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eRate Newsletter | July 17, 2018

IRS DISCOUNT RATE: August 3.4%

Are You "Just Winging It" with Your Planned Giving Program?

Imagine this scenario. Your organization's fiscal year just ended. The VP of Advancement, your boss, summons you to her office. She asks about your objectives for the planned giving program in the next fiscal year. Your response: "I don't have a formal plan." Without a detailed annual plan, essentially you just told your VP that you are "just winging it."

Many charities end their fiscal year on June 30. On July 1, or whatever the first day of the new fiscal year is for your organization, best practices dictate that an annual plan for your planned giving program should be in place for the new fiscal year. This applies whether your planned giving program consists of only bequest intentions, or a full menu of gift vehicles including life income gifts. Just as planned gift fundraising often involves many parties, the same process applies when crafting an annual plan.

In this month's article, Mike Valoris, PG Calc Senior Consultant, discusses how to effectively plan for a successful planned giving program.

[READ THE FULL ARTICLE](#)

[PRINT THE FULL ARTICLE](#)

UPCOMING WEBINARS

Regaining Momentum in Your Planned Giving Program



Presented by

[Mike Valoris](#)

and

[Andrew Palmer](#)

Thursday,

July 26

1:00 - 2:30 pm ET

[REGISTER](#)

Fundamentals of Planned Giving Webinar Series



Presented by

[Craig Wruck](#)

Tuesday,

July 10, 17, 24, and 31

1:00 - 2:30 pm ET

If you missed the first two sessions, after registering, you can view recordings of these sessions.

[REGISTER](#)

UPCOMING TRAINING

Planned Giving Manager

August 8-9, Boston, MA

September 12-13, Washington, DC

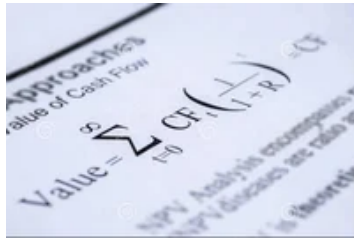
GiftWrap

August 15-16, Cambridge, MA

[VIEW](#)

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Quick Tip: Calculating the Present Value of an Irrevocable Charitable Remainder Trust for Remainder Valuation Purposes

Gift planners are often asked to calculate the present value of a charitable remainder trust to determine in today's dollars what the charity can expect to receive at the trust's termination. There are a few different ways to calculate the present value of a life income gift depending on what you are trying to determine.

CGP standards for the valuation method suggest that a charity should develop its own investment return and interest rate assumptions. Using the original gift data, you can use Program 3 in *Planned Giving Manager* to calculate the projected remainder value and then calculate the present value of that amount using a separate, unique inflation rate based on a specific sector of the economy.

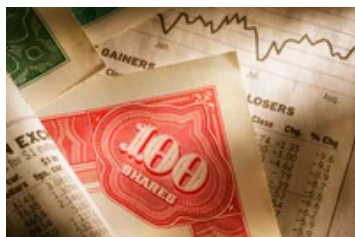
In *PGM*, to calculate the present value of a charitable remainder trust for valuation purposes:

1. Go to Program 3, Life Income Projections.
2. Enter the original gift data.
3. Enter your charity's investment assumptions.
4. Click on the line to Display Present Values, answer Yes and enter the interest rate.
5. Click on View. The Benefit to Charity is the net present value of the remainder for valuation purposes.

In *PGM Anywhere*:

1. Enter the original gift data.
2. Under Presentations, choose Summary of Benefits Projection.
3. Enter your charity's investment assumptions.
4. Click Results and note the Benefit to your charity.
5. Click to close Results and click the Tools icon.
6. Click on Life Expectancy tool and enter the birthdate or age of the beneficiary, note the life expectancy.
7. Click on the Present Value tool. Enter the Benefit to your charity amount and the life expectancy.
8. Enter the annual interest rate and click Calculate.

For more information on calculating the present value of various life income gifts, refer to PG Calc's Knowledge Base article - [Present Value Depends on Your Point of View](#).



Marketing Corner: Please Don't Donate Cash

The new tax law has prompted many articles about tax-efficient giving strategies that are still viable. One topic, gifts of non-cash assets, is getting much attention due to the most recent research from Russell James, J.D., Ph.D., CFP. James' report, *Cash is Not King in Fundraising: Results from 1*

Million Nonprofit Tax Returns, provides proof of what many fundraisers already know, but often have difficulty communicating or acting on.

The doubling of the standard deduction will significantly reduce the number of itemizers and is expected to discourage giving, particularly gifts of cash. As a result, gifts of appreciated securities and other non-cash assets will take on more importance. The new tax law retains the complete avoidance of capital gain tax on gifts of appreciated assets to charity.

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Photo by [Aaron Burden](#) on [Unsplash](#)

Promoting IRA Rollover Gifts

Good news awaits those donors who believe they will no longer receive tax benefits for gifts to their favorite charities under the new tax law. IRA charitable rollovers (also known as a qualified charitable distributions or QCDs) are still possible for those qualifying taxpayers who will be taking the increased standard deduction (\$12,000 for individuals, \$24,000 for married filing jointly), rather than itemizing deductions. Educating donors about the IRA charitable rollover should be a priority for every 501(c)(3) organization. Read how donors can qualify for this tax-advantaged way to give.

[READ MORE](#)



Higher ACGA Rates Now in Effect

Higher suggested maximum annuity rates from the American Council on Gift Annuities went into effect on July 1, 2018. In general, they are 0.3% - 0.5% higher than the rates they replaced. Using these new rates is a combination of making sure your software is up to date and that you have setup *Planned Giving Manager (PGM)* or *PGM Anywhere* to use the ACGA rate in effect on the gift date entered. *PGM* clients must have updated to *PGM 7.5A*, released in May 2018, and *PGM Anywhere* is always up to date!

If you are unsure of which annuity rate table your software is set up to use or want to change it, in *PGM* go to Customize>Gift Annuity Rate Tables; in *PGM Anywhere* go to Customize>Calculation Options>Gift annuity rate table. For more information, contact PG Calc Client Services at 888-474-2252 or support@pgcalc.com



PG Calc Helps The Yiddish Book Center Launch a Successful CGA Program

According to their website, the Yiddish Book Center located in Amherst, MA is “a nonprofit organization working to recover, celebrate, and regenerate Yiddish and modern Jewish literature and culture.” The website goes on to describe the Center’s work as follows:

“The million books recovered by the Yiddish Book Center represent Jews’ first sustained literary and cultural encounter with the modern world. They are a window on the past thousand years of Jewish history, a precursor of modern Jewish writing in English, Hebrew and other languages, and a springboard for new creativity. Since our founding in 1980 we have launched a wide range of bibliographic, educational, and cultural programs to share these treasures with the wider world.”

Supporting this important work is Zvi Jankelowitz, Director of Institutional Advancement. According to Zvi, the Center launched their “Yerushe” (inheritance) comprehensive campaign in 2013. The goal of the campaign is \$50 million for operating and endowment funds, and it is scheduled to conclude in 2020, on the 40th anniversary of the Center. To date, the campaign has raised \$39 million.

Among the many elements of the campaign, Zvi was charged with establishing a CGA program as one of the planned giving components of the campaign, and he was starting from scratch. Zvi turned to PG Calc to help get the Center’s CGA program off the ground. Zvi asked PG Calc to put in place the policies and structure necessary to give the Center the ability to close and service CGA donors. Toward that end, PG Calc has provided the Center with a broad range of consulting services, enabling the Center to get their planned giving program up and running successfully, as well as gift administration services, enabling the Center to provide their CGA donors with the most comprehensive level of stewardship. In addition, the Center makes use of *Bequest Manager* for its legacy gifts, deriving the benefits of the only bequest management system built exclusively to enhance and support legacy gift programs.

Zvi had this to say about PG Calc:

“PG Calc provided the Yiddish Book Center with a solid foundation from which to launch its planned giving program. And PG Calc continues to support our efforts to achieve our goal of raising \$50 million. PG Calc provides the Center with the highest quality products and the most comprehensive consulting services, customized specifically to the needs of the Yiddish Book Center.”

Learn more about the [Yiddish Book Center](#).

Learn more about [PG Calc Consulting Services](#).



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