

GiftWrap Update

Version 3.5

November 2005

Dear GiftWrap Client,

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

GiftWrap 3.5 includes a wide variety of enhancements. Those of greatest interest are described on the pages that follow. A few highlights include:

- Store, report, and upload historical FASB liabilities and gift market values
- New CGA Taxation Summary for reporting complete annuity taxation information
- New YTD Payment Summary for reporting payments made to a person over any period
- New functions for uploading payments, FASB liabilities, and gift information to general ledger systems
- New Import Names and Home Addresses function
- 2005 state reserve percentages and Hawaii reserve calculations
- Numerous Pooled Fund Organizer module enhancements

No changes to GiftWrap 3.5 were needed for production of 1099-R tax forms and 1099 files for 2005.

Pooled Fund Organizer module clients: We will be updating GiftWrap 3.5's Schedule K-1s separately in January, which is when we expect the final versions for 2005 to become available. While you should install your GiftWrap 3.5 update now, you will need to wait until we update the K-1s before you can produce them from GiftWrap for 2005.

Installation tips: Follow carefully the installation instructions provided! Updating to GiftWrap 3.5 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 2005 filing

No changes were required to GiftWrap's production of 1099-R forms and electronic files in order to meet 2005 requirements. IRS regulations state that anyone who is required to file 250 or more information returns must file such returns magnetically or electronically. If you are filing fewer than 250 information returns, the returns may be sent in paper form (1099-R Copy A), magnetically, or electronically.

Due dates for sending 1099-R recipient copies and IRS tax files for tax year 2005:

Recipient copy (paper)	January 31, 2006
IRS copy (paper)	February 28, 2006
IRS copy (magnetic media)	February 28, 2006
IRS copy (electronic filing)	March 31, 2006

For complete information about magnetic media or electronic submissions, contact the IRS/ECC Information Reporting Program Customer Service Section (IRP/CSS) toll-free at 866-455-7438 or e-mail mccirp@irs.gov.

Other GiftWrap 3.5 Enhancements

Historical Values

We have added a set of interrelated features to GiftWrap 3.5 that allow you to store, report, and upload historical FASB liabilities and gift market values. See "Historical Gift Values – overview" in the Online Help Index for a complete explanation of how these features work together.

Maintain Historical FASB/Market Values

This feature allows you to review, edit, and add historical FASB liabilities and market values for individual gifts, as needed. It also allows you to copy a selected batch of historical FASB liabilities or market values back to their associated gift records to replace the current values stored for these gifts. The ability to replace current values with historical ones is especially useful for fixing gift annuity market values when CashTrac CGA Market Values has been run using incorrect report entries.

Copy FASB/Market Values to Historical Gift Table

As its name implies, this feature enables you to copy a batch of FASB liabilities or market values into the historical gift table. This feature works in tandem with the FASB Liabilities, CashTrac CGA Market Values, Recompute PIF Market Values, and Import Market Values functions. All of these functions allow you to save a batch of FASB liabilities or gift market values as the current values for a group of gifts. Once you have saved these values, you can use the *Copy FASB/Market Values to Historical Gift Table* feature to copy the values as historical values. This way, they will always be available for reviewing or reporting, and will not be overwritten by future runs of any function that saves current values for a group of gifts.

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Report Historical FASB/Market Values

This feature provides you with five ways to report historical FASB liabilities or market values.

- **FASB Values By Date:** For each gift included in the report, this report lists its FASB liability as of a specific valuation date.
- **FASB Values For Two Dates with Differential:** For each gift included in the report, this report lists its FASB liability on each of two specific valuation dates and the difference between the two values. This report is very useful for providing FASB liability information to whoever prepares your charity's annual financial statement.
- **FASB File for Upload to GL:** For each gift included in the report, this text file stores its FASB liability on each of two specific valuation dates and the difference between the two values. This file is designed to allow you to import this information into your general ledger software. The file can be stored in comma and quote delimited or fixed length text formats.
- **Market Values By Date:** For each gift included in the report, this report lists its market value on a specific valuation date.
- **Market Values For Two Dates with Differential:** For each gift included in the report, this report lists its market value on each of two specific valuation dates and the difference between the two values. This report is very useful for tracking annual changes in gift market values.

Reports

New CGA Tax Summary

This report lets you review all tax information being stored for your choice of gift annuities.

New YTD Style Payment Summary

This report lets you report all payments made during a specified time period, such as year-to-date, to your selection of beneficiaries. The report is sorted by beneficiary name, which makes it easy to review the payments made to each beneficiary during the specified time period.

Gift Summary can be sorted by person name

The Gift Summary can now be sorted by person name. This enhancement will make it easier for many clients to review their gifts. Since a gift can be associated with many people, GiftWrap follows a hierarchy when deciding which last name to sort a gift by: Donor/Bene-A, Donor/Bene-I, Donor, Bene-A, Bene-I, Bene-N. Each gift appears just once in the report.

Advisor Summary includes selection and sort criteria

We've added selection and sorting criteria for the Advisor Summary to make it easy to create a report of just a single advisor or of all advisors in a particular area.

Gift Annuity Reserves report can include surplus amount

The Gift Annuity Reserves report gives you the option of adding a surplus amount to the totals at the end of the report. The surplus can be a percentage of the reserve total or a specified dollar amount.

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Import/Export

Import Names and Home Addresses

This new import function enables you to update Name and Home Address information stored in GiftWrap by importing this information from a file created by a separate system of record, such as your charity's donor database.

Upload data to general ledger

GiftWrap 3.5 offers several file formats for uploading data from GiftWrap to your general ledger database. These upload formats enable you to:

- upload FASB liabilities and liability changes over a chosen time period
- upload payment information on your selection of payments
- upload information on a new gift

Positive Pay Upload file

This new upload file provides information in a format that a bank can use to compare income payments issued by your charity against payments that have cleared the bank.

New Fields

In addition to the data fields needed to implement GiftWrap's new historical values capabilities, we have added the following fields:

Issued Type

This new field in the Check Schedule records how each payment was made, by check or by EFT. Even if a beneficiary changes from receiving payments one way to the other, GiftWrap will now maintain a historical record of how each payment was delivered to the beneficiary. The Issued Type should be blank for any payment that has not yet been issued.

Person Code 2

This new field in the Person Information screen stores a second person code. This code can be used to store a number or value that is associated with the person in another database, an internal code assigned by your charity, or any other code you wish.

Anonymous

This new checkbox in the Person Information screen indicates whether or not a donor wishes to be anonymous. This value can be used to include or exclude donors from certain reports by using a condition statement.

Foreign Person

This new checkbox in the Person Information screen indicates whether or not a person is foreign. This value can be used to include or exclude donors from certain reports and may be particularly useful when producing 1099-R tax forms for gift annuitants by using a condition statement.

Originating DFI field

This new field in the Organization setup window lets you enter the 8-digit routing number of the depository financial institution (DFI) that will be originating EFT payments for the organization.

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Previously, GiftWrap used the Immediate Destination # for this value, but there can be instances where a different number should be used, which GiftWrap can now accommodate.

Miscellaneous

Latest state reserve percentages incorporated

We have added state reserve percentages for gifts made in 2005 to the *State Reserve Percentages* table. These percentages have been added for Florida, Maryland, New Jersey, New York, Washington, and Wisconsin.

Year End Update *dramatically* faster

We have dramatically improved the speed of Year End Update. Clients with databases that store thousands of gift records will see a process that previously took hours, or even days, now take minutes. Year End Update will continue to take only a second or two for clients with databases that store no more than a few hundred gift records.

Hawaii reserve calculations added

Legislation was approved in Hawaii in June 2005 that gave the Commissioner of Insurance authority to determine the mortality table and interest rate to be used in computing minimum annuity reserves. The Commissioner announced in October that the Annuity 2000 mortality table and a 5% interest rate must be used. We have added this information to GiftWrap. Hawaii is now one of the states in the Gift Annuity Reserves - State Method window for which you can choose to compute reserves.

Extract organization data is its own security function set

The Extract Organization Data function in the File menu lets you extract all of an organization's data into a new and separate GiftWrap database. GiftWrap 3.5 includes a security function set exclusively for this function. Now, the GiftWrap administrator can grant any GiftWrap user permission to extract organization data. This function was formerly available only to users logged into GiftWrap as the administrator.

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.

Pooled Fund Organizer (PFORZ) Module Enhancements

New Annual Report

We have added an Annual Report to the Pooled Fund Organizer module. This report consolidates fund-level information for the year into a format that is suitable for including with the information that must be provided annually to fund participants.

Account Summary enhancements

The Account Summary can now be sorted by person name. This enhancement will make it easier for clients to review participants in a fund. We also have modified the Account Summary to take gift additions into account independently from initial gifts.

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New fields

Person Type

This new field in the Person Information screen indicates whether the person record is for a person or a remainderman. This field can be used to include or exclude person records from a pooled income fund report.

No Income to Remainderman

This new checkbox in the Pooled Income Fund setup window lets you indicate whether or not a fund remainderman should receive a deceased beneficiary's income during the time between the beneficiary's date of death and the account closed date for the gift. The Distribute Income function assigns income to the Remainderman accordingly.

Informational fields

Four new fields in the Pooled Income Fund setup window let you record characteristics of the fund that are for informational purposes only. These fields are for recording income method (cash, accrual, or income per unit), number of valuation periods for historical rate of return calculation, fund valuation frequency, and fund valuation timing (first day of calendar period, last day of calendar period, or other).

Prorate income at death divides income between participants

Formerly, when a fund was set up to prorate income at death, the Distribute Income function only prorated the final income payment for a deceased beneficiary if there was no surviving beneficiary. Now Distribute Income also computes pro rata income when there is a surviving beneficiary.

Release Notes

Payout % rounded to 2nd decimal in new Upload Gift to GL file

The new file for uploading gift information to a general ledger includes the payout percentage of the gift. Although typically a whole number or, at most, one decimal, such as 6.5%, this percentage can be entered up to eight decimals. Regardless, the file contains the payout percentage rounded at the second decimal. If the payout percentage of a gift is 6.9876%, for example, the file will contain 6.99%.

Warning message appears for \$0.00 payment amounts when creating payment reports

The Print Checks/Advices function in prior versions of GiftWrap issued a warning message whenever it encountered a check record for a \$0.00 amount. We have expanded the application of this message so that now the Payment Summary and PIF Payment Summary issue a similar message. The message indicates the number of checks in the batch for which all component payment amounts are \$0.00. This warning is intended to be informational only. It does not necessarily indicate that your payment data is incorrect. While checks for \$0.00 will appear in the Payment Summary and PIF Payment Summary, GiftWrap will not print \$0.00 checks or include them in an EFT file.

New Issued Type field not populated correctly during conversion in every case

When you first open your GiftWrap database using GiftWrap 3.5, your database will be converted to GiftWrap 3.5 format. During this conversion process, GiftWrap populates the new Issued Type field

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with either "Check" (C) or "EFT" (E) for all check rows that have an Issued Date or both an Issued Date and a Check Number; the Issued Type is left blank for all other check rows.

There may be circumstances under which the conversion program assigns the wrong Issued Type to a check row. These incorrect assignments will not affect the assignment of Issued Types to future payments in any way; GiftWrap will assign Issued Types correctly to future payments in all cases. You may manually edit the Issued Type field where necessary in order to make corrections. Please contact us if you have any questions about the assignment of Issued Types.

Remainderman - Detail Report now produced in YTD Style Payment Summary

In GiftWrap 3.4, the PIF Payment Summary produced an optional Remainderman Detail report that itemized the terminated pooled income fund gifts for which the fund's charitable remainderman received income units. This report provided all the information needed to understand the payment amount distributed to the remainderman for a specific payment period. This optional Remainderman Detail report is now available when you produce the new YTD Style Payment Summary rather than when you produce the new PIF Payment Summary. While the Remainderman Detail report is available to all GiftWrap clients, it is primarily of interest to PFORZ module clients.

Message in Correct Past Distributions could be misleading (PFORZ module clients only)

Correct Past Distributions issues a message that warns the user that if the user proceeds, all affected distribution amounts will be reset to 0, even if the user chooses not to save the corrective distribution. In fact, distribution amounts will be left unchanged in this situation. (The Distribute Income function, in contrast, issues a similar message in this situation and does reset distribution amounts to 0.)