

# Why it Pays for Nonprofits to Encourage ACH/EFT Donations

It's a nonprofit no-brainer: Encourage recurring donations through ACH/EFT.

"Those organizations that have been doing this, that started with EFT early on, they get it," said Erica Waasdorp, founder and president of the fundraising consulting firm A Direct Solution, and author of "Monthly Giving. The Sleeping Giant." She works with organizations of all sizes, but focuses on small donors—generally \$250 or less—with an emphasis on monthly giving.

At a July 2019 fundraising conference, Waasdorp's co-presenter told her that 18% of her organization's sustainers give by direct debit. Waasdorp said with this nonprofit there's a simple explanation: "Because they've always had that [ACH/EFT] option on their donation forms and on their platforms."

In fact, a Nacha case study of Capital Public Radio in Sacramento, California, found that 76% of its sustaining donors pay with ACH, and are responsible for 44% of all individual donation dollars. They also have an 18% greater likelihood of continuing to give after the first 12 months than sustainers who use credit or debit cards.

So why isn't every nonprofit embracing direct debits via ACH? Waasdorp answered that question with another question.

"What do they have in place to manage their donations? Many online platforms have added EFT, but not all. There are still many platforms that don't have that option," said Waasdorp, adding it can be especially hard for smaller

organizations to get started with ACH/EFT. "They're busy. They don't really have time."

But it doesn't have to be arduous, and certainly not impossible. Waasdorp has found inexpensive, easy to use platforms with ACH/EFT built in, and nonprofits are starting to embrace them.

Brad Smith, Nacha Senior Director, Industry Verticals, said "nonprofits shouldn't hesitate to ask their payment providers to make ACH/EFT an option. There are too many positives to accepting donations by ACH/EFT to simply write it off as being 'not available.'"

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Erica Waasdorp, Founder,  
A Direct Solution

Waasdorp also noted that "even if your current platform doesn't allow for ACH/EFT yet, one easy way to get started can be by adding a downloadable form with the ACH/EFT option to the website."

You'll find such a form—and whole lot more—in Nacha's Nonprofit Toolkit, which has everything necessary to start an ACH/EFT donation program or enhance an existing one.

"Among the wealth of items in the Toolkit is information on what's required for ACH authorization, as well as messaging for donors, to dispel some of the myths and misunderstandings," said Smith. "There are also white papers, case studies and

more. Nacha is always ready to help."

For donors who reflexively write a check or give a credit card, Waasdorp said some education might be in order.

"I really think it's a cultural thing," said Waasdorp, who was raised in the Netherlands, where direct debits have been commonplace for decades. "Americans don't necessarily think about the EFT option yet, but as more nonprofits are leading with it, that's starting to change."