



YOUR  
PARTNER  
IN PLANNED  
GIVING  
SUCCESS

eRate Newsletter | June 19, 2019

## IRS DISCOUNT RATE: July 2.6%

### Is Direct Mail Marketing Dead?

In today's age of digital marketing, many so-called experts will tell you direct mail is dead. They call it "old school" and rant about ROI and low responses. They opine...

*"Why spend money on copy, layout, printing, postage, and mailing when most people are spending their time online."*

*"It makes more sense to just advertise online."*

*"Not only is it cheaper, but does anybody actually pay attention to ads in the mailbox these days?"*

Don't believe a word.

In planned giving marketing, the elimination of direct mail would be a detriment to your program. Not only is direct mail thriving in the for-profit world, but for planned giving it may just be your best communications tool.

[READ THE FULL ARTICLE](#)

[PRINT THE FULL ARTICLE](#)

#### UPCOMING WEBINAR

Shifting the Conversation from Cash to Assets



Presented by  
[Jeff Lydenberg](#)

Thursday,  
June 27  
1:00 - 2:30 pm ET

[REGISTER](#)

#### UPCOMING TRAINING

##### **Lead Trust School**

June 19, Cambridge, MA

##### **Planned Giving by the Numbers**

June 20, Cambridge, MA

##### **Planned Giving Manager**

August 7-8, Boston, MA

##### **GiftWrap**

August 14-15, Cambridge, MA

[VIEW](#)

### In This Issue:

- **Quick Tip: Recording Deaths from Prior Years in *GiftWrap***
- **Marketing Corner: A Different Way to Think About Gift Planning Marketing Metrics**
- **Latest PG Calc Blog Post**
- **End of Fiscal Year Tasks**
- **Still No New Mortality Table for Computing Deductions**
- **New *GiftWrap/Bequest Manager* Release Includes New Security Options and More**
- **Updated *PGM Anywhere* Offers *Designer Proposals* Module and Much More**

- ACGA Rates Stay the Same
- Central New York Community Foundation Makes Use of a Wide Variety of PG Calc Products and Services



## Quick Tip: Recording Deaths from Prior Years in *GiftWrap*

Why is *GiftWrap* producing payments and tax forms for deceased annuitants?

It is all too common to learn of the death of an annuitant long after the fact. This situation calls for extra steps in *GiftWrap* when a death occurred a year or more before notification. You must make manual adjustments in *GiftWrap* to avoid issuing payments and tax forms for deceased annuitants.

The Record Death function in *GiftWrap* is designed to make adjustments to the payment and tax information for gift annuities. When you run it, Record Death can move future payment and tax information to a successor beneficiary, if any, or remove future payment and tax information for terminated gifts and change the gift status to Finished.

*GiftWrap* can make these adjustments automatically only for deaths in the current or immediately prior organization year. For example, if the organization year is 2019, *GiftWrap* can make the adjustments for deaths in 2019 and 2018. To view the current organization year, go to Setup > Organization.

If the death occurs two or more years earlier than the current Organization Year, the Record Death function will mark the annuitant as deceased, but all adjustments to the payments and tax schedule must be done manually. If not updated, payments and 1099-R tax forms will continue to be produced even though the annuitant is deceased.

To see the steps necessary to make the manual adjustments to payments and tax schedule, click the button below.

[READ MORE](#)



## Marketing Corner: A Different Way to Think About Gift Planning Marketing Metrics

A recent blog post from Seth Godin, "[Investing in slack](#)," offers advice that is relevant to evaluating the results of your planned giving marketing program. In the post, Seth argues that, in the end, taking the long view is likely to produce more success than exclusively focusing on short-term efficiencies, and he offers a few compelling and convincing, if counter-intuitive, examples. This is a difficult proposition to accept in

today's outcome-oriented world in which we are so continuously focused on short-term results. And it is this tendency toward short-term thinking that must be resisted by those responsible for collecting and evaluating planned giving marketing metrics.

I recently had a conversation with a client who wanted to know the best way to measure their gift planning program's marketing performance. The development communications team knew how to evaluate the annual fund marketing efforts but was flummoxed when it came to gift planning. Over the course of time, this client had employed a variety of approaches, trying to find just the right mix. Still searching, they couldn't believe that there was no secret recipe for effectively measuring the results of their planned giving marketing. They didn't realize that there is a fundamental difference between planned giving and other types of fundraising. While other types of fundraising emphasize tactics necessary to produce an immediate result, planned giving focuses on creating and nurturing long-term relationships with donors, which in the end, will produce the desired outcome. Once this difference is understood and acted upon, it becomes possible to fashion a measurement strategy that realistically characterizes the success, or lack thereof, of a planned giving marketing program. The metrics can more effectively reflect what works.

Seth sums it up perfectly, *"The mistake happens when we over-index on the easily measured short-term wins and forget to account for the costs of system failure."* Gift planning, by its nature, is a long-term game and marketing strategies and tactics should be measured with that in mind.

## PG Calc Blog

The latest on planned giving from PG Calc.

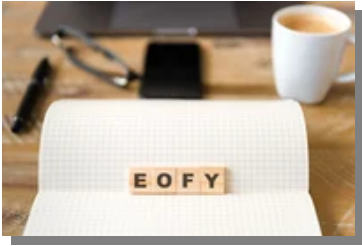
### Latest PG Calc Blog Post

#### Exchanging One Life Income Gift for Another

It is not unusual that a charitable remainder unitrust (CRUT) or pooled income fund (PIF) gift made by a donor years ago no longer meets the donor's or charity's financial objectives. A trust donor may fear that a stock market correction will deflate trust assets and her income. Or a trust with a high payout rate may be headed toward trust assets exhausting. A charity's pooled income fund may have only a few remaining participants and the charity desires to terminate the fund because of excessive fees.



[READ MORE](#)



## End of Fiscal Year Tasks

June 30 marks the end of the fiscal year for many non-profit organizations. There are two tasks to be completed at this time – updating your Disclosure Statement and calculating your state reserves or FASB liabilities.

1. Once your organization's financials have been released, an important fiscal year-end task is to update the Disclosure Statement in *Planned Giving Manager* and *PGM Anywhere* software.

In *PGM*:

- In the menu bar, click on Customize>Organization Information
- Highlight your organization and click Edit button
- Click Next eleven times until you reach the Gift Annuity Disclosure Statement page
- Update Valuation Date and Amount of charity's total invested funds
- Click Done twice to return to main page
- In the menu bar, click File>Save Configuration>Save

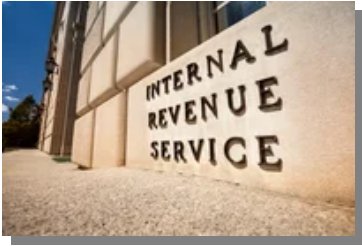
In *PGM Anywhere*:

- In the menu bar, click on the Customize icon
- Click on the blue pencil next to the Organization Name you want to edit
- Click the plus sign next to the Gift Annuity Disclosure Statement
- Update *Date of valuation of charity's total invested funds:* and *Amount of charity's total invested funds:*
- Click Save button and Close Customize

2. Many non-profit finance professionals spend their summer months preparing state reserve and liability reports. PG Calc can reduce this burden; we can help your organization prepare charitable gift annuity reserve reports that satisfy state requirements and FASB liability reports for all life income gift types.

PG Calc's [Compliance Reporting](#) team maintains a database of your planned gifts throughout the year and then securely send your reports based on the proper tables and rates. These reports provide reasonable estimates of the total future payment obligations. For state reserve reports, we know the detailed state requirements and if necessary, we will handle the process of actuarial verification. For FASB reports, we will discuss the appropriate mortality table and interest rates to use to calculate the liability for each of your organization's split interest gifts.

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



## Still No New Mortality Table for Computing Deductions

As mentioned in the last eRate, we have been expecting the IRS to publish a new mortality table for computing charitable deductions for split-interest gifts, such as gift annuities and charitable remainder trusts, soon. The new table will replace Table 2000CM. As of today, we are still waiting.

We will continue to keep a close watch for an announcement of a new mortality table and remain poised to update all our software that makes use of this table in short order once the new table is announced. We will inform all *Planned Giving Manager*, *GiftCalcs*, and *GiftWrap* customers when the new mortality table is available in their software.



## New *GiftWrap*/*Bequest Manager* Release Includes New Security Options and More

On May 31, 2019, PG Calc announced the latest release of *GiftWrap* and *Bequest Manager*, PG Calc's industry-leading planned gift administration platforms. *GiftWrap* 4.2.16 and *Bequest Manager* 1.16 contain a variety of enhancements that further increase the value and utility of PG Calc's suite of gift administration software. This release focuses on expanded capabilities in the areas of access and security, reporting, and overall usability. New features include:

- Enhanced support for commuted charitable gift annuities, including allowing calculation for commuted CGAs in State Reserve reports.
- New functionality enabling import of basic bequest intention gift information, facilitating entry of these gifts.
- Enhancements to the *Workflow* module.
- Various security enhancements, further ensuring the integrity of *GiftWrap* and *Bequest Manager* client data, including the addition of the *Secure Key Management* module.
- A variety of bug fixes, enhancing the stability and reliability of the *GiftWrap* and *Bequest Manager* applications.

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



## Updated *PGM Anywhere* Offers *Designer Proposals* Module and Much More

PG Calc released the latest version of *PGM Anywhere*, our web-based software for illustrating planned gifts, on May 23. As mentioned in last month's eRate, among the many exciting enhancements included in this release is the *Designer Proposals* module. This optional module enables you to create in minutes a gift proposal that combines the visual impact of a professionally-designed brochure with images, text, and calculations personalized for your donor. For more information, see the [Designer Proposals](#) module page on our website. Other valuable enhancements include availability of the 2012 IAR table for computing life expectancies and the present value of future bequests, a Summary of Benefits Projections diagram that, as its name implies, includes projected values, and an improved export to Word. [Go here](#) for complete release notes.



## ACGA Rates Stay the Same

The American Council on Gift Annuities (ACGA) Board of Directors reaffirmed its current schedule of suggested maximum charitable gift annuity rates at its Board meeting on May 30th. The current rate schedule went into effect on July 1, 2018. At the same meeting, the ACGA Board voted to embark on its next 10-year study of gift annuitant mortality. The ACGA will use the results of this study to inform its setting of future rate schedules. The last study was done for the years 2005 through 2009.



## Central New York Community Foundation Makes Use of a Wide Variety of PG Calc Products and Services

The Central New York Community Foundation was founded in 1927 in order to facilitate local philanthropy by supporting the growth of charitable endowments. The Community Foundation provides leadership to the region by sponsoring special initiatives designed to strengthen local nonprofits and address the region's most pressing challenges. The Community Foundation has had a successful planned giving program for many years, maintaining a pooled income fund and receiving CGAs, charitable trusts, and life insurance planned gifts. Its staff makes a particular effort to ensure that each planned gift meets the specific needs of each donor.

Tom Griffith, Vice President Development at the Community Foundation, began as a planned giving officer in January 2013. Since that time, the Community Foundation has accepted gifts of silver bars, executed a gift of the remainder interest in their pooled income fund, and received gifts that needed qualified appraisals. All of these gifts required assistance from PG Calc, with whom the Community Foundation has been working since 1996. Every month, Tom runs gift illustrations to answer client inquiries about planned gifts and relies on PG Calc's *Planned Giving Manager* for those illustrations. In addition, the Community Foundation's finance team uses PG Calc's *GiftWrap* to administer their planned giving program, and for comprehensive reporting. Every few years, staff members attend PG Calc webinars to ensure everyone on the team is up to speed on all things planned giving. For certain types of planned gifts that are received infrequently, PG Calc is an important resource to help the Community Foundation staff handle those complexities.

Tom has this to say about PG Calc:

*"The PG Calc team makes being a loyal customer an easy decision for us. Great service, products and people!"*

Learn more about the [Central New York Community Foundation](#).

Learn more about [GiftWrap](#) and [PGM](#).



Sales: [info@pgcalc.com](mailto:info@pgcalc.com)

888-497-4970

Support: [support@pgcalc.com](mailto:support@pgcalc.com)

888-474-2252

PG Calc 129 Mount Auburn Street Cambridge MA United States

You received this email because you are subscribed to eRate newsletter from PG Calc .

[Unsubscribe from all future emails](#) Update your [email preferences](#) to choose the types of emails you receive.