

# Donation Processing Outsourcing

Does it make sense for your organization?



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For today's non-profit organizations it is an ever increasing challenge to effectively manage all aspects of their fundraising operations.

These challenges range from managing the peaks and valleys of seasonal donations to complying with a myriad of accounting and data security requirements. For many organizations, these challenges are a distraction from their core purposes. Outsourcing some or all of their donation processing, donor database management and customer care functions can significantly improve their ability to raise funds.

**So how can your organization benefit from donation processing outsourcing?**

### **Greater Cost Efficiency**

Donation processing outsourcing like any business process outsourcing is provided on a variable cost basis. It will definitely reduce your organization's fixed costs, eliminating the need to invest in equipment and processing staff.

### **Increased Speed of Business Processes**

Because an outsourced service provider is focused on donation processing as their core business, they are able to invest in the technology and improved processes that streamlines donation processing, making sure that your donors are served quickly. They can also provide increased efficiencies due to scalable resources – both human and technological – that are not subject to internal resource bottlenecks giving you significantly better speed to market for new programs or multi-channel marketing strategies.

### **Ability to Focus on Core Purpose**

By outsourcing some or all of your donation processing functions, your organization will be better able to focus on its core purpose, and spend time on fundraising strategy rather than the mechanics of fundraising management. With the myriad components of donation processing – mail opening, data entry, depositing and receipting – taken care of, you can redeploy resources against other aspects of fundraising and donor stewardship.



**Outsourcing** allows you to mitigate financial and data security risk by providing the skills, expertise and facilities to protect your critical donor data

## Reduction of Risk

Non-profits are subject to significant scrutiny of both the security of their data processing as well as the integrity of their financial accounting practices. Strict financial and data security controls are essential to protecting your organization's long term success and reputation. Financial control audits such as the CICA Section 5970 audit are used to test the control procedures for those organizations involved in processing donor data, including donations. Data security standards such as those required by the Payment Card Industry (PCI) impose a strict data security requirement for any organization that processes credit card transactions. Outsourcing allows you to mitigate financial and data security risk by providing the skills, expertise and facilities to protect your critical donor data.

## Important Considerations for Donation Processing Outsourcing

So how do you evaluate one provider versus another? Before you outsource, it's important to do your homework. Any outsourcer service provider you choose needs to give you the following advantages:

- Scalable resources to adapt to changing requirements
- Ability to manage activity at a lower cost or deliver significant service improvements that translates into donor value
- Provide continual technology innovation and continuous process improvements
- Ability to meet required service levels
- Agree in the contract to deliver against your specific key performance indicators (KPIs)

## Conclusion

Donation processing outsourcing can be a successful strategy in managing the modern not-for-profit enterprise. By analyzing the benefits of increased efficiency, speed to market, reduction of risks and costs, you can determine if it is right for your organization.

## About Cornerstone Fundraising Services

The Cornerstone Group of Companies provides prospecting and database management products and services to some of the leading organizations in the world. Our Fundraising Services unit provides fundraisers with complete back-end donation processing and database management services, as well as a variety of industry-specific web-based tools, such as online donation processing and special event registration. Cornerstone is a PCI compliant vendor and validates its operations twice each year using an independent CICA 5970 audit.