Stewardship of Treasure: Developing a Parish Plan
For Automated Giving

What is Automated Giving?

It is a convenient, safe, reliable, paperless, electronic transaction that goes through the Automated Clearing House (ACH) and transfers money from one bank to another. An automated giver is a parishioner, who through prayer and reflection chooses an automated way to exercise good financial stewardship by having his/her regular weekly offering electronically delivered to the parish.

Why Do I Need a Plan for Automated Giving?

A plan for Automated Giving helps the parish make more appropriate and optimal decisions regarding all aspects of parish life. This includes considering all operational procedures as well as developing communication and marketing strategies. This booklet will help with the planning process.

Why Automated Giving?

One of the principles of good financial stewardship involves planning the gifts that are to be shared; giving of our first fruits. Implementing an Automated Giving strategy in a parish is one great way that parishioners can enact their financial stewardship plan each year.

> The average "good," contributing parishioners are only in the parish an average of 44 out of 52 weekends a year.

What are the Benefits?

For those who embrace stewardship as a way of life, Automated Giving for the weekly collection provides an opportunity to keep the Church a priority when it comes to sharing financial gifts (i.e. the Offertory).

- Help the parishioner give their first fruits instead of what is left over.
- The more people that use Automated Giving, the more reliable a parish's revenue stream will be from the weekly Offertory.
- Automated Giving is significantly more secure than cash gifts. For example, when largely promoted, the use of Automated Giving minimizes the physical cash on hand in a parish office.
- As more parishioners choose Automated Giving, data entry by parishes for the regular collections will be less time consuming and the cost for envelope mailings will decrease.
- Not everyone attends Mass each week (for a variety of reasons), so Automated Giving ensures that the parish regularly receives the intended gift as planned by the parishioner.
- Offering levels are increased because people who tend to give regularly tend to give more.

- No contributions can be withdrawn from a parishioner's account without their written permission.
- Parishioners may cancel or change their contribution amount at any time simply by sending in a written notice.
- You are giving your members something they want. You are providing a convenient method for members to give. Many commercial and nonprofit organizations offer ACH funds transfer as a way to pay or donate income. In fact, many other churches are already benefiting from ACH!

Where Do We Begin?

Your parish plan should address the following points:
1. Your Vendor
   a. Financial Institution
   b. Internet Vendor
2. Operational Issues
3. Security Consideration
4. Communication and Marketing
5. Other Kinds of Automated Giving/Direct Debits

Your Vendor

1. Is your bank an ACH Originator? There are also many internet vendors that provide this same service that you may want to consider. Debbie Rossi can provide you with a list of internet vendors that other parishes are utilizing.
2. What do you have to do to set up and initiate ACH debits for your parishioners' accounts through your bank?
   a. Which parish bank account will be the recipient of ACH debits?
   b. What bank forms do you need to complete? Who needs to complete and sign them?
   c. What bank services do you need to begin to use in order to generate ACH transactions?
   d. Are there online processing capabilities? (Do you have adequate computing systems to handle the bank's online processing? Do you have firewall protection?)
   e. How do you physically generate an ACH debit from a parishioner account?
   f. Does the bank's system allow for recurring transactions?
   g. What types of bank accounts can be used for the ACH debits (checking, - savings accounts)?
3. What fees will your bank charge? Are there one time and recurring fees?
   a. To set up ACH debits? Per ACH transaction?
   b. For a "returned" ACH transaction due to insufficient or uncollected funds?
   c. How many times is the ACH debit attempt made before it is returned (usually 3)?

4. What happens if an ACH debit "rejects" or is "returned"?
5. Your bank statement: How are the ACH credits to your parish's bank account reported to you (as a bulk or "batch" deposit)? Is there a way of viewing the contents of each bulk or batch deposit?
6. Does the bank report provide totals debited to an account by month and year to date figures for ease of reconciliation with parish records?
7. What kind of reporting does your bank provide (online and/or hard copy) that will show details for each ACH transaction (bank number, account number, amount, and date of transaction)?

Operational Issues

1. Based upon your bank's fees, what you think parishioners would want, and your own preference for parish record keeping, decide the intervals that the ACH debits take place?
   a. Monthly on the 1st of the month
   b. Weekly, Twice a Month, Monthly
   c. 1st of the month, 15th of the month
2. Most people have a checking account. Some have statement savings accounts or other accounts that allow ACH transactions. What kind(s) of accounts will you show on your Authorization Form from which parishioners can choose?
3. If you choose a monthly interval, how will you calculate the offering? The simplest method is a rounded set amount each month. For example, $100.00 a month or $50.00 twice a month. Your parish's Authorization Form should reflect this choice and show examples.
4. How will your parish address the ritual action of the Offertory for those parishioners who choose Automated Debits?
   a. Perhaps change the current envelope system for automated givers. Some ideas follow and depend upon your envelope supplier:
      i. Automated Givers receive a packet of envelopes containing only special collection envelopes.
      ii. Automated Givers receive a regular packet of envelopes and are instructed to write on their weekly envelope "ACH" or "DD" (direct debit).
      iii. Automated Givers receive a regular packet of envelopes that includes a box ☐they can check to indicate they are Automated Givers. The envelope is placed in the offertory basket.
      iv. Automated Givers receive a regular packet of envelopes containing only special collection envelopes. Additionally, Offering acknowledgement Cards are available before each Mass. Each family takes a card and places it in the collection basket. These cards are then "recycled" for the following week.
5. Human Resources: Who in the Parish will be responsible for:
   a. *Accepting* and processing the Parishioner Authorization Forms?
   b. *Verifying* the Parishioner Authorization Forms?
   c. *Processing* Updates, Changes, and Cancellations?
   d. *Verifying* Updates, Changes or Cancellations?

e. *Reconciling* the bank statement with the bulk (or batch) processing reports?
f. Periodic audit of Automated Giving program?
6. Parishioner Authorization Forms:
   a. Who will customize the form based upon your parish plan? (the parish name, frequency of payments, types of accounts, etc. Other legal verbiage on the Authorization Form should not be changed.)
   b. How the forms will be distributed?
   c. Where will completed forms be kept?
   d. How will Automated Givers be given access to new forms for Updates and Changes?
   e. How will the Parish accept cancellations?
7. Financial Adaptations:
   a. How will Automated Givers be given the opportunity to plan their level of giving?
   b. Will they be given annual opportunities to increase their giving?
8. Collection Counters' Procedures:
   a. How the Collection Counters handle envelopes coming from Automated Givers?
9. Parish Database Entry Issues
   a. How will Automated Givers be designated in the Parish Database? (Example: keyword: DirectDebit)
   b. How will the collection data for the Automated Givers be entered? (example: if the interval is monthly, once a month, and in batches if your system has that capability).
   c. The Parish Database should be specifically coded so that Automated Givers' contributions are listed separately by account (for annual reporting purposes) - to differentiate ACH electronic transactions from regular envelope giving.
   d. Are there any special database considerations (based upon your current parish system) for inputting Automated Givers' renewal commitments (for example, entering rates, terms, and fund keywords in ACS)?
10. Discussion with Parish Finance Council:
   a. A decision to offer ACH services should be discussed with the Finance Council prior to implementation. They can offer additional guidance to the Pastor and Pastoral Administrator in designing the appropriate form at your parish.

Security Considerations
1. Confidentiality and Record Retention
   a. How will confidentiality of parishioners choosing Automated Giving be maintained?
   b. In what safe and secure location will the Authorization forms be kept? Who will have access to them?
   c. If any data regarding ACH transactions is kept on parish computers, how will it be secured (password control)?

2. Dual Control and Oversight
    a. What checks and balances will be in place? (Example: Dual control - different people entering data and reconciling accounts).
    b. Who will periodically review the ACH bank reports and statements, and reconcile these with records with the parish contribution records?

Communication and Marketing
1. Advertising and Promotion
    a. How will the parish get the word out about the Automated Giving Program?
        1. Designate two weekends for sign up in an in-pew effort or following Mass
        2. pulpit announcements
        3. lay witness
        4. welcome kit
        5. bulletin announcements
        6. add a box on the offertory envelopes
        7. post information and form on your parish website
        8. mailing
        9. flyers
        10. poster
        11. an ad in the monthly envelope mailing
    b. How often will the parish promote Automated Giving?
    c. Will goals be set?
    d. How will the parish target non-envelope users? Those who currently use envelopes? Those who don't receive envelopes?
    e. Will the parish consider designing an "Automated Giving" display that will include an informational poster and blank authorization forms?
2. Parishioner Inquiry Packets
    a. How will the parish handle parishioner inquiries about Automated Giving?
    b. How will the Inquiry Packets be distributed?
3. Thanking Parishioners who Choose Automated Giving
    a. How will the parish thank parishioners who decide to participate in the Automated Giving program?
4. On an annual basis, parishes are encouraged to request the parishioners to prayerfully consider increasing their contributions each year. This is done by sending a letter and an electronic giving update form to their homes each year.
5. Report amount collected through electronic giving compared to regular offertory giving in the bulletin.

Other Kinds of Automated Giving/Direct Debits

1. Parishioner Controlled/Initiated
   a. Parishioner initiates Automated Giving on their own, through an online bill paying service. This usually generates a paper check to the parish, which is then handled as a regular contribution in the same manner in which the parish currently handles checks for the regular collection that come in the mail.
2. Credit Card Transactions
   a. Is the parish set up to accept credit cards for donations?
   b. Credit card transactions have their own security and operational issues which are similar but different from those mentioned in this booklet.
   c. The credit card fees are based on the volume of transactions, and are generally higher than ACH fees.

Sample Forms and Documents

Contact Michael G. Pedley Director of Stewardship and Institutional Advancement for sample copies of the following forms:

- Introduction letter
- Application
- Confirmation letter
- Change form
- Cancellation form
- Annual letter
- Bulletin ads