

GiftWrap Update

Version 3.5C

December 2006

Dear GiftWrap Client,

I am pleased to announce the release of our GiftWrap 3.5C update.

Highlights of the changes made in GiftWrap 3.5C include:

- Format changes for printed 1099-R forms and 1099 electronic files that comply with IRS requirements for 2006
- An enhancement for importing updated state reserve percentages that will make it easier for you to update these values in the future
- An updated State Reserve Percentages table that incorporates state interest rates for 2006 (see **Latest state reserve percentages imported from a file** on the next page for how to import the new rates into your copy of GiftWrap)
- New password requirements to enhance security

You must install GiftWrap 3.5C before you use GiftWrap to produce 1099-R forms or a 1099 electronic file for reporting gift annuity income distributed by your charity in 2006.

Installation tips: You must have GiftWrap 3.4 or later installed in order to update to GiftWrap 3.5C. Please follow carefully the installation instructions provided! Updating to GiftWrap 3.5C should take just a few minutes.

If you have any questions about GiftWrap, please do not hesitate to call Client Services toll free at 888-4PG-CALC (888-474-2252).

Sincerely,



Gary M. Pforzheimer

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Tax-Related Enhancements

1099-R forms and files for 2006 filing

Format changes were required in GiftWrap's production of both 1099-R forms and 1099 electronic files in order to meet 2006 requirements. You must update to GiftWrap 3.5C in order to fill in 1099-R forms correctly or to produce a 1099 electronic file in an acceptable format for 2006.

IRS regulations state that anyone who is required to file 250 or more information returns must file such returns electronically (note that filing magnetically on 3 ½" diskettes is no longer acceptable). If you are filing fewer than 250 information returns, the returns may be sent in paper form (1099-R Copy A) or electronically.

Due dates for sending 1099-R recipient copies and IRS tax files for tax year 2006:

Recipient copy (paper)	January 31, 2007
IRS copy (paper)	February 28, 2007
IRS copy (electronic filing)	April 2, 2007

For complete information about electronic submissions, contact the IRS's Enterprise Computing Center - MTB (IRS-MTB) toll free at 866-455-7438.

Other GiftWrap 3.5C Enhancements

Import latest state reserve percentages from a file

In order to simplify the process of updating the *State Reserve Percentages* table with the latest maximum state interest rates, GiftWrap can now update the *State Reserve Percentages* table by importing the latest rates from a file. As part of the GiftWrap 3.5C installation process, a file of the latest rates (stateper.xls) will be installed in your GiftWrap folder. This file includes the maximum rates for gift annuities made in 2006 in Florida, Maryland, New Jersey, New York, Washington, and Wisconsin.

To update your copy of GiftWrap with the latest maximum state interest rates, just click the *Import % Rates* button that now appears in the upper right hand corner of the Gift Annuity Reserves – State Method tab and Gift Annuity Reserves – Custom Method tab. In future years, you will be able to download a file of the latest rates as soon as they are announced and then import them into GiftWrap just by clicking the *Import % Rates* button. Importing state reserve percentages from a file requires Full Access to the Calculations function set (see *Setup – Security – Function sets* in the Online Help Contents for more information).

Gift annuity reserve calculations assume last year's rates when current year's unavailable

Several states publish annually the maximum interest rates that may be used for computing the minimum reserves required for gift annuities funded in the current year: Florida, Maryland, New Jersey, New York, Washington, and Wisconsin. Typically, these states do not publish maximum rates for the current year until mid to late Fall of the year. Until then, charities may rely on the prior year's maximum rates for computing reserves for gift annuities funded during the current year.

GiftWrap's state method for computing gift annuity reserves now uses the prior year's maximum interest rates automatically when it cannot find rates for the current year in its State Reserve Percentages table and the valuation date for the calculations is in the same year as the gift date.

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GiftWrap's custom method uses this same approach when it uses state interest rates in its computations.

For example, if you are computing reserves as of 6/30/2006 for New York and the State Reserve Percentages table contains New York rates for 2005, but not 2006, GiftWrap will use the 2005 rates to compute reserve amounts for all gifts made in 2006. GiftWrap identifies for you each gift for which it will apply the prior year's maximum rate. This way, you know when it is making this substitution and can decide whether it is still early enough in the year that the substitution is appropriate.

Person Summary can be sorted by Person Code 2

We added a second person code field, Person Code 2, to the Person Information screen when we released GiftWrap 3.5 a year ago. We have now added the ability to sort the Person Summary by the values stored in the Person Code 2 field. If you are using this field to store record IDs from another database system, for example, you will now be able to sort the Person Summary by these IDs.

New password requirements enhance security

A good password is a password that is difficult to guess. To help encourage the use of good passwords in GiftWrap, we have added three requirements for user passwords in GiftWrap. User passwords in GiftWrap:

- Cannot be blank
- Must be at least 7 characters long
- Must contain at least one alphabetic and one numeric character

If any of the user passwords set up in your copy of GiftWrap does not meet these requirements, we strongly encourage you to change the password to meet them.

GiftWrap's password requirements are enforced whenever you change the password for an existing user (see Setup – Security – Change Password) or enter the password for a new user (see Setup – Security – Users – Properties). They are also enforced when the administrator changes the administrator password in the GiftWrap Database Manager (see Database – Reset GiftWrap Administrator Password).

Replacement File checkbox and Code field removed from Create IRS 1099 File tab

As part of the IRS decision to eliminate the magnetic filing of 1099 tax information (submitting the IRS tax file on diskette), the replacement file code is no longer needed in the 1099 file. Consequently, we have removed the Replacement File checkbox and Code field from the Create IRS 1099 File tab. If you submit an electronic file of 1099 information for 2006 that contains an error, simply resubmit a corrected electronic file. The corrected file does not need to contain information that indicates that it is a replacement file.

Online Help updated to cover all new features

We have updated GiftWrap's Online Help to cover all of its new and modified features. If you want to learn more about any of the features described in this Update Summary, GiftWrap's Online Help is a good place to start.

Bug Fixes

PIF market values penny balance correctly when using target market value

When using the Compute PIF Market Values function (see PIFs - Compute PIF Market Values) to compute new market values for all of the individual gifts participating in a pooled income fund, you

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can choose to compute the new market values based on the fund's value per unit or its total market value. If you choose to base the computations on the fund's total market value, the function is designed to balance its market value allocations so that the total of all the allocated market values matches the fund's total market value to the penny. This penny balancing aspect of the calculations was not working quite right in certain situations. Now it is. Note that while the Compute PIF Market Values function is used mostly by clients who use GiftWrap's Pooled Fund Organizer module, this function is available to all GiftWrap clients, whether or not they have the Pooled Fund Organizer module.

Release notes

Excel format doesn't always work in File - Import Market Values

The File - Import Market Values function does not always work when you ask it to import data in Excel (.xls) format. The comma separated values (.csv) version of the same file always works.

If your import file is in Excel format, you can use Excel to save it in .csv format:

1. Open the file in Excel.
2. If the first cell of the first record is blank (either A1 or B1, depending on whether the file contains column headers), enter a character in this cell before you save in csv format. This will cause Excel to add a necessary leading comma to each record.
3. Choose File – Save As, then choose *CSV (Comma delimited)(*.csv)* in the *Save as type* field.
4. Save the file.
5. If you entered a character in the first cell of the first record, you will need to delete it before you import the file into GiftWrap. To do so, edit the file in a text editor such as Notepad, delete the extra character from the first position of the first record, then save the file.

Import Fund Market Values doesn't work with PIF Key

The PIFs – Import Fund Market Values function, which is available to Pooled Fund Organizer module clients only, doesn't work when the file from which you are importing values uses the PIF Key as the fund identifier. The function works fine if you use the Tax ID # or Account # as the fund identifier and leave the PIF Key blank. The PIF Key occupies the third position of each record in the import file.

SQL Server 2005

We do not recommend using GiftWrap on SQL Server 2005. Preliminary testing indicates that GiftWrap may have to be modified to run on SQL Server 2005.

Citrix and Terminal Services

We do not recommend using GiftWrap on Citrix or Terminal Services. Some clients are doing so because of compelling reasons specific to their organization, but use of GiftWrap on Citrix or Terminal Services requires extra configuration by the client. PG Calc can provide some technical information to help with that process.