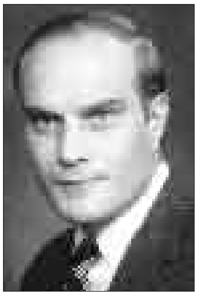

Technology Corner

By Joseph G. Hodges, Jr.

Crunching the Numbers—What Software Options Are Available?

In connection with the preparation for our Special Session presentation on Thursday, January 13, 2005, at the 39th Annual Heckerling Institute on Estate Planning, my co-presenter, Roger Shumaker, and I had an occasion to examine in detail and evaluate numerous software programs. These programs are ones that are specifically designed to perform a myriad of the sort of calculations that we, as estate planning professionals, need to do in order to properly evaluate our clients' existing and potential future estate planning situations as well as the consequences of proposing and implementing various changes in the estate plan now or in the future.

In this column, I will attempt to cover the highlights of that presentation and the specifics of most of the key software programs we examined. One thing we found is that there is nothing better than giving each of these programs an evaluation trial in your own offices, as one man's desired features can easily be another man's biggest frustrations. However, since none of these programs is the be-all, end-all in this arena, you can hardly go wrong with choosing any one of them. It is also important to remember the ethical obligations the user may have to both understand fully how the program works and also the accuracy and integrity of the resulting calculations.

With these preliminary remarks in mind, let us now examine these programs and how well they perform their given tasks. These programs will be covered in no particular order of priority or suitability for a given calculation task.

Split Interest Calculations

zCalc. zCalc is an interesting program, in that it is actually an add-on for the more generic Microsoft Excel spreadsheet program. It operates in its ToolBox mode as a multifaceted estate planning program. It offers basic estate analysis plus most of the valuation tools for evaluating the impact of various split-interest planning techniques. In normal Excel mode, many of its features are available as "user-defined" functions that can be incorporated into planning computations and illustrations within your own, self-designed spreadsheets. In many circumstances, these functions are extremely useful in helping a client understand how a particular planning technique can be integrated into the client's overall plans.

More information on zCalc is available at *www.zcalc.com.*

There is an interesting add-on to zCalc that has been released recently called **WealthWise**. One must own zCalc in order for it to work. It provides client-ready presentations with some specific calculations included that are intended to function more or less like a PowerPoint presentation for clients or groups, so its functionality as a true number cruncher tool is somewhat limited. Two other zCalc add-ons are **WealthTec Foundation** and **Wealth Master**. These are sophisticated add-ons that take advantage of the zCalc functions.

More information about the WealthTec and Wealth Master products can be obtained in the review in the October 2004 issue of ESTATE PLANNING MAGAZINE or from *www.wealthtec.com*.

More information about the WealthWise program is available at *www.wealthwisellc.com.*

NumberCruncher—Estate Planning Tools

NumberCruncher is a product of Leimberg & LeClair but it is also sold under a different name called **Estate Planning Tools** by Brentmark Software. It operates as a free-standing program and provides numerous calculations for valuation-based planning, transfer tax planning and financial analysis computations. The calculations are "down and dirty" and are displayed

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instantly, making this a good program for doing simple what-if calculations. The results can be easily printed or "cut and pasted" to other applications; printed output can also be directed to a text file, to a worksheet file (.wk1) or an HTML file.

Some of the more common calculations this program can perform include SCINs, Private Annuities, Generation Skipping Trusts, QPRTs, GRATs, GRUTs, IDITs, Dynasty Trusts, charitable gifts and various calculations for present and future interests. The financial planning tools include such things as calculations for investments, inflation, real estate, insurance, net worth, financial goals and budgeting.

More information on NumberCruncher is available at *www.leimberg.com/products/software/numberCruncher.asp.*

Tiger Tables

Tiger Tables includes tools for calculating life estates, remainders, annuities, unitrust and pooled income factors with up to 10 lives as well as valuation of a life interest with a five-percent/$5,000 annual withdrawal right for determining the previously taxed property credit. It is authored by St. Louis, Missouri attorney and ACTEC Fellow Lawrence P. Katzenstein.

More information on Tiger Tables is available at *www.tigertables.com.*

Estate Planning Tools—IRS Factors

Brentmark Software offers a broad line of calculation products, including **Estate Planning Tools** and **IRS Factors Calculator** (which calculate the values of life estates, remainders and annuities, GRATs and GRUTs, *etc.,* with the former including present value calculations and several other functions of interest to the estate planning professional). Brentmark also offers programs such as the **Charitable Financial Planner**, which calculates factors for charitable remainder and lead trusts and gift annuities, and the **Pension Distributions Planner**.

More information on the Brentmark line of products is available at *http://brentmark.com.*

Financial Planner II

Leimberg & LeClair has a free standing program called Financial Planner II, that provides numerous calculations for financial analysis similar to those that are offered in the NumberCruncher program. The calculation results can be "cut and pasted" into other applications. The printed output can also be directed to a text file, to a worksheet file (.wk1) or an HTML file.

More information on Financial Analyzer II is available at *www.leimberg.com/products/software.*

General Estate Analysis

BNA Estate & Gift Tax Planner. The BNA Estate & Gift Tax Planner program has been around since the inception of performing estate planning calculations by computers, so it is a well seasoned program. It performs federal and state estate and inheritance tax calculations in a format that has the look and feel of a spreadsheet. It also includes interrelated marital and charitable calculations, eligibility for Code Sec. 6166 and Code Sec. 303 elections, and calculates both the previously taxed property credit and the foreign death tax credit. Recent versions have incorporated a number of split-interest calculations and an improved interface. Version 2004.1 includes the ability to produce a PowerPoint presentation of the reports generated by the program.

A relatively new addition to the program is the ability to perform certain popular calculations using a number of pre-set scenarios, including those for insurance trust plans, excluded gifts, GST transfers, a private annuity plan, SCINs, GRITs and CRATs. Of course, you can always use the Custom Mode plan to create your own analysis.

Since the structure of this program follows that of the Form 706, this makes it particularly suited to doing various comparative calculations that might be required in preparing a Form 706 or 1041. One thing that comes to mind is calculating the resulting estate tax with and without the estate's IRD using a two-column side-by-side comparison. The printouts from such a comparison are good enough to actually file with the returns if need be.

More information on the BNA Estate & Gift Tax software is available at *www.bnasoftware.com.*

CCH Viewplan Advanced. A very comparable program to the BNA product is CCH Viewplan Advanced. Historically, Viewplan has its origins with an attorney named Ralph Gano Miller who got tired of drawing estate planning diagrams for his clients upside down. He sought and developed a computer solution to this that has since evolved into the current product, which is now sold by CCH. Whereas this program was once a collection of a variety of programs, each of which came with its own set of disks and had to be purchased separately, this newer version has all of those programs incorporated into one and is sold for a single price.

CCH Viewplan Advanced has an enhanced graphical interface and graphical reporting features. It also integrates with estate planning illustrations (*via* flowcharts) and does computations for CRATs, CRATs, NIMCRUTs, CLATs, CLUTs, GRATs, QPRTs, Pooled Income Funds, *etc.*

More information on Viewplan is available at *www.tax.cchgroup.com.*

Intuitive Estate Planner. Thompson/West Groups Intuitive Estate Planner (originally called Estate Practice Assistant) had its origins with Shepards/McGraw-Hill, but has since moved to West Group as a division of Thompson (somehow it avoided being sold to Thompson Fast-Tax, unlike many of West's tax preparation programs). It includes general estate analysis and illustration capacity plus several utility programs, which are helpful in an estate/financial planning setting. These include future values of investments, charitable split interests values, life estates and remainders, present values of future payments, *etc.*

More information about IEP is available at *http://west.thomson.com/customerservice/software/iep.asp.*

Charitable Planning and Analysis

Charitable gift planning and analysis offers up a unique set of calculations and tools that have their own learning curve. Fortunately, there are a number of good and affordable software programs in this area that can greatly simplify the work that is involved in making these calculations. An excellent listing of these programs is maintained in Appendix B of The Tools and Techniques of Charitable Planning by Stephan R. Leimberg and others.

Charitable Financial Planner. This program is co-marketed by Brentmark Software and Leimberg & LeClair. It provides computational support for all the popular charitable gift planning techniques. It includes pie charts, bar graphs and customized reporting capabilities.

More information about Charitable Financial Planner is available at *www.brentmark.com.*

Crescendo Lite. Although not as comprehensive as Charitable Financial Planner, Crescendo Lite nonetheless comes with a fairly comprehensive set of calculation and presentation tools. While it is designed primarily for use by development and planned giving personnel, it is suitable for use by attorneys to the extent the calculations that come with it are of the type that the professional advisor needs to run. This is explained by the fact that Crescendo Lite retails for only $150, where the full-blown version that is used by charitable institutions retails for over $1,000—in other words, you get what you are willing to pay for.

Included in the Lite version are calculations for Annuity Trusts, Gift Annuities, Retirement Unitrusts, a sale versus Unitrust comparison, a Unitrust and Insurance Trust, a Unitrust and Sale, and a Unitrust. There are a set of graphic and PowerPoint outputs available for each of these techniques and make for excellent presentation tools.

More information about Crescendo Lite is available at *www.crescenrosoft.com.*

Miscellaneous Tools

Here are some other programs we did not have time to review but became aware of during the preparation of our Miami materials, so we are presenting them to you here for your information and use. They are all intended primarily as general analysis tools:

[redacted]**g QuickView** by Leimberg & LeClair is described as a state law sensitive flowchart and graph based Windows software program to provide and help communicate instantaneous answers to two of the most important questions you - and your clients - need to answer: (1) What dispositive strategy will reduce taxes at death to the lowest possible amount? (2) What dispositive strategy at death will provide the highest amount of financial security (capital) for heirs? *See www.leimberg.com.*

[redacted]**lan Analyzer** from Superior Software, Inc. *See www.superior-software.com.*

[redacted]**ing Tools** and **Kugler Estate Analyzer** by Brentmark Software. *See* www.brentmark.com.

[redacted]**ing Solutions** from Kettley Publishing. *See www.kettley.com.*

[redacted] Mark A. Goldman. *See www.gpln.com.*

This Issue's Featured Web Sites

Check up on these charitable planning sites:

- Charity Navigator—*www.charitynavigator.org*
- American Institute of Philanthropy—*www.charitywatch.org/index.html*
- Guidestar—*www.guidestar.org*
- Need a Good Random Password?—*www.goodpassword.com*
- Extreme Weather and Climate Events—*www.ncdc.noaa.gov/oa/climate/severeweather/extremes.html*

- Internet Movie Mega-Database—*www.imdb.com*