



Groundhog Day All Over Again: Annual Updates for Review in February

PG Calc Featured Article, March 2026 eRate

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Congratulations, you've made it through the gauntlet of calendar-year-end activities! But before you sigh with relief, here's a list of items you should review annually. Ideally, these are completed in the peaceful window between the mailing of your 1099-Rs to annuitants in January and the filing of 1099-Rs with the IRS in March.

Deferred Gift Annuities (DGA) and Commuted Payment Gift Annuities (CPGA) Beginning Payments This Year

Do you have DGAs or CPGAs that will make their first payments this year? Is your finance office or gift administrator ready to begin payments? To identify in *GiftWrap* the DGAs and CPGAs that will begin making payments in 2026, run a Gift Summary report with the custom filter *gift.firstpaymentdate > '12/31/2025' AND gift.firstpaymentdate < '1/1/2027'*. This will identify any DGA and CPGA that begin payments in 2026. You can review this list with your finance office to make sure everything is in place. It is worth checking whether the annuitants have Electronic Funds Transfer (EFT) in place, and if not, reach out to the annuitants to obtain that information.

Possible Flexible Gift Annuity (FGA) Election = Opportunity for Donor Connection

You may have donors in your pool who could activate their first payments from their FGAs this year. Consider reaching out to them to remind them of the possibility, and how many days' notice they need to give your organization. This can be a great annual "touch" for a front-line fundraiser looking to reconnect with these donors, and perhaps an opportunity to solicit another gift.

Trusts Flipping to Standard Payout

If you had a trust experience in 2025 the event that triggered its flip from a net income unitrust to a standard unitrust, that trust is about to make its first standard payout. You can identify all your flip trusts in *GiftWrap*'s Gift Summary by setting the Gift Subtype = F. Make sure you enter the flip triggering date in the Trust/Term/PIF tab of the trust's Gift Information screen in *GiftWrap* before you recompute unitrust payments for 2026 (see the next item).

Import CRT Market Values and Calculate Standard Payout Amounts

This month's *GiftWrap* Quick Tip covers the easy process for importing market values for all your charitable trusts. Once you've done that, use the Recompute Unitrust Payments feature in *GiftWrap* to set the 2026 payments for your charitable remainder unitrust beneficiaries, and to determine the payout to charity of any charitable lead unitrusts (CLUT).

Calculating Net Income Trust Payouts

If you have net income trusts, you or your trust administrator must determine what will be paid to their income beneficiaries in 2026 and update their payment schedules in *GiftWrap* accordingly. In *GiftWrap*, you can easily identify your net income and net income with makeup trusts within the Gift Summary by using the dropdown field Gift Subtype = I (net income) and Gift Subtype = M (net income with makeup).

Pooled Income Fund (PIF) Rate Must be Updated Before 2026 Gifts Acknowledged

Unlike other life income gifts, PIFs do not rely on the IRS discount rate as a factor in the deduction calculation. Rather, a PIF uses its highest rate of return for the last three years. Hold off on sending tax acknowledgements to your 2026 PIF donors until you've received the final 2025 rate of return for your PIF from your investment manager. If the 2025 rate turns out to be the highest of the last three years, update the PIF rate within *PGM Anywhere* by going to *Customize > Pooled Funds > Highest return of last 3 years*, then produce tax acknowledgements for your 2026 PIF donors.

Globally Update Seasonal Addresses

If you have a fair number of "snowbirds" in your donor pool who have let you know that they will be in a sunnier clime for the winter, now is a good time to update seasonal addresses in *GiftWrap*. Luckily, *GiftWrap* makes this easy. Just go to Actions and select

Globally Update Seasonal Addresses. Next, enter the date against which to check for expired addresses, typically January 1st of the new year, then click “OK.” *GiftWrap* will make the seasonal address the active address for anyone with a seasonal address that starts before that date. Remember to run Globally Update Seasonal Addresses again later in the spring, when snowbirds fly home for the spring and summer. This will make their primary address the active address again.