



eRate Newsletter

May 18, 2016

### IRS Discount Rate: June 1.8%

The valuation rate for gifts to new pooled income funds is 1.2% in 2016 .

### Meeting the Challenge of Raising More Planned Gifts

The challenge grant has been a cornerstone of fundraising for major and annual gifts for many years. Donors seem to like challenge grants and matching gift programs. Our featured article this month takes a deep dive into everything you need to know about challenge and matching gifts in planned giving.

## Maximize your impact



## with a matching gift!

[READ THE FULL ARTICLE >>](#)

[PRINT THE FULL ARTICLE >>](#)

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### UPCOMING WEBINAR

#### [Negotiating Difficult Conversations](#)



Presented by  
[Michele Gravelle](#)

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

[Register](#)

### UPCOMING TRAINING

#### [Lead Trust School](#)

June 20  
Cambridge, MA

#### [Planned Giving by the Numbers](#)

June 21  
Cambridge, MA

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### Quick Tip: Take Advantage of Expanded Investment Options in *PGM Anywhere*

The new release of *PGM Anywhere* includes greatly enhanced investment options. Now, you can illustrate separate income and appreciation rates, include the cost of selling and reinvesting assets inside the gift plan, and model management fees. You can even change income and appreciation rates during a projection.

For example, imagine you want to illustrate the benefits of a flip unitrust funded with a donor's vacation home that may take two years to sell. It will earn no income or appreciation until it sells and then 2% income and 4% appreciation thereafter. You anticipate costs associated with the sale of about 5%

1. Tap gift options on the left.
2. Tap Remainder Unitrust under Add a Gift Option.
3. Set "Change income/appreciation rate during gift term?" to Yes.
4. Enter an "Initial annual income rate" of 0, and an "Initial annual appreciation rate" of 0.
5. Enter a "Year income/appreciation rate changes" of 2018.
6. Enter a "New annual income rate" of 2, and a "New annual appreciation rate" of 4. Also, enter a "New cost of sale" of 5.
7. Tap Done, then tap Presentations on the left and choose the Detailed Cash Flow Analysis chart.
8. Tap Results to see how *PGM Anywhere* uses all of your inputs to project how the flip unitrust will benefit the donor and your charity.

### Marketing Corner: Keeping Up With the Times

Marketing has changed a lot in a relatively short amount of time.

Make sure your marketing tactics are up-to-date and get you the best possible results.

[Read More>>](#)

### Latest *PGM Anywhere* Released on May 6

We were excited to post our latest release of *PGM Anywhere*, our web-based planned gift illustration software, on Saturday, May 6. Highlights of the new release include:

- Expanded investment assumptions that will allow more realistic illustrations of all gift plans, especially unitrusts that include a net income provision and pooled income fund gifts.
- Improved flip unitrust illustrations that show more clearly how a flip unitrust works and what its projected benefits may be.

- Configurable startup defaults that empower you to set *PGM Anywhere's* initial default values to whatever you wish.

See the [Release Notes](#) for more detail on what's new in *PGM Anywhere*. If you are a *Planned Giving Manager* client, access to *PGM Anywhere* is included in your service agreement. If you don't have a *PGM Anywhere* account yet, please contact [support@pgcalc.com](mailto:support@pgcalc.com) or call 888-474-2252 to get set up.

### **Build Your Confidence With Lead Trusts Training**

Lead trusts are an important consideration for prospects interested in passing assets to heirs while minimizing transfer taxes and making charitable gifts.

Join us to learn about grantor and non-grantor lead trusts, balloon and "Shark Fin" lead trusts, *inter vivos* and testamentary lead trusts, the tax implications of each lead trust type, asset selection, investment considerations, and, perhaps most importantly, the profile of a typical lead trust donor.

This class is designed for planned giving professionals, estate planners, and trust officers who would like to gain confidence with this valuable charitable giving tool. Attendees will earn 5.5 CFRE continuing education credits or 5.5 CFP points.

[Register>>](#)

### **Learn to Explain the Numbers Behind Your Calculations**

Build your confidence as a gift planner by strengthening your understanding of the numbers you work with every day. Learn the answers to some of the toughest prospect and advisor questions!

This course is designed for experienced gift planners and professional advisors who wish to deepen their understanding of the charitable deduction, gift annuity taxation, and other common planned gift calculations as they relate to charitable gift annuities, charitable remainder trusts, charitable lead trusts, retained life estates, and pooled income funds. A basic understanding of standard gift planning vehicles is assumed. Advance preparation for the course is not necessary. Attendees will earn 5.5 CFRE continuing education credits or 5.5 CFP points.

[Register>>](#)

### **The Revocation Clause**

The life income gift arrangements that make up a significant portion of planned giving - charitable gift annuities, charitable remainder trusts, and pooled income funds - are all *irrevocable*. In order to qualify for a charitable deduction and special tax treatment, these vehicles cannot allow any changes, and the donors cannot "take them back" in any way. There is, however, a provision that may be included in these

legal arrangements that allows the donor to revoke the income interest of another person at some point in the future.

[Read More>>](#)

### Helping the Red Cross Help Others

Monica Long, Gift Planning Officer with the American Red Cross, came across a unique situation with a Deferred Charitable Gift Annuity (DCGA) and turned to PG Calc for help.

Her question was about the particulars of creating an illustration in *Planned Giving Manager* for a DCGA where the donor is not the annuitant and the funding asset is long-term appreciated property. Monica referred to a [previous PG Calc article](#) and saw that the Red Cross would be able to include a revocation statement for this particular gift.

She then suspected that because the donor was ill, the donor could predecease the annuitant and thus make the gift complete at the time of death. Monica reached out to PG Calc's Client Service's team. They were able to walk her through the tax consequences of this scenario as well as help create the correct illustration.

Monica said PG Calc is "an incredible resource not only to me, but to our organization" and "PG Calc has provided me invaluable assistance several times in the past." Hearing that we have provided valuable help to a customer, especially one with such an important mission, always makes us proud of our team!



[Learn more about the American Red Cross](#)

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