Direct withdrawal via ACH is a type of electronic payment in which funds are withdrawn or debited from a donor’s checking or savings account and transferred electronically to your organization. Direct withdrawal via ACH payments are processed through the Automated Clearing House, an electronic network at the center of commerce in the U.S. that moves money and information from one bank account to another through direct deposits and direct payments. It serves as an efficient means for nonprofit organizations to collect donations. For more information on ACH payments, visit electronicpayments.org.

Best Practices: Growing a Sustaining Donor Program through Direct Withdrawal via ACH

Direct withdrawal via ACH offers a strong opportunity to build a sustaining donor program. A campaign powered by direct withdrawal via ACH accomplishes two program goals:

1. Provides an easy opportunity to migrate one-time contributors to sustaining donors.
2. Helps your organization avoid the hassle of updating credit card expiration dates for current sustaining donors.

Sustainers’ contributions can be worth up to four times more than those from traditional or one-time donors over the life of their giving. In addition to donating more frequently and at higher amounts than traditional givers, they often continue to give for many years.

This is why the nation’s most successful fundraising organizations have implemented comprehensive sustaining giving programs. And one key to making them work is to promote direct withdrawal via ACH as the default payment option for ongoing donations.
Best Practices to Grow a Sustaining Donor Program with Direct Withdrawal via ACH

- Consider creating a name for your sustaining donor program for direct withdrawal via ACH donations that means something to your donors (i.e. Evergreen or Vivace – for classical music). Use the program name in all donor communications instead of the payment method.

- Make sure donors understand that they are signing up for an ongoing monthly donation, not an annual contribution divided into 12 installments. Their contribution will continue until they change the amount of their gift or cancel it.

- Emphasize that sustaining donations provide uninterrupted support at a lower cost. This allows you to spend more on the mission, and less time and resources on fundraising and administration.

- Make direct withdrawal via ACH your first or default payment option for signing up new sustaining members. For current donors who give by credit card, encourage them to migrate to direct withdrawal over time as their credit cards expire.

- Make the enrollment process easy for donors by allowing them to do their setup online. With online setup there is no need for donors to send in a voided check.

- Include information on the direct withdrawal via ACH option in all mailings, emails, newsletters, and phone membership campaigns.

- Don’t forget to include sustainers in all giveaways and promotions.

- Take every opportunity to express your thanks to these sustainers and how much they help the mission of the organization.

- Use segmented emails during your traditional campaigns, asking sustainers to increase the amount of their existing sustainer gift.

- Explain how sustaining donations via ACH eliminate credit/debit card fees for the organization so your donors’ support will go further.

- Provide an annual tax receipt each January, documenting cumulative gifts for the calendar year.

Best Practices to Set Up Direct Withdrawal via ACH as a Payment Option within Your Organization

- Work with your local bank and/or vendor to set up ACH.
  - With your bank, this may involve working with either a specialized cash management or treasury management officer or with your local branch personnel.
  - With your vendor, ask them if your current software supports donations via ACH and if payments can be posted to your donor database.

- Work with your internal IT team or your vendor to ensure that you can safely gather, maintain, and protect the account information provided by your sustainers.

- To make things easier to track and report, integrate the receipt of ACH payment information with your donor database and accounting systems.

- Make donation painless by enabling online setup for the donor, eliminating the need to provide a voided check.

To learn more about direct withdrawal via ACH, visit electronicpayments.org.