

# *Church & Worship*

## **TECHNOLOGY™**

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# Form, Flow, Function



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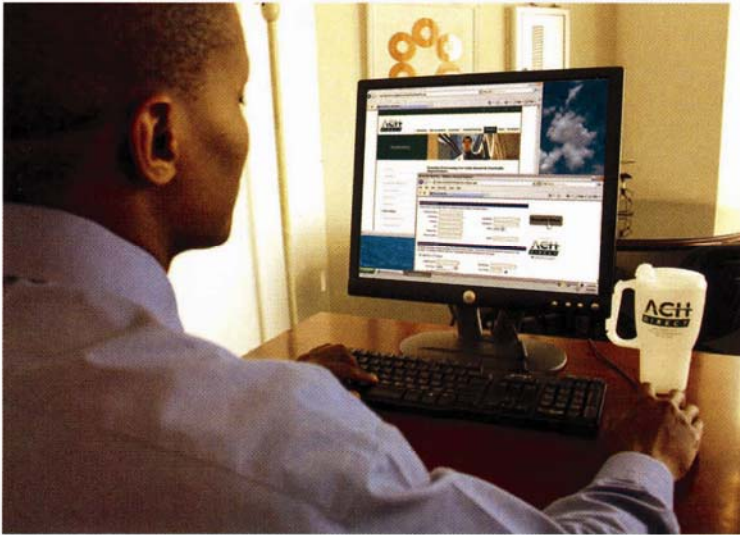
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# The Electronic Collection Plate

by Jeff Gonzales



When a Google search for “online donations” pulls up almost one million listings, a distinct trend is easy to spot. At a time when religious organizations are finding a decline in attendance and a responding decline in overall congregant donations (according to the 75th Yearbook of American & Canadian Churches, published by the National Council of Churches USA), online giving can prove to be a welcome and easy revenue builder.

Churches and places of worship that have taken advantage of a Web site as an effective member communications tool, can now offer their members a simple way to contribute online. ACH Direct, Inc., a technology provider of Automated Clearing House (ACH), electronic check, credit card and debit card transaction processing and risk management services offers a Donate Now feature. This option can easily be added to any religious or charitable organization’s Web site to process one-time and recurring donations through an automatic bank withdrawal or credit card charge.

“Research shows that about 60 percent of Americans get their paychecks through direct deposit and half pay at least one bill electronically,” said Jeff Thorness, president and CEO of ACH Direct. “Many philanthropists and religious leaders see electronic collections through their Web site as a next logical step.”

Religious  
Organizations  
Look at  
Easy Online  
“Donate Now”  
Option

In today's mobile society, an online contribution portal may strengthen otherwise transient relationships with donors by providing an easy and stable way to remain connected to the organization.

#### Easy To Set Up

"Donate Now" is a feature of ACH Direct's new Secure Web Pay (SWP) product, which provides a simple and secure turnkey solution for organizations to add online giving capability to their Web site. The organization's Web page will feature a clickable donate now button that links to a page on ACH Direct's secure processing site that has been customized to reflect the organization's logo and preferred design.

This simple online service provides a safe, seamless transaction process for the donor and an easy installation for the organization. ACH Direct personnel work in conjunction with the organization's staff to set up the function and continue to provide ongoing support after installation.

Web site managers do not have to be technological gurus to set up online giving. "Few non-profits and churches have technology experts on staff or the resources to maintain a secure online giving environment," Thorness said. "This solution doesn't require sophisticated technological expertise to install or use, and effectively reduces the large financial investment that maintaining a secure server would require. We help our customers with the setup, and by linking to our site for the transaction, we shoulder the bulk of any compliance responsibilities."

#### Security and Compliance

Providing security and confidentiality for online contributors is essential. Organizations can link directly to Donate Now, and ACH Direct then takes on all responsibility related to payments, such as: collecting and securing all payment data; obtaining proper authorization; maintaining PCI compliance; providing ACH rules and regulations compliance and supplying verification/authentication.

In addition, Donate Now-enabled software automatically incorporates a full suite of anti-fraud protection tools, used to validate information, including: IDVerify™, ATMVerify® and NCNVerify. ACH Direct also provides the SSL certificate to meet rules and compliance requirements.

Merchants using Donate Now are connected to virtually all major credit cards processors, including VISA/MasterCard, American Express, Discover and JCB, as well as to all major debit card networks. Plus, Donate Now provides a variety of alternate payment methods such as electronic check and bill pay.

Furthermore, staying on top of accounting is easy. Organization managers have an easy way to keep track of donations through a secure and detailed online record of Donate Now transactions. And, they can easily download transaction history into various file formats, such as Excel, CSV, QuickBooks®, XML and MYOB.

Religious organization managers, therefore, get an effective, secure and manageable system for giving, and congregants get the benefit of online convenience.

#### Contributions Are a Few Clicks Away

Online giving is easy, especially for today's younger computer savvy generation. With just a few clicks of the mouse, contributions can securely make online donations. The Donate Now feature also makes future contributions faster and more convenient with account creation and recurring payments features options.

"Even when out of town, people can still give regularly to their church or other nonprofit organization through recurring transaction," Thorness noted. "The convenience for today's high-speed society to donate via a Web site is undeniable."

According to a 2001 article, authored by William T. Rupp and Alan D. Smith, "The electronic collection plate is...solving the problem of church members rushing out the door and arriving at church only to remember they have forgotten their checkbook. The proper strategic use of e-tithing by management should provide tools to help in solving the hasty check writing that takes place during church services."

Some religious leaders believe automatic "e-giving" provides peace of mind for their members, because they can count on a donation being made whether or not they are physically present. It is a convenient way for the faithful to continue to fulfill their spiritual commitment even when they are unable to attend worship services.

In addition, geography is not a barrier. In today's mobile society, an online contribution portal may strengthen otherwise transient relationships with donors by providing an easy and stable way to remain connected to the organization.

### Online Contributions Are Larger

Convenience is probably the key benefit for online contributors, but for the recipients, there is another added benefit. According to the 2005 Kintera/Luth Nonprofit Trend Report online contributors gave as much as 50 percent or more every year. The ePhilanthropy Foundation cites exponential growth in Internet donations, from \$250 million in 2000 to more than \$4.5 billion in 2005.

Furthermore, in comments received through an online survey by the Christian Stewardship Association, Mike Buwalda, CSA Stewardship Connections editor, a Lutheran church mission donor director, noted, "The Web has absolutely been a great boon for nonprofits to connect with donors—both as a communications channel and as a donation channel. We regularly see average gifts online of \$100, and the online donors are younger."


Donations that are set up as recurring payments offer organizations the increased stability associated with a consistent stream of revenue. Experts believe that a one-time annual decision results in a more generous contribution, as opposed to periodic giving decisions based upon cash on hand.

### Promote The Service

Religious organizations starting online giving programs must educate the congregation about e-giving in bulletin inserts, newsletters, posters and postcards. Church leaders should be well versed in how the program works and encourage worshipers to give online. "The most important thing is that the pastor promotes it from the pulpit," said Derryck McLuhan, vice president and managing director of Good Shepherd's Bank. "That's what gets the most attention and the most immediate response."

Because of the tendency for people to pledge more online and the nature of the recurring donations, e-giving helps churches of all sizes increase their revenue. McLuhan agrees, "As long as a church has a Web site and can host a link for an online giving feature it doesn't matter if a church has 100 people or 1,000 people," he says.

“Online giving is easy, especially for today’s younger computer savvy generation.”



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“ Experts believe that a one-time annual decision results in a more generous contribution, as opposed to periodic giving decisions based upon cash on hand.”

#### Quick Donations at Times of Crisis

Another important reason online giving is beneficial, according to research, is the ability to give quickly in times of crisis. Following an emergency or disaster, there is usually a spike in charitable contributions. E-giving makes it easy for people to donate and feel that they are part of the solution.

In the wake of the Gulf Coast hurricanes, 13 million Americans contributed to relief efforts, and according to the Pew Internet and American Life Project, online charitable giving increased 53 percent during September and October 2005.

After the September 11, 2001, terrorist attacks, the internet became a popular channel for contributions to relief efforts. The American Red Cross reported that almost 30 percent of the total raised in the aftermath of September 11th came from online gifts.

Donors mention other reasons for their preference to give online. The reduction of paper is a smart strategy for the environmentally aware. And in this day and age where privacy and security concerns are mentioned in the news on a daily basis, e-giving offers increased confidentiality.

#### Interesting Innovations

Some faith-based organizations are attempting to bridge their traditional procedures with the changing culture. Some church congregations provide authorization slips in the pews, removing the need for members to handle cash or remember a check. Another innovation that has appeared (with some measure of controversy) is on-site electronic payment machines. A small number of churches have installed payment kiosks with touch screens that allow electronic payments.

Other churches have tried a stand alone kiosk, or what a 2006 Los Angeles Times article dubbed an “ATM for Jesus.” Advocates point out the versatility and convenience of the kiosks, which permit the donor to optionally select recurring payments and even specify a particular fund,

such as a capital campaign, a mission trip or summer camp tuition. The kiosks can be configured to accept only debit card payments, an additional benefit for those churches that do not accept credit card payments for spiritual or economic reasons.

#### The Future of Charitable Giving

The median age of contributors at the online Network for Good site is 38, significantly younger than the average 60+ years of age of offline donors. As people who were raised in the Internet era become adults, there will be increasing comfort with the concept of e-giving.

Why is e-giving an important trend to watch, not only for religious organizations but for the country? Charitable organizations are an essential part of the fabric of American life. “Charitable giving plays an even larger role in the economy than is suggested by some \$260 billion in annual contributions. Each dollar of giving appears to create \$19 of extra national income,” according to a recent article in *The Christian Science Monitor*.

Charitable organizations are challenged by the constant imperative to maximize current contributions and cultivate new donors, amid shifts in the economy which foreshadow increasing demand for nonprofit services. Nowadays, when a cup of coffee or a fast-food hamburger is a non-cash purchase, not-for-profit organization must adapt to the needs and preferences of their donors. The promise of e-giving appears to be a positive development from which charities, churches and other places of worship will benefit.

With the combination of contributor convenience and the real possibility of significantly increased revenues, religious organizations must look to the Internet. And, with easy solutions such as Donate Now, that decision is a no-brainer. ♦

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*Jeff Gonzales, AAP is director of marketing at ACH Direct, Inc., in Allen, Texas, one of the fastest-growing privately held electronic funds transfer processors in the United States. For additional information, please visit [www.achdirect.com](http://www.achdirect.com).*