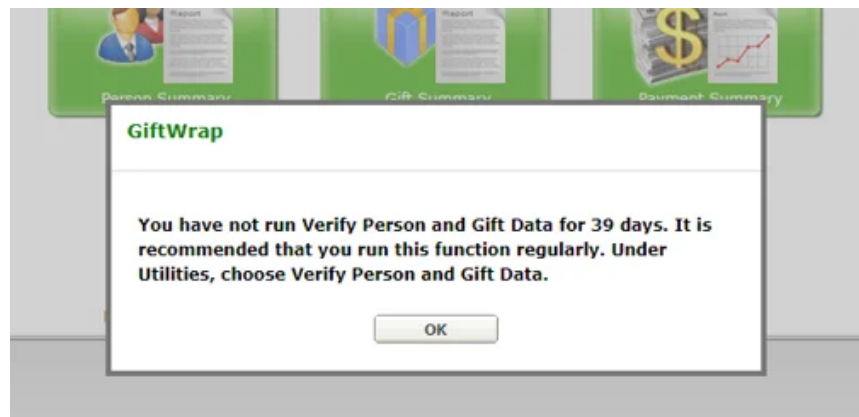
4. To run *Verify*, select *Verify Person and Gift Data* from the *Utilities* menu.

5. Select your charity, choose your gift type and click *OK*.

Note: Under *Setup - Charity Setup*, when you click on your Charity Nickname, you will see options you can select to suppress certain *Verify* messages.

If you have any questions, email support@pgcalc.com, or call PG Calc Client Services at 888-474-2252.

Marketing Corner: Happy Semi-Birthday

Who doesn't like to receive birthday wishes? But I bet very few people receive a birthday card on their 6-month birthday! This timing, however, represents a unique opportunity available to all non-profits - send a birthday greeting to every donor who is about to reach 70½ years of age, to let them know they are now eligible to make charitable IRA rollover gifts.

Many charities send annual birthday cards as part of their stewardship activities. For those charities that do, a 70½ birthday card will be an unexpected, welcomed surprise for the recipient. For those charities that don't, it can be an easy program to implement because it's a similar process to existing monthly acknowledgements or appeals.

In addition to promoting the charitable IRA rollover to donors in mailings once or twice a year, sending birthday cards to donors who turn 70½ is another way to emphasize that message. It's a small change, but it's the tiny things that can change someone's day for the better. Embrace a creative way to deliver a personal message. And their present? No taxes on their IRA withdrawal.
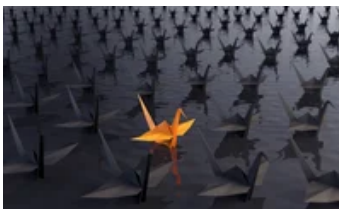
BatchCalcs Will Add Punch to Your Spring Gift Annuity Mailing

Every year, our *BatchCalcs* service helps charities engage with thousands of gift annuity donors and prospects in a more personal way. Reunion mailings make springtime one of our busiest times of year for *BatchCalcs*.

"What is *BatchCalcs*?" you ask. *BatchCalcs* enables our clients to include personalized gift annuity calculations in each email message or printed letter in a mailing. Some clients choose to include just the annuity rate the prospect would get. Others enclose a Summary of Benefits chart that displays the charitable deduction, annuity amount, and how the annuity will be taxed, based on an assumed gift amount. All we need from you is an Excel file with a birth date or age and an ID for each prospect. You can include target gift amounts, too, if you wish. You get back either a file with calculated values added or a file of letters or Summary of Benefits charts with values merged into them.

If you want to use *BatchCalcs* to add punch to your gift annuity mailing, or just want to learn more about it, contact Dave Wolfe at dwolfe@pgcalc.com, or call 888-497-4970.
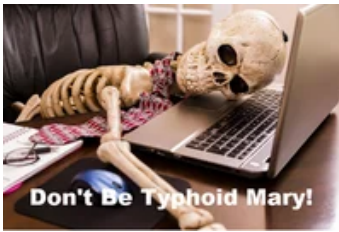
Why Software Updates Are Worth the Trouble, or Don't Be Typhoid Mary

Many applications today are smarter than they used to be. You probably think I'm talking about the applications themselves, and while it's true that today's applications do a myriad of useful and clever things (PG Calc applications among them), I'm referring to the applications' built-in intelligence around updates.

In this article, we discuss why it is important to keep your desktop software updated, and provide four compelling reasons to do so. Find out how to keep you, your colleagues, and your organization safer and more supportable. And don't be Typhoid Mary!

READ MORE
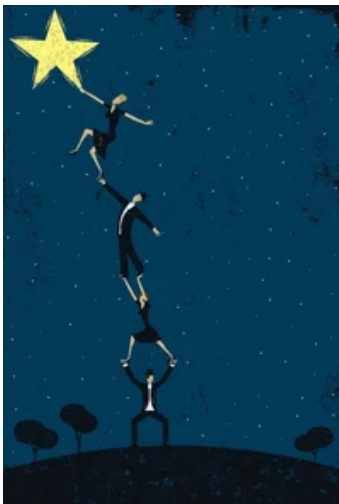
Clients Drive *GiftCalcs* Improvements

Clients give us many of our best ideas, and our *GiftCalcs* clients are no exception. Over the last year, for example, *GiftCalcs* clients have inspired us to expand significantly their options for controlling the appearance of our online planned gift calculator and to make it user-friendly for the sight-impaired.

Most recently, we have:

- added the option to include a "Contact Me" check box that can default to either being checked or not checked
- made dropdown menus easier to use by the sight-impaired
- made it possible to include more than one *GiftCalcs* calculator on the same web page

All these changes were prompted by client requests.

If you have a suggestion for how to enhance *GiftCalcs* or any of our other products, please send it our way at support@pgcalc.com, or pick up the phone and call 888-474-2252. We'd love to hear your ideas. And if you want to learn more about how *GiftCalcs* can enhance your planned giving web pages, contact Dave Wolfe at dwolfe@pgcalc.com or call 888-497-4970.

PG Calc's *BatchCalcs* Helps Oblate Annuity Trust Meet Its Goals

The Oblate Annuity Trust supports the Missionary Oblates of Mary Immaculate, whose missionaries work with the poorest of the poor in over 60 countries. OAT has been issuing charitable gift annuities since the 1940's and currently has over 1,900 active contracts. Like many religious groups, OAT is struggling with an aging donor population and a shrinking donor base. Because of this, they sought an alternative way to market gift annuities, especially because they had not been doing so at a national level.

Approximately 75% of the OAT's gift annuitants will establish multiple gift annuities over the years. How best to reach them? The Trust worked with PG Calc to come up with a solution that uniquely helps celebrate the donor's new actuarial age. Through *BatchCalcs*, PG Calc's personalized communications service, OAT was able to achieve a number of goals. They let their donors know that they were thinking about them on their half birthday via a personalized letter. Included in that letter was a personalized gift annuity proposal based on what usually is a slightly higher rate. By being pro-active, OAT enabled their gift annuitants to see and assess whether this higher rate is attractive enough for them to take action.

In their initial three months' worth of mailings, OAT helped their donors establish three new contracts totaling $20k. One of the donors said "I hadn't done one of these in a really long time," and was happy she did. (Her last one was 14 years earlier!) The mailings have piqued the interest of others as well who have indicated they will take action, but are waiting for the right time.

Dennis Kempf, Director of Charitable and Planned Giving, had this to say about PG Calc and the *BatchCalcs* service:

> *"This is genius, and we're grateful for PG Calc's initiative to create this service. Thank you!"*

Learn more about [Missionary Oblates of Mary Immaculate](#).

Learn more about [*BatchCalcs*](#).