



YOUR
PARTNER
IN PLANNED
GIVING
SUCCESS

IRS DISCOUNT RATE: January 3.4%

Can You Fund a Gift Annuity with a Sandwich?

Almost every organization, both non-profit and for profit, has some tale that becomes part of the mythology of the organization, often shared at parties and other celebratory events. PG Calc is no exception. A PG Calc client support staff member announced to her colleagues one morning, “Last night I had a dream that a charity client asked if they could fund a gift annuity with a sandwich?” Laughter ensued followed by erudite discussion. Would it make a difference if it was a peanut butter and jelly sandwich or a sandwich rich with Beluga caviar? A sandwich from a neighborhood deli or a restaurant with a five-star rating? The broader question is just what assets can be used to fund a charitable gift annuity?



[READ THE FULL ARTICLE](#)

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UPCOMING WEBINAR

What, Me Worry? When to Say No (or Yes!) to a Gift



Presented by

[Jeff Lydenberg](#)

Thursday,
January 31
1:00 - 2:30 pm ET

[REGISTER](#)

UPCOMING TRAINING

Planned Giving Manager

February 13-14, New York, NY
March 13-14, Atlanta, GA

GiftWrap

March 20-21, Cambridge, MA

[VIEW](#)

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Quick Tip: How to Handle That Year-End Gift

Every year at this time, PG Calc Client Services staff offers a recommended year-end order of operations for our *GiftWrap* customers. One of the required operations is execution of the “Year End Update” function of *GiftWrap*, which updates gift data to the next calendar year. Note that you must run “Year End Update” before preparing 1099-R tax forms for the current calendar year, and before recording a next calendar year death. The “Year End Update” function in *GiftWrap* does the following:

- updates the “Organization Year” of a specific organization to the next calendar year
- creates payment rows for active beneficiaries (Donor/Bene-A or Bene-A) in the next calendar year
- alerts you to fixed term trusts that will be terminating in the next year

If you receive a new gift before the end of the current calendar year, but **AFTER** you have run “Year End Update,” and that gift has a payment or payments due in the current calendar year, ***you must enter the current calendar year payment rows for that gift manually.*** Although an unlikely scenario, if this does occur, don't alter payments for the next calendar year, simply add the payments for the current calendar year. This is particularly important to remember when you are importing gift information from *Planned Giving Manager*, via import of a .gftx file, which automates the gift data entry process in *GiftWrap*.

Also if, after running “Year End Update,” you record the death of a donor in the current calendar year, and that donor has a gift for which there is a successor beneficiary who then becomes the active beneficiary to whom payments are due in the current calendar year, ***you must manually enter payment rows for all scheduled payments for that successor beneficiary for the current calendar year.*** So, you would enter one payment row for an annual payment, four payment rows for quarterly payments, and 12 payment rows for monthly payments.

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



Photo by Matthew Landers on Unsplash

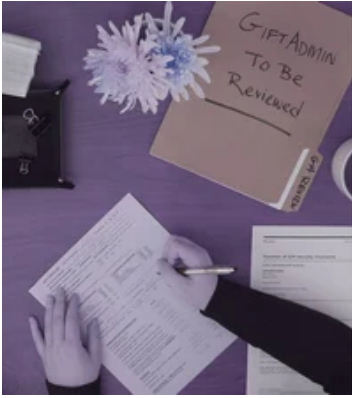
Marketing Corner: Happy New Year – Yes It Is!

The New Year is right around the corner and many organizations are talking to their donors about getting their affairs in order, planning, and making New Year's resolutions. You can take the same advice concerning your planned giving marketing program for 2019! Even the most sophisticated programs have room for improvement. Here is a list of marketing tactics we know to be effective and scalable, regardless of your budget or the size of your program. Even if you did just one thing on this list, it could be that 1% shift that makes a positive difference in your program next year.

- Notification checkbox on your donate page
- Donor surveys
- Legacy challenge
- Personalized gift calculations for promoting charitable gift annuities via letter or self-mailer
- Follow-up emails to those who didn't open your email the first time
- Communications promoting your planned giving program that leverage your organization's existing communications channels

And yes, PG Calc can help assist with all of this! We can consult with you and your staff and you can implement in-house, or you can outsource some or all of your marketing tasks to us. Just like a bequest, marketing help comes in all shape and sizes.

LEARN MORE ABOUT
MARKETING SERVICES



PG Calc Acquires Hemmenway & Reinhardt

On November 15, 2018, PG Calc acquired Hemmenway & Reinhardt, a planned gift administration services company located in Swarthmore, PA. Founded in 1987, Hemmenway & Reinhardt administers gift annuities, charitable remainder trusts, and pooled income funds for charities throughout the U.S. Hemmenway & Reinhardt also assists charities with their annual state gift annuity filings.

With the addition of Hemmenway & Reinhardt's portfolio of services and excellent staff to PG Calc's gift administration offering, PG Calc will provide the broadest, most comprehensive, and most effective gift administration services to non-profits nationwide by a planned giving firm.

We welcome Hemmenway & Reinhardt's clients to PG Calc, and look forward to providing them with the stellar service we provide to all of our gift administration clients. And just as importantly, we welcome Julia Boerth, Stuart Salsbury, and Fiurio Forestieri as new employees of PG Calc.

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Important News from the IRS

The IRS has made two announcements in the last few weeks of interest to gift planners.

1. The IRS announced the values for 2019 of various tax items that are indexed annually for inflation. Of particular interest to gift planners, the unified gift and estate tax exemption amount will be \$11,400,000 (\$22,800,000 per couple), an increase from \$11,180,000 (\$22,360,000 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 \$24,400 for married couples filing jointly and \$12,200 for single filers, an increase of \$400 and \$200, respectively. See [Revenue Procedure 2018-57](#) for complete details, including all federal income tax schedules for 2019.
2. The IRS also announced proposed regulations to address a technical, but potentially very important issue for the estates of taxpayers who make large taxable gifts during 2018-2025. The 2017 Tax Act nearly doubled the unified gift and estate tax exemption from \$5,600,000 to \$11,180,000. However, absent extending legislation, the doubling will expire at the end of 2025. Any of the increased exemption not used before it expires will be lost permanently. This brings us to the technical part of the discussion, which we invite you to read [here](#). Start at the second paragraph.



Misconceptions and Clarifications About the Charitable IRA Rollover

Question: When Is a Charitable IRA Rollover not a rollover?

Answer: Never! Or - Always! Say what?

We may be at the end of the calendar year, but another year is about to begin, and there has been a lot of interest recently in the so-called “Charitable IRA Rollover.” Before we start talking about the special provision for charitable distributions from traditional IRAs, let’s get on track with using the right technical term and understand the limitations and restrictions a little more clearly.

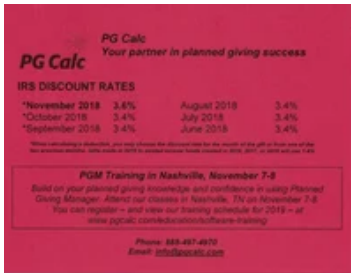
Read an in-depth discussion of the “Charitable IRA Rollover” in Jeffrey Frye’s latest blog post.

[READ MORE](#)



Valuation Rate for Gifts to Young PIFs Will Increase to 2.2% in 2019

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% in 2019. It has been 1.4% in 2018. As a result, a given gift to a young pooled income fund will earn a lower charitable deduction in 2019 than it did in 2018.



IRS Discount Rate Postcard to be Discontinued

With a mix of sadness and an acknowledgement that sometimes things must change, starting next month we will no longer distribute postcards via postal mail showing the new monthly IRS discount rate. Among other reasons, we update web-based *PGM Anywhere* with this information for you every month! Also, we've received many requests from clients to go green and to send this information online only. We will, of course, continue to distribute this eRate e-newsletter each month, which displays the new rate prominently at the top of every issue in addition to providing a variety of informative and engaging articles.

We recognize that having current discount rate information is very important to our clients. You will find the currently applicable rate displayed on every page of our website. In addition, we devote a page on our site to the new rate, where going forward you will find a colorful representation of the postcard showing the last six rates and a current events notice just as before. Bookmark it!

Thank you for your understanding as we take this step to reduce our carbon footprint while serving our clients well.



Client Services

Holiday Season Client Services Coverage

The PG Calc Client Services team is available to respond to support calls and emails on our regular schedule, 8:30am - 6:30pm ET, Monday – Friday, throughout the month of December, with the exception of Tuesday, December 25, and New Year's Day. Note that we will close early on December 24 and 31.

We want to partner with you to help achieve your planned giving success - call us at 888-474-2252 or email support@pgcalc.com

PG Calc's *Marketing Services* Makes Carnegie Mellon University Look Good!

Carnegie Mellon University (CMU), located in Pittsburgh, PA, is a private, global research university that stands among the world's most renowned educational institutions. Some years ago, a change in advancement leadership at the University resulted in an outreach to PG Calc to assist in taking their planned giving program to the next level. Over the last several years, PG Calc has, among other things, successfully met CMU's planned giving marketing requirements. However, most impressive was PG Calc's ability to scale to meet CMU's ongoing needs as their program evolved. As a result, during this period of growth, CMU has become more self-sustaining with respect to their marketing program, including their direct marketing initiatives.

While PG Calc is happy to help CMU, it's even more satisfying to witness the results of their success. It's a partnership that works because of PG Calc's ability to deliver what is needed and meet CMU where they are in their marketing efforts.

Joe Bull, Assistant Vice President of Development, had this to say about PG Calc's *Marketing Services*:

"We've been working with PG Calc Marketing Services for more than 5 years and we've never looked back. They make us look good and always come through for us."

Learn more about [Carnegie Mellon University](#).

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



Sales:

info@pgcalc.com

888-497-4970

Support:

support@pgcalc.com

888-474-2252