Payment Processing System Best Practices
February 22, 2022

There are numerous options when choosing a payment processing application. It is the pastor's decision which vendor to ultimately use. The Archdiocese recommends using Vanco, Our Sunday Visitor, and ParishSoft for payment processing. These systems meet the following criteria which should be considered when selecting a payment processing vendor:

- SSAE & PCI compliant.
- Allows regularly scheduled recurring and one-time gift processing.
- Maintains a user-friendly portal for donor gift management, parish customization of funds, messaging, etc.
- Offers competitive pricing on monthly fees and transaction processing.
- Formats data for efficiently processing daily, weekly or monthly import into ParishSOFT Family Suite (frequency to be determined by the parish/location)
- Provides record of gross deposits of individual transactions with separate monthly invoicing for service fees for proper booking of income and expenses.
- Provides accessible support resource.
- Offers ACH and credit card processing.

Once a vendor has been selected based on the minimum criteria above, the following best practices should be considered:

- Identify an individual without any conflict of interest to be the account Administrator.
- To support the dual control of funds, two parish employees should have access to the account, which allows for separate verification of statements/reports for reconciling and recording transactions. If there is a lack of employees available, consider seeking assistance from a trusted volunteer or a finance council member.
- Create the account in the parish name, not the pastor's.
- Link the account to a designated parish device (cell number paid by the parish) or an email (Stripe@churchname.org). This approach helps ensure that turnover of staff does not cause issues in the continuity of the use of this payment collection.
- Use the operating bank account for the deposit of electronically received funds. Do not create a separate bank account or use a personal account.

- Establish a separate general ledger account for the electronic payment system and record transactions in this account. If the funds are pulled regularly, the account balance should be zero at month end unless there is a balance due to timing of the transfer. Contact Patrick Warner if assistance is needed to create the general ledger account.
- Reconcile the electronic payment account to the general ledger and to the bank statement on at least a monthly basis.
- Provide data, such as name, $ amount, date, and purpose (donor intent) to the staff responsible for posting to the donation processing system data entry.
- Limit the number of payment processing systems so there is one stream-lined process.

Share the QR code. Consider placing cards in pews, signs in the narthex, publishing it in the bulletin, emails, and the website.

Venmo

Although Venmo is a popular payment processing app, it was not created for non-profit use and has many drawbacks that should be considered before deciding to give parishioners the options to use it. Venmo's website states: "Venmo doesn't currently provide support for user-created donation campaigns or non-profits." [General Business & Partnership Inquiries – Venmo](#) Despite this position by the company, some parish, missions, and campus centers are choosing to offer Venmo as a payment processing option. This document was drafted in February 2022 to provide some guidance in setting up Venmo and is based on information available at the time. Given how quickly technology changes, some of these points may be outdated.

Limitations and challenges of Venmo to consider
- A business profile on Venmo requires an accompanying personal account. Generally, payment processing systems that are set up for non-profit use allow the user to set up the account in the entity name and identify an Administrator. With Venmo, the name of the account is automatically connected to the personal account of the individual's name provided. So, if the pastor has a Venmo account, and the parish sets up a Venmo account with his name, the parish account and his personal accounts are linked.
- Venmo lacks a data reporting format that makes it efficient for multipurpose use, such as for both donations and events (such as retreats, food sales, festival tickets, etc.) since it relies on the payee to

document the purpose of the payment. Although it can also be used to request payments to remind parishioners/students to pay for an event they signed up for but for which they did not pay, Venmo also allows them to bundle payments without requiring them to document the purpose by amount. This results in a burdensome process for the parish to account for all of the miscellaneous payments that are received. Although a parish may choose to limit donations to offertory, Venmo does not allow the parish to prevent someone from remitting money for multiple reasons.

- There is not an option for a Payer and Approver. Anyone with the password can send money out of the bank account.
- Money has to be pushed to the bank account, it is not automatically deposited on a regular schedule.
- The parishioner's name on their Venmo account may not match the name registered at the parish, mission, campus center, or school. Since Venmo allows communication within the app, it is possible to contact the parishioner if there is a question about the name. However, if the payer is not registered it may be difficult to acknowledge the donations. A donation acknowledgement letter is required for donations exceeding $250 threshold set by the IRS.
- Venmo statements can only be accessed one month at a time. It is not possible to view donations in a full year. Statements would have to be saved as they become available.
- Venmo has both a limit on the # and $ transactions that can take place each month. https://help.venmo.com/hc/en-us/articles/221010968-Payment-Limits

Tips and suggestions to consider when setting up a Venmo account.
- ➢ The name of the account should match the legal name of the entity. Do not tie the account to an individual, including the pastor, administrator, or principal, since it would be automatically connected to their personal Venmo account. Administrative problems may occur when this individual leaves.
- ➢ Setup a dedicated cell phone # in the parish's name (must be able to send/received short texts).
- ➢ Link the entity's operating bank account, not a personal bank account.
- ➢ Upload a well-recognized photo of the entity to the Venmo account.
- ➢ Since Venmo acts like a bank account, user access level should be well thought out. Identify who should be the Administrator of the account. There should be a segregation of duties between the

individual assigned as the Administrator and the person responsible for monitoring the account.

➢ Set email notifications to individuals responsible for oversite. Consider creating an alias email that is only used for monitoring Venmo, also consider sending emails to multiple people for oversight.

➢ Select all *Security* and *Money* options for Email Notifications and *Money* in Text Notifications & Push Notifications to ON.

➢ Select a day, such as every Monday morning, to transfer money from Venmo to the bank account and pull statement. There is a $ limit for transfers so multiple transfers may have to be made. Transfer all of the money in full; do not use Venmo's payment options.

➢ Select *Private* for Privacy settings. Donations should not be *Public* or *Friends.*

➢ Download the weekly Venmo statement to a CSV file and email to business manager and the person that posts items to the offertory database.

➢ Reconcile the statement to the g/l.   Reconciliations- Monthly Venmo statements should be printed and attached to the bank reconciliation for the individual responsible for reviewing.

➢ Download a CSV file from Venmo and upload to the donations system. Since manual entry shouldn't be needed the risk of errors is low.

➢ Monitor the Venmo account regularly to see if people want to be *Friends*.

➢ Share the QR code in as many places as possible, bulletin, card in pews, homepage of website and on live stream page.

➢ Ask people to include their email address when they make a donation so they can be added to the donation tracking program. This will also allow the entity to reach out to them by email to get the rest of their contact info.

➢ Consider restricting to a specific fundraiser, such as offertory or 2nd collection.

➢ Security- Set privacy setting so donor names and amounts are not publicly posted. "Public" is the default.

For information about how Venmo is used at Holy Spirit Catholic Church, contact Kim Shulman, Director of Communications.

The ultimate decision about which payment processing system to use is ultimately up to the pastor/administrator.