What is Direct Withdrawal via ACH?

Direct withdrawal via ACH, also known as electric funds transfer (EFT), is a type of electronic payment in which funds are withdrawn or debited from a donor’s checking or savings account and transferred electronically to your organization.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. The network 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.

Make Giving a Habit: Messages that Resonate to Encourage Donors to Switch to Recurring Payments via ACH

Most nonprofit organizations have strategies that focus not just on acquiring new donors, but retaining them for years to come. While the occasional donor is always appreciated, the key to fundraising success is the sustaining donor who regularly contributes a set amount to a nonprofit — typically monthly.

Direct withdrawal via ACH, which is also known as Electronic Funds Transfer or EFT, is the gold standard for sustaining donations. More cost effective for nonprofits than donations made via credit/debit cards, nearly three-quarters (71 percent) of ACH donors authorize automatically executed donations according to a set schedule.

So what drives a donor to select ACH payments? A Nacha-commissioned research study has identified the most effective messages for convincing donors to choose this payment type.
Top Messages to Help Convert Donors to Direct Withdrawal via ACH

1. Using direct withdrawal via ACH means more of your money goes directly to our cause.
   
   **Key message:**
   Donations made using direct withdrawal via ACH* are more cost effective for your nonprofit than credit/debit cards, as card donations can cost an organization 3-5 percent of the donation amount.

2. Your account information remains confidential with direct withdrawal via ACH.
   
   **Key message:**
   Unlike paper checks, which contain your personal information, including account number, and can pass through many hands, donations using direct withdrawal via ACH are transferred electronically. Your personal account information remains protected.

3. Direct withdrawal via ACH is one of the safest payment types.
   
   **Key message:**
   Donations using direct withdrawal via ACH are safe, secure and confidential.

* 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.
Top Messages to Help Donors Choose Direct Withdrawal via ACH Payments

1. For paper check donors, security and ease are extra important.
   Key messages:
   Donations using direct withdrawal via ACH are safe, secure and confidential.
   Making a donation using direct withdrawal via ACH is fast and easy, and saves time. There is no need to fill out a paper check, or find stamps and envelopes to mail your donation.

2. For card donors, reducing both environmental footprint and fees are essential.
   Key messages:
   Donations using direct withdrawal via ACH help reduce your nonprofit’s environmental footprint by decreasing the amount of paper that you and the organization must use to process paper-based solicitations and payments.
   Donations using direct withdrawal via ACH are also more cost effective for your nonprofit than credit/debit cards, as card donations can cost a nonprofit 3-5 percent of the donation amount.

3. For frequent donors, speed and ease resonate well.
   Key messages:
   With donations using direct withdrawal, your nonprofit receives your donation quickly, allowing your financial contribution to be put to good use right away.
   Making a donation using direct withdrawal is fast and easy, and saves time. There is no need to fill out a check, or find stamps and envelopes to mail your donation.
Top Messages to Help among Demographic Groups

1.
Younger donors – age 21-39 – tend to hone in on messages about simplifying and streamlining the donation process.

Key messages:
Donations using direct withdrawal can simplify your life. Recurring direct withdrawal payments never expire so you can rest assured knowing your giving will continue until you decide to stop.

By setting up an automatic, recurring payment, you never have to worry again about having cash, a checkbook, or a credit/debit card handy to show your support for a cause.

2.
Among women, being in control and organized is essential. Men want to know that their donation is received and put to use quickly.

Key messages:
Donations using direct withdrawal put you in control. You can choose whether you make a one-time payment, or set up recurring payments, and you can select the timing and amount.

With donations via direct withdrawal, record keeping is made easy. You can track your giving through your regular banking statements or online banking, eliminating the need to wait for any year-end statements.

With donations via ACH, your preferred nonprofit receives your donation quickly, allowing your financial contribution to be put to good use right away.

For tools and resources to support your efforts, visit ElectronicPayments.org/donor.