



YOUR PARTNER IN PLANNED GIVING SUCCESS

IRS DISCOUNT RATE: September 3.4%

Limitations on Income Tax Charitable Deductions – Simple and Complex Aspects

The income tax charitable deduction reduces a taxpayer's reportable income. It does not reduce the income tax due on a dollar-for-dollar basis. For example, consider a taxpayer with a marginal income tax rate of 24%. If the taxpayer makes a charitable gift of \$10,000 that is fully deductible, the income tax savings is not \$10,000. Instead, the donor's reportable income is reduced by \$10,000, with tax savings in this case being 24% of \$10,000, or \$2,400.

The ability to use the income tax charitable deduction has limitations, however. It is a basic tax principle that a taxpayer cannot reduce her reportable income to zero using the income tax charitable deduction. Some limitations on the ability to use the charitable deduction are tied to the amount of the donor's income. Other limitations relate to the type of charity or type of property donated.

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UPCOMING WEBINARS

What to Use and When: CGAs vs. CRATs and CRUTs



Presented by

[Jeff Lydenberg](#)

Thursday,
August 30
1:00 - 2:30 pm ET

[REGISTER](#)

What Your Gift Administrator Can Do for You



Presented by

[Gary Pforzheimer](#)

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

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UPCOMING TRAINING

Planned Giving Manager

September 12-13, Washington, DC
October 16-17, Las Vegas, NV
November 7-8, Nashville, TN

GiftWrap

October 3-4, Cambridge, MA

[VIEW](#)

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Quick Tip: Comparing Gifts Funded with Cash or Stock in *PGM Anywhere*

It is easy in *PGM Anywhere* to compare side-by-side funding a planned gift with cash or appreciated stock. Just follow these steps:

1. Run *PGM Anywhere* and open Gift Options.
2. Select your gift option, such as Gift Annuity, under Add a Gift Option. A follow-up window will open for your selection.
3. Choose “Cash” as the property type, then enter the gift amount and other specifics of the gift and click Done.
4. Select your gift option a second time.
5. This time choose “Long term gain property” as the property type, then enter the value of the stock and its cost basis, plus all other specifics of the gift, and click Done.
6. Click Presentations, then choose Comparison of Benefits.
7. Click Results to see the benefits of funding the gift plan with cash versus appreciated stock compared side-by-side.

If you have any questions, please contact PG Calc Client Services by calling 888-474-2252, or email support@pgcalc.com.



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Marketing Corner: What Is the Age Range of Your Planned Giving Audience? Two Ends of the Spectrum

Our clients come in all shapes and sizes, so one might expect their planned giving programs to differ. It’s understandable then, that the age ranges of an organization’s audience for planned giving varies by organization and industry. Generally speaking, we suggest targeting donors between the ages of 45-90. But every once in while we hear something that contests that wisdom.

In this month’s article, we explore a few scenarios that might diverge from conventional wisdom, but which are instructive for those seeking to find and attract the broadest range of qualified planned giving donor prospects.

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Half a Loaf Is Better Than None

Astute gift officers recognize opportunities for giving, and then seize the day! Such is the moment in some red-hot real estate markets where prices are exceeding the highs reached prior to the Great Recession. Owners who watched as their equity evaporated during the downturn may now be thinking this is the time to cash in on their profits. This may particularly be the case for donors who own infrequently used vacation homes and investors with rental properties who no longer wish to deal with tenant idiosyncrasies. However, sellers of these properties will not receive the generous exemption from capital gains taxes afforded to those who sell a principal residence.

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New *PGM Anywhere* Release Will Greatly Expand Features

Our next release of *PGM Anywhere*, which we expect to make within the next few weeks, will include many valuable new features. With the addition of these features, many of our clients won't need to use *Planned Giving Manager (PGM)* anymore. They will be able to use *PGM Anywhere* to fulfill all their planned gift illustration and documentation needs. Enhancement highlights in the release will include:

- Tax calculations based on entered federal and state income and capital gain tax rates
- Tax Schedule chart that provides full detail on taxable character of payments
- No Gift to Charity gift option that enables comparison of charitable options to keeping or selling and reinvesting the gift assets
- Return Based on Cost of Plan chart for comparing effective rates of return (First Year Analysis in *PGM*)
- Six new templates and seven updated templates that take advantage of new features
- Export to Excel
- Advanced investment assumptions: % tax exempt, % qualified dividends, and % asset turnover

PGM Anywhere is available to *PGM* clients for no additional charge. If you have any questions, please contact PG Calc Client Services by calling 888-474-2252, or email support@pgcalc.com.



Highlights of New *GiftWrap* Update

The latest update of *GiftWrap*, version 4.2.14, will be released on August 25th. This update focuses largely on enhanced security and reporting. In addition, this update includes a variety of bug fixes, enhancing the stability and utility of the *GiftWrap* application.

This update includes specific enhancements geared toward increasing user efficiency. For example, we have added the following:

- a feature where an address change in a donor's record is automatically reflected in the record of the donor's spouse
- an enhancement in which payment rows displayed in a person information screen are visually associated with the selected gift, making the association visible at a glance
- an update to the "Gift Summary - Market Values as Percentage" to display not only the market value of each gift expressed as a percentage of the gift amount, but also the average market value percentage, as well as the average weighted market value percentage

A number of features have been added to *GiftWrap* that further enhance overall application security. Among these enhancements are the following:

- an upgrade to version 1.2 (latest version) of Transport Layer Security Protocol (TLS), an industry standard security protocol designed to protect the privacy of information communicated over the Internet. TLS is an enhancement of and successor to Secure Socket Layer (SSL) protocol.
- a feature to mitigate against Cross-Site Request Forgery attack, which is a type of malicious exploit of a website or application that forces an end user to execute unwanted actions on a web application in which they're currently authenticated.

These features are the latest in a series of enhancements that ensure the security of *GiftWrap* and its data.

If you have any questions, please contact PG Calc Client Services by calling 888-474-2252, or email support@pgcalc.com.



PG Calc Is Hiring!

PG Calc is a 30-year old company based in Cambridge, MA specializing in planned giving that develops, sells, and supports software, offers marketing services and consulting, and provides planned gift administration for charitable organizations nationwide. PG Calc's Client Services is the foundation for our excellent reputation in the important world of charitable gift planning. We are seeking an enthusiastic, service-oriented individual to join our staff of 35 in the Cambridge office.

The Client Services Advisor is part of the Client Services Department, which is responsible for ensuring that PG Calc clients receive outstanding support.

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PG Calc Helps with Evolution of Mass General Hospital's Planned Giving Program

Massachusetts General Hospital is one of the nation's leading healthcare institutions in clinical care and medical research. Elizabeth (Liz) Murphy, Senior Director for Planned Giving at the MGH Development office, notes that planned giving at MGH ranges from the routine to the incredibly complex. Mass General physicians and researchers rely on fundraising to maintain the Hospital's cutting-edge capabilities.

Liz and her planned giving staff concentrate on the business of raising deferred gifts to benefit Mass General. Time spent on marketing, training staff, and maintaining infrastructure is a diversion from their core responsibility to be donor focused.

Liz turned to Jeff Lydenberg, Ann McPherson and the team at PG Calc to support her and her Development colleagues at Mass General. The consulting services delivered to MGH by PG Calc over the last many years have been wide-ranging and included, but have not been limited to, assisting leadership in long range planning, working hand-in-hand to build program plans, and providing guidance and advice in their work with donors and advisors. PG Calc's support allows the MGH Development office to operate a world class planned giving program while maintaining focus on their donors.

Liz had this to say about PG Calc:

"Their expertise in planned giving, steady counsel and creativity have been instrumental in the evolution of our program on every front. The PG Calc staff are responsive, collaborative and great champions for the organizations with which they work. We at Mass General consider ourselves so fortunate to have PG Calc's partnership in our daily work."

Learn more about the [Massachusetts General Hospital](#).

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



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