

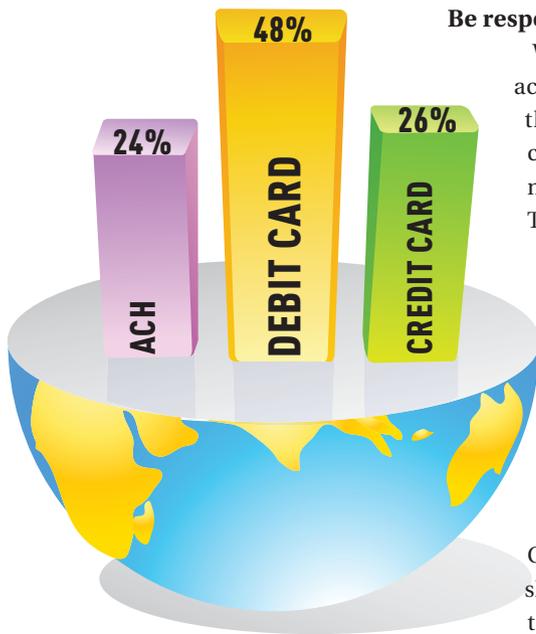
Online giving spurs an upturn in a down economy

The ease and security of e-giving help sustain tithes and offerings.

When Fellowship of the Parks Church in Keller, TX, provided online giving to their members “we improved our overall annual giving by 104 percent during a time when our congregation only grew by 65 percent. In 2007 we began accepting ACH transactions and added credit and debit cards in 2010. Electronic giving has increased a total of 575 percent since we first started our program,” reports Doug Curlee, executive pastor.

Online giving has also stabilized the church’s weekly giving trends when experiencing reduced attendance during holiday weekends “This year July 4 fell on a Sunday which impacted our weekly attendance. We would have experienced a greater decrease in our tithes had our members not established recurrent electronic giving,” says Doug Walker, senior pastor.

2009 TRANSACTION TYPES



Be responsible

While Fellowship of the Parks accepts all forms of online giving they ask their members to use their credit cards responsibly to eliminate the risk of debt accumulation. This is true for many who use cautionary language on their websites to encourage responsible giving. Other churches prefer to eliminate that risk altogether. In doing so are they also eliminating the benefits associated with online giving? A statement from Gateway Church in Southlake, TX, says: “Because Gateway Church firmly believes that people should not go into debt in order to give to the Kingdom, we do not accept credit card donations.”

When a church decides not to accept credit cards for online giving they are echoing the trend currently experienced in American households. According to NACHA (last April) and Nilson Reports (last February), there were 75.16 billion non-cash transactions placed in the U.S. during 2009. The breakdown of this total shows 24.96 percent ACH, 26.876 percent credit card and an overwhelming 48.164 percent debit and pre-paid card transactions.

This trend is further illustrated when looking at the online giving patterns at Cross Timbers Community Church in Argyle, TX, which receives “28.4 percent of our overall giving electronically and continue to increase this percentage annually,” says Todd Helgesen, stewardship pastor. While all forms of giving are >>

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Basic Visa Credit Card, Online	1.80% + .10	.11%	\$2.01
Visa Rewards II Credit Card, Online	1.95% + .10	.11%	\$2.16

*Rates quoted ased on July, 2010 Visa Interchange Pricing. All interchange rates can be obtained on Visa and MasterCard's websites

*Transactional Interchange rates paid back to card issuing bank

*VISA DFA paid from merchant services company to VISA

accepted “12.7 percent of funds are ACH, 33 percent credit cards and 54.3 percent debit cards,” Helgesen says.

Most merchant services companies offer ACH (electronic check) services which allow members to establish one-time or recurrent transactions online. Ardent Giving Solutions recently introduced an additional debt-free option: “Debit Card Only Giving” for online transactions. “Debit Card Only Giving” blocks credit card transactions when giving online, via kiosk and wireless solutions. When a member attempts to give using their credit card they will receive an error message.

Error messages can be personalized by the church and displayed in donor management software. Giving reports can be automatically downloaded into compatible software solu-

tions or manually imported into others. Ardent Giving Solutions developed “Debit Card Only Giving” to help churches who embrace a debt-free philosophy but who want to provide their members the opportunity to give using a debit card without having to accept credit cards as well.

By choosing to accept ACH or debit cards only, a church not only establishes a debt-free culture but experiences the added benefit of lowering transactional costs.

ACH transactions costs vary from a transaction fee only to transaction fee plus a percentage. When researching rates, the highest transactional cost quoted per \$100 tithe was \$1.50.

Lower transaction rates

Debit card transaction rates are lower than credit card rates. Visa and MasterCard charge “interchange rates” based on transaction type and card type. Visa and MasterCard services are provided to churches through merchant service companies who charge an additional “mark-up” to the interchange rate. While wholesale cost is not the final expense due to the “mark-up,” it serves to provide a baseline to uncover your potential partner’s profit margin on each transaction. Since pricing on debit card processing has a lower interchange rate, a church should expect to experience lower overall cost when accepting debit cards only.

Every company has different fee structures for all forms of processing. It is best to compare companies by factoring both transactional costs with any other fees associated to understand total overall expense. It is also important to note that though your software company may partner with a specific merchant services company, you may find cheaper costs elsewhere while still enjoying the benefits of automated reporting.

When establishing an online giving program, the goal is to choose services that would be most used by your members and match your church values at the lowest cost and provide tools that will help your ministry thrive. CE

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