

# Add electronic payments to your church's arsenal

**Churches should prepare for the unexpected and plan to use online payment methods.**

Recently my son had an opportunity to see a rotary dial telephone, the kind I used with great frequency as a girl. I found his surprise amusing, that he was in awe of the size of the phone — much larger than his cell phone — and that he was puzzled by the dialing mechanism.

Let's face it, times have changed. This era of information and innovation is visible everywhere and is certainly used in our faith-based organizations. Many churches have found ways to leverage technology to better serve their congregation. Some use sophisticated audio/visual equipment in their worship service. Church members are becoming accustomed to new ways of receiving information from their church: in 2005, 57 percent of churches had a Web site.

Technology is responsible for changes in the way money is handled. The bulky checkbook has been replaced with a single debit card. Check volume has dropped to 37 billion checks written in the U.S. in 2003, versus 50 billion in 1995. The Federal Reserve Bank estimates that check volume will drop to 26 billion by 2009. In general, there is increasing comfort with electronic payment applications. A recent study reported that 63 million Americans bank online, and 40 percent of bill payments were made online. The trend seems certain to continue.

## **Online giving is growing**

Churches and charitable organizations have benefited from these changes, too. Some of the nation's largest charitable organizations report that online giving is growing by 50 percent or more every year.

Harnessing technology to accept donations electronically can be a win-win for both churches and their members. E-giving promotes peace of mind for members of the congregation, because they can count on their donation being made whether or not they are physically in the church. It is also a convenient way for the faithful to continue to fulfill their spiritual commitment even when they are ill, on vacation or unable to attend due to inclement weather. 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.

For church administrators, e-giving offers the stability associ-

ated with a consistent stream of revenue. Reducing the time and labor required to process checks and drive to the bank to make a deposit means that important resources can instead be dedicated to higher causes. Thanks to robust reporting tools which streamline accounting processes, which is an important benefit for stewardship. Notably, the generosity of donors who contribute online is significantly greater for the gifts given both electronically and by traditional means, as compared to donors who do not give online. The Kintera/Luth Nonprofit Trend Report found that online contributors gave as much as 50 percent more than those that donate through traditional means.

While implementing e-giving offers advantages under typical circumstances, there are many compelling reasons for churches to consider implementing it now as a part of a contingency plan. Just a year ago our nation was reeling from the devastating impact of Hurricanes Rita and Katrina. And while many organizations had contingency plans in place, most had not planned for the magnitude and duration of these natural disasters. In the aftermath of the Gulf Coast devastation, the media churned out dozens of articles with useful advice on how to prepare for similar emergencies. Much has been written about physical security, but why not also include fiscal security in the plans?

## **Online giving makes donating easier**

The hurricanes last year forced thousands of residents from their homes and communities. In times like these, having a consistent stream of income takes on added importance for faith-based organizations, as churches traditionally are among the first responders in the community. Online donations may be made from anywhere, which helps maintain a church's ability to deliver services and aid to those in need. Paper checks were destroyed, contaminated and lost during last year's hurricanes. With e-giving, the payments are made through a secure network.

Following an emergency or disaster there is usually a spike in charitable donations. 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 tragedy 13 million Americans contributed to relief efforts online. According to the Pew Internet and American Life Project, online charitable giving increased 53 percent during September and October 2005. After the 9/11 terrorist attacks, the Internet >>

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**By Deborah Matthews**



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 9/11 came from online gifts.

It doesn't take an event of horrific proportion to appreciate the benefits of e-giving. An electrical grid knocked out, a winter snowstorm, or even a flu epidemic can cause havoc in a community. Just as times have changed so have the unexpected

challenges potentially facing us. When church leaders consider and construct their contingency plans, it makes sense to proactively implement e-giving now.

**Deborah Matthews is vice president of marketing for ACH Direct, Inc., in Allen, TX. Go to [www.achdirect.com](http://www.achdirect.com).**



## More contributors consider online giving safer than a check

**Online giving allows churches to offer convenience and security to contributors.**

Who carries a checkbook anymore? Today people are becoming not just Internet-savvy but Internet-dependent. More and more people are making their purchases of everything from airline tickets to books to household supplies online.

Today more people pay their bills online and appreciate the security of Internet transactions. In the early days of the Internet there was a perception that there was risk involved, and there was. But now people are comfortable with secure giving sites.

Many consider them safer than giving their credit card to a waiter (which most people do anyway), and increasingly people consider them safer than mailing a check.

To offer an online giving option is simply to be consistent with the way people are handling money in every other part of their lives. Online giving makes giving simpler, easier and safer for a church member or contributor to any Christian organization.

**By Derryck McLuhan**

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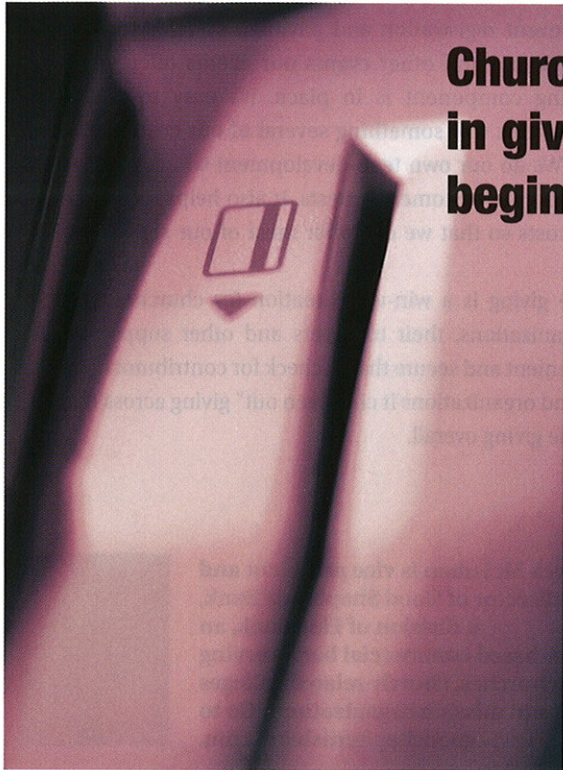
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## Churches see an average annual increase in giving of about 10 percent when they begin offering online giving options.

### Even out the giving pattern

Online giving offers more than convenience and security for contributors. It also offers churches a way to even out the giving pattern, helping ensure consistent cash flow to meet operating budgets during times of the year that are traditionally slow for giving.

Of course no one wants to encourage church members to skip Sunday services. But people do travel. Some retired people spend part of the year in other parts of the country. Online giving enables them to give a set amount of money on a very regular basis and set it up to happen whether they're in church or not. We find that online giving is tremendously well received by parishioners — after all, people who are very committed to giving to their local church want to give. Online giving meets a need they have. >>



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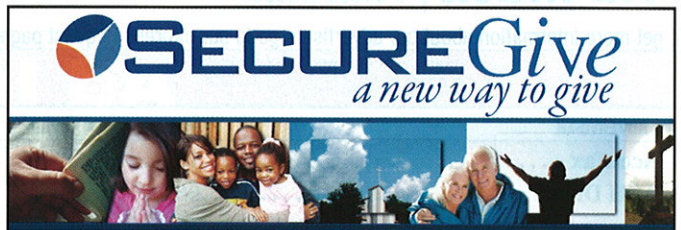
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## A strategy for increasing overall giving

Even more importantly, online giving can and does increase giving. It can do this by separating giving from attendance. Recent surveys have found that churches see an average annual increase in giving of about 10 percent when they begin offering online giving options. Why? For many people, as we know from the tithing or pledging process, it's easier to give money if it comes off the top, and online giving on an automatic basis can make this happen.

Let's face it — most people do their giving when they go to church, which is why giving tends to go through a lull when many families are on summer vacation or traveling at Christmas. Online giving lets parishioners give on a regular basis without having to be physically present.

## How online giving works

At Good Shepherds Bank, we provide each customer with a link to a template that works with their Web site. They can customize it to look like their Web site, so that when contributors visit it has a "seamless" feel. Customers get an online administration site and contributions are processed in real time.

We also offer other features especially for churches and other non-profits. For example, we're in the process of introduc-

ing online event registration and payment systems for mission trips, conferences and other events our clients offer. Once the online giving component is in place, it's easy to add other features, and this was something several of our customers were asking for. We do our own tech-development which allows us to easily incorporate customer requests. It also helps us reduce our operating costs so that we can offer most of our services at low or no cost.

Online giving is a win-win situation for churches, church-related organizations, their members and other supporters. It's more convenient and secure than a check for contributors. And for churches and organizations it can "even out" giving across the year and increase giving overall.

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