

ONLINE DONATIONS
Tips for Getting Started

Whether your section is considering using a vendor to process your donations online or host your own shopping cart, this guide will provide you with some simple steps to begin the process in informed and mindful way.

1. Decide whether to use a vendor's merchant account or your own

To take online donations, your section will need to use a bank account that accepts online credit card payments, called a *merchant account*. Some vendors will allow you to use their account, or you can apply for your own. If your section already uses a merchant account (for instance, for taking credit card payments over the phone) it is possible that you can use it for online payments as well – but there will still be some verification and paperwork to do.

2. Why would you use a vendor's merchant account? It is easier to use a vendor's account than to do the paperwork for your own account, and is likely to be cheaper for small organizations. The vendor will also answer donor questions if the donor has concerns about the charge she sees on her credit card bill.

3. Why would you establish your own account? Your section will receive money faster – generally within five days rather than in bulk once or twice a month. This also assures that your organization's name is shown on the donor's credit card bill, rather than the vendor's (however, some vendors can display your name even if you use their merchant account). If your section has a high volume of donations, using your own merchant account is generally cheaper. It also gives you more flexibility to choose the merchant account that has the rates most favorable to your typical donation volume, or even to build your own payment functionality down the road.

In general, it makes sense for organizations that are just getting started with online donations to use a vendor's merchant account, while those who are ready to invest more seriously should consider setting up their own account. Most vendors who require you to have your own merchant account will recommend several with whom they work. In fact, the vendor may limit you to using one of a specific set.

4. Calculate the size and volume of donations you expect to receive

Different vendors use different pricing structures. It's important to estimate the donations your section expects. You'll want to identify estimates for donations you expect to get per month, and how large a typical gift will be, so that you can compare fees across vendors. Remember that if the vendor does not provide a merchant account, you will need to pay for that separately.

5. Decide if the donation form needs to look like your website

Some vendors' donation forms look nothing like your section's website, and some even display prominent logos for the vendors themselves. Others offer forms that are tailored to match your organization's website and navigation – but you typically pay for this feature. If you are just getting started, it may make sense to get your feet wet with a cheaper tool that doesn't allow as much flexibility – a recognized brand like Network for Good or Paypal could even lend additional credibility to your section's donation processing. However, you will appear more professional with a donation tool that matches your site's look.

6. Decide on critical features

Vendors vary in the features they offer. It's important to know what features are essential to your section before you select a vendor. Is it vital that you be able to accept tribute or memorial gifts? Support employer matching? Include organization-specific custom fields? Handle recurring gifts, eChecks, or donations from outside North America? Receive the donation money more than once a month? Define what features you can't live without, and narrow the list of vendors to those that can support these essential features.

ONLINE DONATIONS RESOURCES

Popular vendors based on levels of customization, donation volume, and fees

Low cost solutions for getting started (based on expected volume of transactions)

If you are simply looking to get started with an online donation program, a lower price tool that is not specifically integrated with your website may make sense.

Low Cost Solution – Low fee, not integrated into a website, lower volume

- Click and Pledge www.clickandpledge.com
- Network for Good www.networkforgood.org
- PayPal Donations www.paypal.com/cgi-bin/webscr?cmd=p/xcl/rec/donate-intro-outside
- ChipIn www.chipin.com

Mid-level Costs – More integration, solid features, and customization

- Auctionpay www.auctionpay.com
- Democracy in Action www.democracyinaction.org
- eTapestry www.etapestry.com
- GiftTool www.gifttool.com
- Groundspring DonateNow www.groundspring.org
- MemberClicks www.memberclicks.com

Higher Costs – More advanced features of customization

- CharityWeb www.charityweb.net
- Contribute.com www.contribute.com
- GivenGain eTribuo www.givengain.com

Using a Licensed Shopping Cart

Using Shopping Cart Software is an alternative to using a vendor. Shopping cart software is software used in e-commerce to assist people making purchases online. Please be aware that hosting your own software means you will have to be vigilant about online security.

The software is downloaded and then installed on a web server. This is most often associated with a one-time fee, although there are many free products available as well. The main advantages of this option are that the merchant owns a license and therefore can host it on any web server that meets the server requirements, and that the source code can often be accessed and edited to customize the application.

Shopping cart software typically consists of two components:

Storefront: the area of the web store that is accessed by visitors to the online shop. Category, product, and other pages (e.g. search, best sellers, etc.) are dynamically generated by the software based on the information saved in the store database.

Administration: the area of the web store that is accessed by the merchant to manage the online shop. The amount of store management features changes depending on the sophistication of the shopping cart software, but in general a store manager is able to add and edit products, categories, discounts, shipping and payment settings, etc. Order management features are also included in many shopping cart programs.

For a comparison of shopping cart software please visit:

http://en.wikipedia.org/wiki/Comparison_of_shopping_cart_software