



June 6, 2017 "Time Saver & Helpful Hint" eNewsletter

APPRAISE

By Evaluation Services, Inc.

Makes it Simple!

**Quick, Accurate, and Economical
Stock & Bond Valuations
for Trusts and Estates**

Who is ESI-APPRAISE?

Evaluation Services, the developers of APPRAISE, provides stock and bond valuations which exceed the stringent IRS requirements for Estate, Gift, & Trust tax returns and follow Generally Accepted Accounting Principles. We also perform capital change reporting, cost basis calculations, historical portfolio and exception list pricing.

We offer both outsourcing (full service) and technology driven (self-service) solutions which interface with third party applications.

Outsourcing your valuations to us frees you up to focus exclusively on your most important tasks. Just complete our order form and send us a list of holdings. Then, leave the work to us.

Our self-service solutions include: software, which is an older way to deploy technology, as well as state of the art "software as a service" and web based applications. The newer apps are especially popular because they are easy to implement, always current, scalable, and require minimal support from your technology departments.

You can pay your invoices by check, credit card, or electronic fund transfer. We back all of this up with first class customer service and fair pricing.

Why not give us a try? Click [here](#) for a list of solutions.

Weekly News, Helpful Hint, & Upcoming Events

This week's feature article is:

[Minnesota Weakens Estate Tax Retroactive To January 1](#)

Here is an excerpt from the article:

"Minnesota is one of 18 states plus the District of Columbia that still impose their own estate or inheritance taxes-separate from the federal estate tax levy. To the chagrin of Democratic Governor Mark Dayton, the Minnesota estate tax just got weaker..."

You can access the complete article by clicking [here](#).

Last week's feature article was:

[Chamber urges Treasury to withdraw rules on inversions, estate tax](#)

and is available by clicking by clicking [here](#).

Weekly Time Saver / Helpful Hint:

A client recently prepared an estate tax securities valuation for which the date of death was April 1, 2017. The person wanted to know why the monthly dividend for a mutual fund with ex-date, record date, and pay date of Mar 31 was not on final report. The IRS has two specific conditions, either of which needs to be satisfied, for a dividend to be included. They are:

If an equity is ex-dividend for a cash distribution on or before the valuation date but is of record after the valuation date, the dividend is included in the report and is added to the security's mean value. [IRS Reg. 20.2031-2(i)]

If an equity is ex-dividend and record for a cash distribution on or before the valuation date, but is payable after the valuation date, a separate dividend accrual entry is made. [IRS Reg. 20.2032-1(d) (4)]

Upcoming events ESI-APPRAISE will be participating in:

- Jun 7: Estate Planning Council of Bergen County - "Annual Meeting"
- Jun 14: Greater NJ Estate Planning Council - "The Best Estate and Tax Planning Ideas"

- Jun 28: Monthly complimentary webinar series (see webinar section for details)
- Jun 30: Delayed 10:00a ET opening
- Jul 3: Early 1:30p ET close for Fourth of July Holiday

Complimentary Webinar

We instituted a monthly complimentary webinar series to enable our subscribers to receive concise instruction on issues and ideas affecting our industry without having to leave your office.

Our next topic:

"Key Issues in Recent Court Cases and

Valuation" is scheduled for Wed, June 28 from 11:30a to 12:00p ET.

Here is a synopsis:

This webinar summarizes the key issues in several recent litigation and arbitration matters, including some from U.S. Tax Court and some from other jurisdictions where partners of [Appraisal Economics](#) provided testimony about valuation issues that may apply to a broad range of appraisal situations, including those related to gift and estate taxes. Our presenters are Paul Engel & Michael Lavelle.

You can register by clicking [here](#).

You can access a recording of last month's webinar: "**Learn how forensic genealogy works**", as well as prior webinars, by clicking on the icon below.



Webinar

Web-based seminar
live online educational presentation
viewers can submit questions
see slides while the speaker
interactive elements - the a

The ESI Way: Simple Solutions for Complex Problems

Dividend Reinvestor:

The Appraise Dividend Reinvestor calculates the cost basis, market value, and capital gains (losses) for dividend reinvestment plans, automatically adjusting for stock splits.

The user provides the purchase and end date, the share amount, and price per security or total transaction value. Additional purchases and sales can also be included. You can start with your current holdings or initial purchase.

If you would like more information about our other quick, accurate, economical, and innovative solutions which help you serve your clients better and more profitably, please click [here](#).



Customer Feedback & Testimonial

We want to make it easy for our clients to give us feedback. Please click [here](#) if you want to contact us.

Here is a recent testimonial from a client.

"So impressed with the fast turn-around on repeat request today."

- New York, NY



Continuing Education: Weekly Fundamentals of Financial Instruments

Debt Securities:

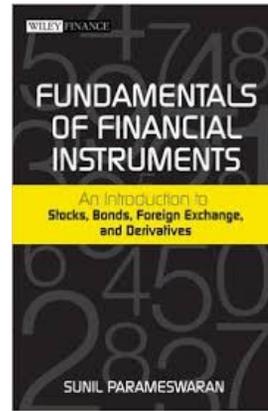
A debt instrument is a financial claim issued by a borrower to a lender of funds. Unlike equity shareholders,

investors in debt securities are not conferred with ownership rights. These securities are merely IOU's that represent a promise to pay interest on the principal amount either at periodic intervals or at maturity, as well as to repay the principal itself at a pre-specified maturity date.

Most debt instruments have a finite life span-that is, a stated maturity date- and hence differ from equity shares in this respect. Also, the interest payments that are promised to the lender at the outset represent contractual obligations on the part of the borrower. In other words, the borrower is required to meet these obligations irrespective of the performance of the firm in a given financial year. It is also the case that, in the event of exceptional performance, the borrowing entity does not have to pay any more to the debt holders than what was promised at the outset. It is for this reason that debt securities are referred to as fixed income securities. The interest claim of debt holders have to be settled before any residual profits can be distributed by the way of dividends to shareholders. In the event of bankruptcy or liquidation, the proceeds from the sale of assets of the firm must be used to first settle all outstanding interest or principal. Only the residual amount, if any, can be distributed among the shareholders.

* Source for above material is the book "Fundamentals of Financial Instruments".

* Next week: Debt Securities (cont.)



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