Tina Yelle - Mon, 6/17/2019 - 11:35

The Record Death function in *GiftWrap* is designed to make adjustments to the payment and tax information for gift annuities. When an annuitant is deceased, the function can move future payment and tax information to a successor beneficiary, if any, or remove future payment and tax information for terminated gifts and change the gift status to Finished.

However, *GiftWrap* can make these adjustments automatically only for deaths in the current or immediately prior Organization Year. If the death occurs two or more years earlier than the current Organization Year, the Record Death function will mark the annuitant as deceased, but all adjustments to the payments and tax schedule must be done manually.

The procedure for manually adjusting payments and tax schedule when running Record Death if death occurs two or more years earlier than the current Organization Year is as follows:

Start by producing a Gift Profile showing all gifts associated with the deceased. Review the status of payments from the year the last annuitant was deceased through the present and determine what income was received and not reimbursed after death. Click the Show/Hide icon  to display payment records from prior years. Use the Payment Snapshots to void or stop any issued but uncashed payments and to indicate reimbursed payments, and then determine if 1099-Rs for any year(s) will need to be corrected. Even if your organization chooses to forgo reimbursement, any payments must be reported to the IRS.

When these questions have been settled, you are ready to make the manual adjustments.

1. Starting on the Gift Information Screen, click the Association link for the deceased beneficiary to open the Association Information Screen. This screen displays Payment and Tax Schedules.

2. On the Payment Schedule, look for all future payments that should be deleted. Check the box to the left of the payments, and use the Delete icon  to delete them.

3. Next, you must adjust the Tax Schedule to reflect income that was received by the annuitant's estate after death and not reimbursed. Click the Tax Years link to open a Tax Information screen and edit as needed. Delete rows for current and future years to ensure that 1099-Rs will no longer be produced.

4. If you have edited the tax schedule, you can now produced corrected 1099-R tax forms or files.

Manually editing payments and tax information in *GiftWrap* is easy but determining what corrections to make can be a challenge. If you need assistance, call PG Calc Client Services at 888-474-2252 or email support@pgcalc.com.

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