Online Giving Options for Congregations and Synods

This Guide
This guide outlines factors to consider when deciding how to offer online giving for your congregation. Online payment services and technologies change and evolve rapidly. Please consult the resource links at the end of this guide for the latest information.

Why offer online giving?
As more and more members use computers, tablets and smartphones to help organize their daily lives, many congregations offer online giving — credit card payments or withdrawals from checking/savings accounts — as a convenient stewardship option. Accepting credit card payments for event registrations or special fundraising is also becoming more common place. Advantages of online giving include:

- Automatic recurring donations minimize seasonal slumps in giving
- Reduces time spent tallying donations and preparing deposits
- Reduces handling of checks and cash in the church office
- Reduces use of natural resources consumed in donation envelopes and checks
- Making a donation online may be more convenient for a congregation visitor.
Online Giving Basics  New to online giving? Here's a review of the basic components of online giving:

**Step 1:** In the typical online giving scenario, a donor uses a computer, tablet, or smartphone to go to your congregation website, or directly to a designated online giving page by entering a specific URL, or by using their smartphone to scan a “QR” code in a congregation bulletin or newsletter. The donor fills out a form to collect basic information needed to process the gift. With most systems, the donor is also given the option of creating an account to use for future logins (a login allows the donor to retrieve their giving history and manage any recurring gifts). Most systems also allow for one-time gifts without requiring the donor to register.

**Step 2:** As part of processing the transaction, some information may be stored with your online giving vendor for reporting purposes. For this reason, make sure to verify that the vendor is certified as meeting Payment Card Industry (PCI) security standards. It is important you and your donors trust that credit card and donor information is secure.

**Step 3:** Credit card, debit card or ACH (bank checking or savings debit) processing is usually handled by a specialized merchant services company. Some online giving vendors manage the merchant services agreement for you. With others, you are responsible for securing a merchant account separately.

**Step 4:** Donor funds are either deposited directly in the congregation bank account or sent as a check on some periodic basis. The timeliness of delivering funds is one of the important factors to compare between vendors.
Considerations for Selecting an Online Giving Service

The importance you place on the factors listed below should help narrow your search for an online giving vendor. You can download a spreadsheet version of this feature list and use it to compare vendors you are considering. For these and other features, find out if additional fees are charged.

1. **Cost.** While online giving has become a standard cost of doing business for many non-profits, it is important to understand the cost structures as you evaluate different services. Cost components can include: set-up fees, monthly fees, charges for each transaction, hosting fees and fees based on a percent of each transaction that go to the online giving service provider; fees that go to the credit card processor or for ACH withdrawals from checking or savings. Special features like “text-to-give” services or card-swing hardware can add costs. Does the service have the option of prompting the donor to help cover the cost of the transaction by displaying that actual cost?

2. **Support for recurring gifts?** This will immediately eliminate a number of vendors who don’t allow registered users to schedule recurring payments.

3. **Merchant account separate or included?** Some online payment vendors require that you bring your own merchant account (e.g. PayPal) to connect to their system. This may be fine, you just need to figure in any merchant account fees.

4. **Pledges.** If having members indicate their pledge online for a particular time period is important, you may find that a limited number of vendors serving the faith-based sector have this feature.

5. **Fund designations for “regular” giving.** It is pretty common for donors to want to indicate their support for various church funds/purposes (e.g. Operations budget, Building fund, World Hunger, etc.). Does the service you are considering allow the member to split their gift across funds? Can they make a one-time gift for a purpose they specify?

6. **Designated giving.** Can special campaigns or designated giving opportunities be established in addition to the “regular” giving?

7. **Tribute gifts.** Can a gift be made in honor of or in memory of someone, with the option to ask the congregation to send a gift acknowledgement to the person being honored?

8. **Mobile giving options.** At a minimum, does the service provide a giving page that is optimized for smartphone users? Is there a “QR code” a donor can scan with a smartphone to jump to the giving page? Optionally, do they provide a giving “App” (generally only available for non-Apple devices)? Finally, is there a “text-to-give” option, using a phone text message? That last feature is less important with the advent of smartphones, and text donation systems are generally expensive and limited. At least one vendor (Vanco) has developed a hybrid text-to-give service that overcomes some of these limitations, if your members are asking for that capability.
Other Features/Factors to Consider

- What is the payment cycle (time between when a member donates and the funds are deposited in the congregation bank account)?
- Virtual terminal access for entering a donation on behalf of a member.
- Can a member log in and see a giving summary for the year?
- Integrations between the payment service and the congregation church management system, email delivery service and online event registration system. Can the giving form be integrated with your congregation website and Facebook page?
- Does the congregation name appear on the donor’s credit card statement?
- Can the system be used for event registrations, memberships, selling tickets, selling merchandise?
- How about individual or team fund-raising pages?

Vendor Service and Reputation
Some online payments vendors are geared toward faith-based organizations, offering features and support materials tailored to congregational use. Ask how long the company has been in business, number of employees and number of congregations served. What customer support services are provided for free or fee: 800 telephone support (during what hours?); average response time for email support questions; online knowledgebase for support questions. What training materials are available (tutorials, webinars, user guides)?

Sources for more information
Create a list of vendors offering online giving services with recurring gifts as a starting point for your vendor search. Start by looking at what options are available or compatible with your existing church management package. Contact other churches in your area to find out what they use and whether they are happy with the results. Here are some additional resources to consider:

- Comparison spreadsheet. Use this Excel workbook to track features and pricing for vendors of online giving services.
- “What Online Giving Can do for Your Church,” 8/2013 good basic article from Christian Computing Magazine.
- “A Few Good Online Donation Tools,” 5/2010 article from IdealWare.
- “Five Online Giving Lessons for Churches,” summary of points of interest for churches from the Blackbaud 2011 Online Giving Report. 5/2012 article from the Managing Your Church website.
- “Is Online Giving Really Important For A Church?” 5/2012 article addressing common questions raised about online giving and churches, from The Charis Group blog.