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TOP TEN MISTAKES CHURCHES MAKE

WITH AUTOMATED OFFERTORY

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Introduction

Since 2001, ParishPay has provided churches with state-of-the-art technology, security, marketing and service to help them introduce automated offertory to their members. Churches following the ParishPay Implementation Strategy experience an enrollment rate of between 10-30% of regular envelope users in year One, and families enrolling in ParishPay increase their annual financial support for their church by 75%, on average.

Many churches that have partnered with ParishPay had previously offered some version of automated offertory, often through an in-house effort or through their local bank. They were astonished at how much more successful their automated offertory experience was with ParishPay. Working together, we analyzed hundreds of different ways churches approached this service – from introduction through execution – and identified the most common pitfalls churches experienced that limited the success of their automated offertory effort prior to ParishPay.

These pitfalls are summarized below and are offered as a guide to church leaders to help them get the most from their automated offertory program.

1. Lacking a proven plan to introduce Automated Offertory to families or the strategy to encourage them to enroll

Several churches have some program in place to accept donations electronically, but because few families are using it, they assume the interest is not there for such a service. In fact, it is likely that families are either unaware the service exists or simply need some encouragement to change what for most is a deeply ingrained behavior pattern of contributing through the envelope system. Since families who move to Automated Offertory giving increase significantly the amount they contribute annually, the lack of a proven successful strategy to introduce Automated Offertory prevents a church from realizing the full potential benefit.

ParishPay has developed a proven, customizable strategy to introduce Automated Offertory to churches of any size, denomination or socio-economic background. This program offers churches a variety of tested strategies, the assistance of an experienced Customer Service Manager, a wide range of templates for materials, and a sharing of the most successful ideas and strategies from our more than 2,000 church partners.

2. Choosing a program that only works with bank accounts

Automated Offertory programs that transfer funds from bank accounts are popular with churches because of their low cost. But they are less popular with families for a variety of reasons. Many people today have variable incomes based on commissions, contract

work, or are self-employed. These families know how much money they will have over a given time period, but not how much will be in their bank account at any specific time. Many others prefer to maintain a large balance in higher-yielding accounts and move funds to lower interest bank accounts only as needed. For these families, a credit card that gives them a single monthly payment to make is the preferred option for managing their financial affairs.

In addition, in an era of heightened awareness of stolen identities and fraudulent charges, security experts recommend using a credit card rather than providing direct access to bank accounts in order to add the layer of security provided by the banks and card networks. A survey of customers by ParishPay revealed that 38% of families would not have enrolled in an Automated Offertory program if bank account auto-debits was the only donation option.

ParishPay allows families to give from their bank accounts or by using credit cards. Half of the families using ParishPay make gifts from their bank accounts, the other half use credit cards. Gifts from credit cards account for 65% of the total dollar amount of contributions collected through ParishPay.

3. Not providing donation slips for families to place in the collection plate during the service

The Offertory is more than a transfer of funds or a payment or even a donation. It is part of the worship service, one where all the faithful join together to give back to God a portion of His blessings to us. Giving families an option to make that donation through an Automated service, but failing to recognize the significant role the faithful place on participating in the Offertory collection during the service, creates a strong disincentive for families considering whether Automated Offertory makes sense for them.

ParishPay provides donation slips to families through coupon booklets available at the church or by downloading slips from a family's secure account page on our website.

4. Selecting a program that creates more work for the church staff

When a church selects a service that adds more work to an already-busy staff, or that requires mastering complex new procedures and intimidating processes, it is likely not going to be enthusiastically promoted by those staff members. Church staffs often already wear many hats. Asking them to become experts in the bank transfer process, credit card processing and security, on-line payment technologies, funds transfer procedures, marketing, and customer service issues associated with electronic payments can serve as a disincentive to promoting Automated Offertory more widely in the church.

ParishPay makes giving easier for families and for church staffs. Our Customer Service managers are always available 24/7 to respond to questions or issues relating to all aspects of the Automated Offertory service. We handle all aspects of recording giving

decisions, encrypting sensitive data, initiating payment requests, transferring funds, securely storing giving histories, and communicating any issues that arise with families and churches.

5. Failure to understand the security issues involved with Automated Offertory

Many churches have begun some program of Automated Offertory. Often, this requires a church staff member to initiate a transmittal of the payment information for each family on a recurring schedule. How churches store this bank and credit card data can often create unintended security risks. If the data is stored on a computer, does that computer securely encrypt the data? Is the computer connected to the Internet? If so, what level of security is provided by the browser and firewall software installed? Most of the commonly used commercial software products contain numerous, well-known security flaws, and new ones are discovered – and exploited – on a daily basis. Daily updates are required in an effort just to stay ahead of the criminal hacker community.

In addition to these “electronic” risks, the age old risk (or sin!) of temptation also exists. Every week there are sad stories in the papers of church staff members, or even clergy, who succumbed to the temptations created by the presence of unaccounted cash in the collection plate and engaged in theft of these donations. That sin of weakness has not gone away, but now with access to private banking data, and the identifying address information needed to commit fraud, its presence and potential resulting damage is greatly magnified. Church leaders and Finance Councils who do not put in place proper security controls regarding the management of this data may find their church liable for any resulting fraud.

ParishPay employs state-of-the-art 128-bit encryption to securely record and store data. Our equipment is constantly updated with the latest security features. Critical credit card and bank account data is encrypted as it is entered, and is then never viewable to church staff or anyone else accessing a customer account or church record. ParishPay’s staff also undergo rigorous background checks. ParishPay’s security procedures have been reviewed by the Fraud Prevention Teams from the major credit card provider networks and their resulting approval of our policies and procedures, coupled with our proven track record, are major factors in the very low credit card rates that we are able to pass on to our customers. In addition, ParishPay maintains a \$1 million per incident fraud insurance policy as an additional layer of protection for our church customers.

6. Simply trying to replicate the weekly envelope system

The idea of returning to the Lord a portion of His gifts to you on a weekly basis was built not around the weekly worship attendance God asks from us in honoring the Sabbath, but, instead, corresponded with how people were paid when such a system developed. The initial Offertory of fruits from the harvest of course only occurred when the harvest was conducted. Up until about thirty years ago, the vast majority of people received a weekly paycheck, and many of the other common financial responsibilities that a family had were met weekly as well.

But today, pay cycles are widely varied, with most occurring bi-monthly or monthly and nearly all other financial priorities occur on a monthly cycle (mortgage, car payments, utility bills, cell phone bills, etc.) Research by Villanova professor Dr. Charles Zech, author of “Why Catholics Don’t Give...And What Can Be Done About It” reveals that families who make a monthly giving commitment give nearly twice as much as those who make a weekly giving decision.

Moving families from the weekly envelope to a program of Automated Offertory is an excellent opportunity to also ask families to consider their giving as a monthly, budgeted financial responsibility. Programs that simply recreate the weekly envelope practice often miss out on the types of increases churches see when they take the opportunity to ask families to give differently both in form and in timing.

ParishPay integrated Dr. Zech’s research in designing our service. Dr. Zech was an advisor to the company as we developed our approach to Automated Offertory. Our stewardship approach moves families to a monthly giving service and results in an average increase in a family’s annual support to the church of 75% over what was contributed using envelopes in the previous year. That’s why so many of our customers say “ParishPay is better than envelopes.”

7. Choosing an Automated Offertory service that does not offer comprehensive customer support

Automated Offertory is about much more than processing a transaction. A family’s donation to their church is different from a payment to a company and their relationship with the church is much deeper and more important to them than their relationship to their health club, utility or other company to whom they also make “payments.” That means when there is a need for that family to modify a donation, update an account, or get a question answered, they will expect a robust customer support presence. When someone gives you permission to automatically transfer funds from their bank account or credit card, they do so believing that, should their circumstances change quickly, they will be able to make any necessary adjustments. If they are unable to easily reach someone whenever they need to, the chance for problems to arise grows. And when there is a problem with a donation or the transfer of funds, will church staffs be expected to understand the complex, frequently changing banking processes and regulations that govern automatic payments and electronic funds transfers?

ParishPay’s staff understands these are donations, not payments. Our customer support service via the Internet or toll-free number is available around-the-clock to provide assistance to churches and families in all aspects of enrollment, donation management, and problem resolutions. Church staffs will be provided with training on how to assist with many of these functions, but can always refer issues to the Customer Service team for prompt resolution.

8. Choosing an Automated Offertory service that cannot accommodate second collections and special feasts

Banks and other transaction processing services are built to repeat the same transactions over and over again. If the amount needs to change, the customer (or church staff) often needs to go in and make that adjustment. But giving to churches can vary each month, as churches take up special collections for various ministries, or to celebrate liturgical feasts such as Christmas and Easter. For many churches, these can be extremely important collections. An Automated Offertory service that does not enable families to easily commit to the second collections as they are scheduled, and that cannot process changing monthly total donations without any extra effort by church staffs or the families, will fail to fully capture all of the advantages available through such a service. Families will still be asked to use checks for such collections even where they have expressed a desire to give through the Automated Offertory service.

ParishPay allows each church to customize their enrollment processes to list every second collection, special feast, or other fund-raising effort the church conducts. Families can enter a donation to any of these collections when they enroll or at any time afterwards by accessing their password-secured account via the Internet or the toll-free Customer Support line. The ParishPay service automatically adjusts the amount to be debited based on the collections due that month. ParishPay's monthly reports break-out the total funds transferred by collection, enabling church staff easily and quickly to post funds and credit families appropriately.

9. Selecting an Automated Offertory service that is either Internet-only or, alternatively, that has no Internet capability

While more and more people grow comfortable managing their financial responsibilities using the Internet, there are still many who lack access to the Internet, have never grown comfortable using a computer, or who do not feel comfortable transmitting financial information no matter how many assurances of security are provided. Internet-only Automated Offertory services exclude such families.

Alternatively, selecting a service that can only accept enrollments and changes by mail or fax, or that does not offer Internet-based account management and customer support services, will also cause enrollment to suffer among the technically inclined members of your church. The ideal service offers enrollment and account management options that suit the range of people who belong to your church – from the high-tech Internet power users to the low-tech, traditional types.

ParishPay offers churches and families three ways to enroll: Internet, toll-free number, or through paper enrollment cards that our Customer Service managers will help each church customize. Families and church staff can manage their accounts, receive assistance, and generate reports through these same service options as well. Internet-savvy users will find the ParishPay experience easy and seamless, while those without

computers can also easily enroll and manage their accounts. ParishPay can also provide a link on your church website to enable families to enroll easily.

10. Failing to understand the “continuity risk” if the Automated Offertory program is conducted in-house

Businesses use the term “continuity risk” to describe a service or feature that relies on a single person (or machine) to perform a mission-critical task. Churches can inadvertently create a similar risk by allowing the important skills needed to manage an Automated Offertory program to be concentrated in the hands of a single staff person or reliant on a single computer. An accident, illness, or equipment failure can suddenly jeopardize receiving these important funds for several months until either a new staff person can be found and trained or lost or corrupted data restored, checked for accuracy and re-activated. Few churches possess the depth of staff to entrust such a vital, security-conscious and sensitive procedure to enough individuals to ensure backups exist if a key staff person is suddenly absent or unable to perform their job.

ParishPay is a national company with a deep staff and strong business practices that include multiple redundancies for both employees and equipment. Your mission-critical donations are not subjected to the risk of the loss of a staff person. With ParishPay, you have the resources of an entire company that processes over ten million transactions annually available to insure the integrity of your church’s Automated Offertory service.

To learn more about how ParishPay can help your church develop or strengthen a customized Automated Offertory service, e-mail us at accounts@parishpay.com or call us at 1-866-PARISH1.