

A Direct Debit Collection Guide for Charities & Not-for-Profits





With so many organisations out there competing for the public's pound, it's essential that charities and not-for-profits make themselves as 'donor friendly' as possible. While one-off lump sum donations will certainly be gratefully received by a charity, it is the donors who give a small amount on a regular basis that make it possible for the UK's charities to carry out the excellent work they do.

Regular donations give charities a sustainable, reliable income and allow them to plan for the future. From the perspective of the donor, there are also considerable benefits associated with this approach. Making a smaller donation on a monthly or quarterly basis allows donors to make a contribution they can afford in a way that suits them.

DIRECT DEBIT VS. STANDING ORDER

Standing orders were once used to fulfil this type of regular donation. However, there are a number of problems associated with this method of payment. Firstly, to create a standing order, the donor either has to set it up in branch, or by filling in a form which they post to their bank. Both of these methods require time, and in our increasingly busy lives, this type of task can be forgotten or pushed to the bottom of a to-do list.

Once the standing order is set up, there can also be additional administration work and costs to the charity to maintain the donation.

THE BENEFITS OF DIRECT DEBIT

Direct Debit makes giving easier. Direct Debit accounts for 31% of all UK charity donations. In the last year, 58 million donations were made to UK charities, which were worth £1.1 billion. But what makes Direct Debit so perfectly suited to charity and not-for-profit applications?



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It's easier to process.

Direct Debit payments reduce the amount of accounting and payment admin you need to do.

The fees are low.

Fundraising is a considerable cost to charities that they work hard to reduce. Receiving donations from credit cards or debit cards typically costs 2-3% of the transaction plus a flat fee of 20-30 pence. Direct Debit payments are typically much cheaper.

The process can be automated.

The whole Direct Debit process can be automated, leaving you free to concentrate on other things. You'll know what has and hasn't been paid and will be informed as soon as a Direct Debit is cancelled.

It's easier for donors.

Potential donors can set up their payments simply by going to your website. There are no forms to post to the bank, no going into the branch and no fundraisers with clipboards!

BRANDED DIRECT DEBIT COLLECTIONS

We offer a white labelled Direct Debit collection service, which means payments will appear in your company name on your donors' bank statements. Branded collections not only increase donor trust in the transaction and your organisation, but they can also play a part in building that all-important personal connection between the charity and the donor.

HOW CAN WE HELP?

At London & Zurich, our paperless web-based system allows you to enter your donors' details and tell us how often and how much you want to collect; we'll take care of the rest. Learn more about our Direct Debit collection service or get in touch with our team today.

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