



*eRate Newsletter* April 19, 2017

**IRS Discount Rate: May 2.4%**

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

**Donor-Advised Funds: The Do's and (Mostly) Dont's**  
by Mike Valoris, Senior PG Calc Consultant

The extraordinary popularity of donor-advised funds (DAFs) in philanthropy has resulted in non-profits receiving increasingly generous grants from these funds, now estimated to be in the billions of dollars annually. The expanding role of DAFs has not gone unnoticed by the IRS, however, whose watchful eye has turned to these funds and the charities receiving grants.



Read this month's article and find about the IRS regulations regarding grants from donor-advised funds.

[READ THE FULL ARTICLE >>](#)

[PRINT THE FULL ARTICLE >>](#)

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**UPCOMING WEBINARS**

[Attracting Gifts from Donor Advised Funds](#)



Presented by [Alan Cantor](#)

Thursday, April 27  
1 PM - 2:30 PM ET

[Register](#)

**UPCOMING TRAINING**

*Planned Giving Manager*

April 26-27  
Cambridge, MA

July 17-18  
Seattle, WA

*Lead Trust School*

June 21  
Cambridge, MA

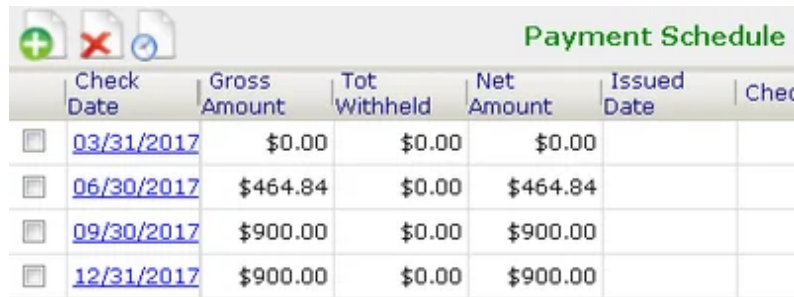
*Planned Giving By the Numbers*

June 22  
Cambridge, MA

## Quick Tip: Don't Be Tempted to Delete \$0 Payments - GiftWrap Needs Them!

When a new gift annuity is entered into *GiftWrap* correctly, there will be one or more \$0 payment rows in the Payment Schedule when the gift is made after the first regular payment date of the year. These \$0 payments establish the date and frequency of payments. *GiftWrap's* Year End Update function needs this information in order to populate payments for subsequent years.

Some clients erroneously delete or do not enter these \$0 payments, but doing so causes issues in future years. Let's look at an example:



	Check Date	Gross Amount	Tot Withheld	Net Amount	Issued Date	Check
<input type="checkbox"/>	<a href="#">03/31/2017</a>	\$0.00	\$0.00	\$0.00		
<input type="checkbox"/>	<a href="#">06/30/2017</a>	\$464.84	\$0.00	\$464.84		
<input type="checkbox"/>	<a href="#">09/30/2017</a>	\$900.00	\$0.00	\$900.00		
<input type="checkbox"/>	<a href="#">12/31/2017</a>	\$900.00	\$0.00	\$900.00		

In this example, the Payment Schedule correctly shows the first partial year for a gift annuity that makes quarterly payments of \$900 on the dates shown. The gift was made in the middle of the second quarter, so there is no 3/31 payment and the 6/30 payment is a partial payment.

What would happen if the \$0 payment for 3/31/2017 were deleted?

When Year End Update is run at the end of 2017, *GiftWrap* will populate just 3 payment rows in 2018 and the full annuity will be divided into these 3 payments, as shown below.



	Check Date	Gross Amount	Tot Withheld	Net Amount	Issued Date	Check
<input type="checkbox"/>	<a href="#">06/30/2018</a>	\$1,200.00	\$0.00	\$1,200.00		
<input type="checkbox"/>	<a href="#">09/30/2018</a>	\$1,200.00	\$0.00	\$1,200.00		
<input type="checkbox"/>	<a href="#">12/31/2018</a>	\$1,200.00	\$0.00	\$1,200.00		

The "Verify Person and Gift Data" function under Utilities will identify any gift that has the wrong number of payment records, including this one, so that you may correct the problem. Make sure to run this function every month!

Entering a new gift annuity using a gift information file directly from *Planned Giving Manager (PGM)* will populate the payment schedule correctly, including any \$0 payments. When adding a gift manually, be sure to enter every payment date for the entire year, regardless of the payment amount.

It's simple to remember – if the frequency is quarterly, you need 4 payment dates, if monthly, you need 12, and so on!

Please contact Client Services at 888-474-2252 or [support@pgcalc.com](mailto:support@pgcalc.com) for assistance or questions.

*GiftWrap*

May 8-9  
Cambridge, MA

View

[www.pgcalc.com](http://www.pgcalc.com)

## **BatchCalcs Will Make Your Gift Annuity Mailing More Compelling**

Many of our clients send a gift annuity mailing in late spring to appeal to alumni at reunion time or in advance of a June 30 fiscal year end. If you are planning to send a gift annuity mailing this season, consider using PG Calc's *BatchCalcs* service to personalize the benefits you share with each recipient, such as their annuity rate and charitable deduction. A more personal message is a more compelling message. *BatchCalcs* will help your gift annuity mailing generate more well-qualified prospects and ultimately more gifts.

[Read More about \*BatchCalcs\*>>](#)

## **Marketing Corner: Déjà Vu**

Have you considered a telemarketing program to reach potential donors? Did the cost of such a program deter you from trying telemarketing? Greg Warner of MarketSmart published a blog post on creating your own telemarketing program even if your resources are limited. For those of you who didn't read it, the post is short and worth your time

[Read More>>](#)

## **PG Calc Unveils New Website**

Last week, PG Calc unveiled our new website, and we invite you to take a look. We are hopeful that the new design makes it easier to find the information you are looking for, and provides you with more opportunities to learn and to contact us with your questions and comments. Please go to [www.pgcalc.com](http://www.pgcalc.com) and look around, then let us know what you think! You can send your comments to [larry@pgcalc.com](mailto:larry@pgcalc.com).

## **GiftWrap 4.2.10 Has Been Released**

*GiftWrap* 4.2.10 contains a variety of enhancements that further increase the value and utility of PG Calc's gift administration software. This release focuses on expanded capabilities in the areas of compatibility, security, and usability. New features include:

- Windows 10 compatibility
- Security enhancements
- Tracking of expected bequest distributions
- Enhanced support for flexible gift annuities

If you have any questions, please do not hesitate to call PG Calc Client Services toll free at 888-474-2252.

[Read More about \*GiftWrap\*>>](#)

## **PG Calc Gift Administration Makes for Happy CCR Annuitants**

Carolyn Chambers, Associate Executive Director of the Center for Constitutional Rights (CCR), supervises a small finance staff, and is responsible for CCR's daily operations. Over the years, CCR has received 87 gift annuities for a total monetary value of around \$2M and

currently has 33 active beneficiaries. It is ultimately Carolyn's responsibility to make sure that annuitants are paid on time and that all necessary info about CCR's annuity program is submitted to auditors and appropriate state agencies on an annual basis.

Early on, CCR recognized the need for more expertise and logistical capacity in order to effectively handle their popular annuity program. CCR turned to PG Calc to provide assistance on contracts and state regulations, and for administrative help with payments to annuitants and reporting.

PG Calc has assisted CCR with the registration process in a couple of very complex states. PG Calc tracks payment due dates for all CCR annuitants, and prompts CCR well in advance of the need to transfer money to an annuitant payout account, so that PG Calc can issue annuitant payments on CCR's behalf. PG Calc generates 1099-Rs for all annuitants, and provides CCR with a variety of reports that are necessary for preparation of annual audited financial statements and various state reporting requirements. PG Calc also notifies CCR about annuitant checks that have gone uncashed, which alerts CCR to the need to check in on an annuitant.

Carolyn had this to say about PG Calc's Gift Administration services:

*"PG Calc's staff are truly amazing. They are knowledgeable, extremely responsive, always helpful, and incredibly responsible. They follow up quickly if they haven't heard back from CCR personnel about a needed transfer, or the reason for an uncashed annuitant check. I've had the pleasure of working closely over the years with Andrea Yelle, Christopher Lee, and Doreen Taylor. They are all fabulous and make my job and that of my finance staff so much easier than it would otherwise be. CCR has very happy annuitants and that's a direct result of the terrific services that PG Calc provides!"*



[Learn More About the Center for Constitutional Rights](#)

[Learn More About PG Calc Gift Administration Service](#)

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support: 888-474-2252 | [support@pgcalc.com](mailto:support@pgcalc.com)



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