

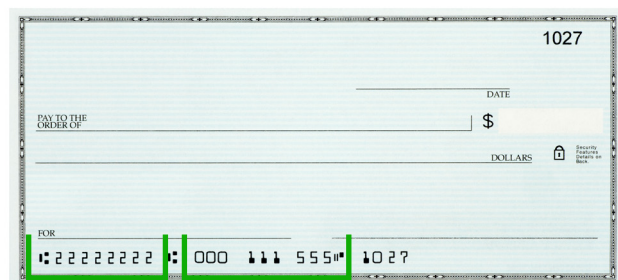
How to Collect Donor Authorization for Electronic Bank Transfer

Your nonprofit organization can only debit donor accounts if authorized. Donors can authorize electronic bank transfers in a number of ways: in person, online, or over the phone. In other words, it doesn't have to be done in writing. But there are boxes you have to check.

Collecting Authorizations

To get authorization, use a simple form that the donor fills and signs. Find sample print or online forms at nacha.org/nonprofits. Authorization for a recurring donation should include:

- Donor name, address and contact information.
- Amount of the recurring payment.
- Date of first payment and recurring payments.
- Debit and credit authorization, in case there's a processing error you need to fix.
- Acknowledgment that the donations will continue until the donor contacts the nonprofit to end payments and the method in which the consumer can contact the nonprofit, including phone number and/or email.
- Instructions on how the donor can cancel their donation.
- Note as to whether payment is coming from a checking or savings account.
- Account and routing numbers, which can be found on an online banking portal or on the bottom left hand corner of a check.



Routing
Number

Account
Number

Important information for different methods of electronic bank transfer authorization:

Online

An internet authorization must either be signed in writing or authenticated in another way online. In addition, ensure:

- The consumer can read and understand the authorization language displayed.
- The consumer sees a message instructing them to print the authorization and keep a hard or electronic copy.

Electronic authorizations can be signed using the “similarly authenticated standards,” for example with digital signatures, codes, shared secrets or PINs. Logging into a website session can also count as authentication for a click-through authorization as long as it occurs in the same session.

Additionally, you will need to work with your bank or payment processor to ensure that each time a donor signs up using an electronic bank transfer that the checking or savings account is properly validated.

Telephone

You can take an authorization over the phone for:

- Returning donors.
- New donors who called you (rather than you calling them).

For recurring electronic bank transfers, you must make an audio recording of the donor’s verbal authorization (with their permission) and send the donor a written copy of the authorization before you charge them.

In addition to the requirements we mentioned above, telephone authorizations must include:

- The date the donor verbally agreed to their donation.
- A telephone number for the donor if they have inquiries.

Find customizable sample phone script at nacha.org/nonprofits.



Keeping Track of Donor Information

It’s your organization’s responsibility to maintain and ensure access to the authorizations and to be able to make them available upon request. Whether the authorization record is a hard copy or an electronic or audio file, you have to keep it for at least two years after a donor cancels their payment.



For more information on how your organization can benefit from electronic bank transfers, go to nacha.org/nonprofits.