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GIVING  
SUCCESS

## IRS DISCOUNT RATE: December 2.0%

**Holiday Hours** - We are open Wednesday, November 27, until 4 PM EDT. We are closed Thursday, November 28, and Friday, November 29.

### Identifying Gift Traps

The nature of planned gift fundraising (and sometimes outright giving as well) is that there are times when donors, gift plans, and assets present situations where there is little gift component. Even worse, some “gifts” create a net liability in terms of the asset or reputational damage. Nonetheless, there are danger signals that a gift may be problematic and procedures to prevent accepting gifts with traps.

In this month's featured article, Jeff Lydenberg, VP of Consulting at PG Calc, explores potential planned gift traps and criteria for evaluating these gifts.

[READ THE FULL ARTICLE](#)

[PRINT THE FULL ARTICLE](#)

#### UPCOMING WEBINAR

Planned Gift Calculations You Should Understand



Presented by

[Bill Laskin](#)

Thursday,

November 21

1:00 - 2:30 pm ET

[REGISTER](#)

#### UPCOMING TRAINING

##### *Planned Giving Manager*

February 5-6, New York, NY

April 23-24, Atlanta, GA

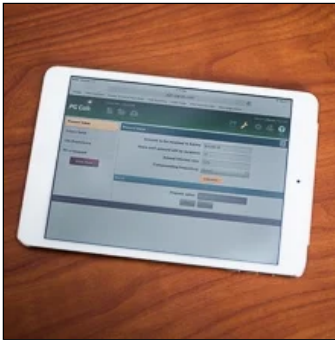
##### *GiftWrap*

March 11-12, Cambridge, MA

[VIEW](#)


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## Quick Tip: Last Minute Gifts? Delay First Payment Until Next Year with *PGM Anywhere* to Avoid Year-End Snafus

Imagine closing a new gift annuity on December 27th! Congratulations, but how on earth will your gift administration team get the gift processed and a check in the annuitant's mailbox by December 31? Don't even try – instead combine that small first partial payment with the first full payment next year. The donor still gets her deduction in 2019, but there will be no payment or 1099-R tax form for 2019.

1. Enter all the facts for the gift in the usual way.
2. Choose *Gift Options* in the left navigation, then click  to open the Gift Annuity screen.
3. Choose **Yes** to Combine first partial payment with first regular payment.

**Gift Annuity** ✕

<b>Property type:</b>	Cash <span style="float: right;">▼</span>
<b>Gift amount:</b>	\$10,000.00
<b>Annuity rate (% or \$) [ACGA2018=5.9%]:</b>	5.9%
<b>Payment frequency:</b>	Quarterly <span style="float: right;">▼</span>
<b>Payment timing:</b>	End of period <span style="float: right;">▼</span>
<b>Prorate first payment to reflect partial payment:</b>	Yes <span style="float: right;">▼</span>
<b>Combine first partial payment with first regular payment:</b>	Yes <span style="float: right;">▼</span>
<b>Date of first payment:</b>	3/31/2020 

The Taxation of Gift Annuity Payments chart details exactly how the five days of credit in 2019 totaling \$8.02 are added to the first full payment in 2020:

<b>Calculations:</b>	
Charitable Deduction	\$3,879.80
Number of Payments in First Year	4
Days in First Quarterly Period (10/1/2019 to 12/31/2019)	92
Days of Payment Credit in First Quarterly Period (12/27/2019 to 12/31/2019)	5
Annuity	\$590.00
Quarterly Payment	\$147.50
Amount Payable for First Partial Period (5/92 x \$147.50)	\$8.02
Combined First Payment on 3/31/2020 (\$147.50 + \$8.02)	\$155.52

Simple! Establishing a policy of combining payments for gift annuities that are received within 15 days of the end of any payment period sets achievable expectations and helps avoid errors.

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## PG Calc Blog

The latest on planned giving from PG Calc.

### Latest PG Calc Blog Post

#### QCDs Done Right

Remember when planned giving called the Qualified Charitable Distribution (QCD) the charitable IRA rollover? Remember when we didn't know if we could ask donors to make such gifts until the last minute each year?



All that changed in 2015 with the passage of the PATH Act. That legislation made the QCD permanent law and while the expression “charitable IRA rollover” still remains in some marketing materials as a synonym, it is used less often to avoid confusion.

[READ MORE](#)

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### Register for PG Calc's 2020 Webinar Series!

We are thrilled to offer our monthly webinar series once again in 2020. We have finalized our roster of presenters, topics, and dates and **are now accepting registrations**.

Along with presentations from PG Calc's expert staff, we are excited to offer presentations from Russell James, Professor of Personal Finance at Texas Tech University, Johni Hays, Senior Vice President at Thompson & Associates, Alasdair Halliday, Philanthropic Advisor and Director of Principal Gifts at Harvard University, and Sherrie Beal, Gift Planning Officer/Regional Gift Strategist at The Nature Conservancy.

You can sign up for your choice of monthly webinars or register for all twelve for the price of nine. Also, consider registering for Craig Wruck's four-part Fundamentals of Planned Giving series that we will be presenting in June.

[Register for the 2020 webinar series now!](#)

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## GiftWrap Update Coming Soon!

PG Calc's *GiftWrap* is the industry leading planned gift administration platform. With *GiftWrap*, you can provide the highest level of donor stewardship, while ensuring the financial stability of your planned giving program, all the while keeping your management and board abreast of program performance via a comprehensive suite of reports.

In our upcoming release, *GiftWrap* 4.2.18, we continue to give considerable attention to enhancing *GiftWrap* security. *GiftWrap* incorporates in its basic architecture design state-of-the-art security features, including encryption of all Web requests, validation of all user-entered data to mitigate against malicious attacks, and input validation, protecting against SQL script injection.

In addition, this update includes the following enhancements:

- Imported bequest gifts can now be associated with selected Orgs.
- A section has been added to the Bequest Transactions report listing pending distributions.
- You can print a gift profile report for all gifts associated with a person directly from the Person Information screen.
- If a linked spouse is deceased, this will be indicated on the Person Information screen.
- Encryption of documents uploaded to the Document Storage module has been enhanced.

Learn more about [PG Calc's GiftWrap](#).

If you have any questions, please contact PG Calc Client Services at 888-474-2252, or email at [support@pgcalc.com](mailto:support@pgcalc.com).



## CGA Manual - Access the Latest in Gift Annuity Expertise!

A team of PG Calc consultants led by Frank Minton recently finished updating the highly regarded reference work *Charitable Gift Annuities: The Complete Resource Manual*. The 2019 update was sent via email on October 24 to clients with electronic subscriptions. The update was mailed on November 1 to clients with print subscriptions. Print updates should have arrived by now.

Replete with practical, authoritative information and sample materials, the gift annuity manual delivers solid value to charities and advisors throughout the country. To learn more and place your order, call 888-474-2252 or visit the [CGA Manual page](#) on our website.



## IRS Announces Indexed Tax Items for 2020

The IRS has announced the values for 2020 of various tax items that are indexed annually for inflation. In general, values have been adjusted upward about 1.5%. Of particular interest to gift planners, the unified gift and estate tax exemption amount will be \$11,580,000 (\$23,160,000 per couple), an increase from \$11,400,000 (\$22,800,000 per couple) this year. The annual gift tax exclusion, on the other hand, will remain \$15,000 per person. Also of interest, the standard deduction will increase to \$24,800 for married couples filing jointly and \$12,400 for single filers, an increase of \$400 and \$200, respectively. See [Revenue Procedure 2019-44](#) for complete details, including all federal income tax schedules for 2020.

If you have any questions, call PG Calc Client Services at 888-474-2252 or email [support@pgcalc.com](mailto:support@pgcalc.com).

### Pooled Income Fund

## Valuation Rate for Gifts to Young PIFs Will Remain 2.2% in 2020

The valuation rate used to compute the charitable deduction for gifts made to pooled income funds that are less than three taxable years old will be 2.2% again in 2020. As a result, a gift given to a young pooled income fund will earn the same charitable deduction in 2020 as it did in 2019. To learn more about PIF valuation rates, click the button below.

[READ MORE](#)



## We're Hiring!

PG Calc is currently seeking an enthusiastic, service-oriented individual for the position of **Client Services Administrator** in our Cambridge, MA office.

PG Calc is also currently seeking a **Marketing Services Associate** for our *Marketing Services* department.

To learn more, see the [PG Calc Careers page](#).



## The Montana State University Alumni Foundation Relies on PG Calc and PGM Anywhere

The Montana State University Alumni Foundation's (MSUAF) mission is to "cultivate lifelong relationships and secure private support to advance Montana State University." With roots that go back to 1903, the Alumni Foundation has been instrumental in providing financial support for MSUAF.

The MSUAF Estate Trust and Gift Planning Program was launched roughly 40 years ago from humble beginnings, with one person and a focus on bequests. Over time, MSUAF began to see more interest in deferred charitable gift annuities, triggering a need for vendor assistance. In 2014 MSUAF made the switch to PG Calc.

Traci Weller, Senior Director of Estate, Trust and Gift Planning for the Alumni Foundation, had this to say about PG Calc:

*“As someone relatively new to the planned giving field, I attended a two-day workshop led by Jen Wickham, PG Calc Senior Client Services Advisor, and Samantha Akiha, Client Services Advisor, and found the training to be exceptional. In addition to learning about PG Calc’s newest web-based PGM Anywhere, it provided me with the tools I needed to confidently demonstrate, in a simple and understandable way, how a planned giving strategy will work on a day-to-day basis for a donor. Since PGM Anywhere proposals and illustrations are readily understandable, it makes it easy to compare strategies and alternative gifts. PG Calc’s software, services, and knowledgeable support staff, especially with regard to planned gifts funded with complex assets, is a tremendous benefit to our gift planning team of 3, and our wider development team of 16. PG Calc is a vital partner in the growth of gifts of complex assets and planned gifts.”*

Learn more about [Montana State University](#) and the [Montana State University Alumni Foundation](#).

Learn more about PG Calc's [PGM Anywhere](#).



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