



eRate Newsletter

December 20, 2016

IRS Discount Rate: January 2.4%

The valuation rate for gifts to new pooled income funds is 1.2% in 2017 .

Oh, Those Pesky Capital Gains! (The Consequences of Capital Gains in Planned Gifts)

Everyone likes to avoid the taxes on realized capital gains. However, depending on the gift vehicle and the asset, capital gains can be a very tricky subject.

In this month's featured article, we will take you through some examples of planned gifts that illustrate the potential effects of capital gains.



[READ THE FULL ARTICLE >>](#)

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IN THIS ISSUE

UPCOMING WEBINARS

[Counting Revocable Gifts:
Back From Fantasy Island](#)



Presented by
[Russell James](#)

Thursday, January 26
1 PM - 2:30 PM ET

 [Register](#)

UPCOMING TRAINING

Planned Giving Manager

February 8-9
New York, NY

March 14-15
Columbus, OH

 [View](#)

- [Quick Tip: Using Ordinary Income Property as Funding Asset](#)
- [Don't Tweak Those Gift Annuity Agreements](#)
- [Marketing Corner: Six Email Myths You Should Know](#)
- [Register for 2017 Webinars Today](#)
- [Dyke Tilt Retires, Sarah MacEachern Arrives](#)
- [American Institute for Cancer Research Loves New GiftCalcs!](#)

Quick Tip: Usin Ordinary Income Property as Funding Asset

PG Calc's *Planned Giving Manager (PGM)* allows the gift planner to choose from several different types of funding assets. Sometimes, clients confuse *Ordinary income property* (e.g., *life insurance*) with *Long term gain property* (*held more than 1 year*). There is, however, a significant difference between the two.

Ordinary income property refers to property that would create *ordinary income if sold by the donor*, such as life insurance, artwork donated by the artist, and certain partnership interests. Long term gain property refers to property that would create *long-term capital gains if sold by the donor*, such as publicly-traded securities or real estate that the donor has held for more than one year.

When ordinary income property is used to establish a life income gift arrangement, the charitable deduction generally will be less, and the taxation generally will be greater, than for a life income gift arrangement funded with long term gain property.

For more information, see the Help section in *PGM*, or contact PG Calc's Client Services at 1-888-474-2252 or support@pgcalc.com.

Don't Tweak Those Gift Annuity Agreements

If your organization is registered to issue charitable gift annuities in one or more of the regulated states, that means that your organization likely submitted sample (prototype) gift annuity agreements at the time of registration.* What you may not realize is that any alteration to the wording of the agreements requires submission of new prototypes for approval. Changes requiring resubmission include organization name or address changes, as well as any alteration to the fixed text, however minor. If your organization submitted custom agreements for approval and now wishes to start using agreements produced by *Planned Giving Manager (PGM)*, you must submit new prototypes and wait for approval before making the change.

Each gift annuity variation requires its own approved prototype agreement. Variations may include immediate, deferred, flexible or commuted payment; one-life and two-life; joint and survivor or successor; and donor is not the annuitant arrangements. If your organization now wishes to offer a gift annuity variation for which approval was not previously requested, you must submit additional prototypes. Fortunately, creating prototypes in *PGM* is simple and the Client Services team is ready to assist.

Finally, beyond state-specific requirements, there are various fields in *PGM* that affect the text and terms of agreements. These fields should be completed based on the organization's preferences prior to generating prototypes for submission; the fields must remain consistent with the approved prototypes. If the charity changes a field that relates to agreement text, new forms of agreement will need to be filed with the state(s). To review and/or update these settings in *PGM*, go to the Menu Bar and click Customize > Organization Information. Once you have made changes, go to back to the Menu Bar and click File > Save Configuration > Save.

*Regulated states requiring submission of prototype agreements are: AL, AR, CA, MD, NY, NJ, ND, TN, WA.

Marketing Corner: Six Email Myths You Should Know

There are over 122 billion emails sent every hour. It's safe to say that email dominates our day-to-day lives. Naturally, with that volume of emails comes a lot of theories and ideas about creating the most engaging emails. However, there are six myths in particular that you should be aware of.

[Read More>>](#)

Register for 2017 Webinars Today

We are very excited about the webinars we have planned for 2017. Registration for next year's webinars is now open. Click the link beneath the schedule and register today!

Presenter	Date	Title
Russell James	1/26/2017	Counting Revocable Gifts: Back from Fantasy Island
Jeff Lydenberg	2/23/2017	Building Endowment with Planned Gifts
Mike Valoris	3/30/2017	Successfully Navigating Gifts of Real Estate
Alan Cantor	4/27/2017	Attracting Gifts from Donor Advised Funds
Craig Wruck	5/25/2017	Gifts of Life Insurance
Andrew Palmer	6/29/2017	Planned Giving Marketing for Starting or Restarting a Program
Mike Valoris	7/27/2017	Getting Bequests Right from Prospect Identification to Realization
Edie Matulka	8/31/2017	Planned Giving Essentials
Lisa Mayfield	9/28/2017	Understanding the Older Donor

Jeff Lydenberg	10/26/2017	Gifts of Retirement Assets
Jeffrey Frye / Bill Laskin	11/16/2017	Intermediate Taxation for Gift Planners
Gary Pforzheimer	12/21/2017	Rules Rule: Best Practices in Gift Acceptance Policies

[Register>>](#)

Dyke Tilt Retires, Sarah MacEachern Arrives

It is with sadness, but also with immense gratitude, that we must announce Dyke Tilt's retirement on December 15th after nearly 20 years with PG Calc, most of them as the leader of our tireless Client Services Department. Dyke has brought an incredible level of professionalism and dedication to his work and has been instrumental in building the great Client Services team that we enjoy today. He's that rare combination of high achievement and great modesty. Please join me in wishing him all the best!

As Dyke rides into the metaphorical sunset, I'm delighted to announce that Sarah MacEachern has joined our Client Services team. Sarah spent several years as a planned giving officer in the Harvard Planned Giving Office and most recently has been managing the Parents Fund at Bentley University. I hope you have an opportunity to talk to Sarah sometime soon.

-Gary Pforzheimer, President, PG Calc

American Institute for Cancer Research Loves New *GiftCalcs*!

Ann Wrenshall Worley is the Assistant Director of Planned Giving at American Institute for Cancer Research. Recently, her organization upgraded to the new *GiftCalcs*, an updated version of our online-based calculator that lets website visitors enter their own information and perform personalized deduction calculations.

In particular, Ann has enjoyed the visual layout of *GiftCalcs*. "The details of the gift literally jump off the page at you," she said.

The new *GiftCalcs* format has produced some real results for her target audience as well. "Our age 70+ donors are using the newly designed format with much greater frequency." She continued, "the new visual format is much easier for our donors to read as opposed to a page full of text!"



[Learn more about GiftCalcs>>](#)

[Learn more about American Institute for Cancer Research>>](#)

sales: 888-497-4970 | info@pgcalc.com
support: 888-474-2252 | support@pgcalc.com



PG Calc 129 Mount Auburn Street Cambridge MA United States

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