

# ACH is the Right Choice for DonorsChoose

Education nonprofit DonorsChoose boasts some impressive numbers, including \$1.37 billion raised for students and teachers, 2.4 million projects funded, and nearly 5.6 million donors.

Founded in New York City in 2000 by Charles Best, a teacher seeking funding for classroom resources for himself and some colleagues, it's become the go-to place where teachers looking to raise money to improve students' experiences connect with donors large and small wanting to help.

DonorsChoose also has another notable figure, one that should be of interest to all charitable organizations. It's the amount of donations received by ACH.

"Fifty percent of our total revenue comes in from individual donors. The other 50% of our total revenue comes from our corporate partners, government entities and foundations. We've seen a lot of our donors on the corporate and government side are the ones giving via ACH," said Jim Kao, Vice President, Finance & Accounting, DonorsChoose.

In fact, Kao estimated about 65% of the \$100 million in corporate and government giving in fiscal year 2022 was by ACH, which works out to about \$65 million. Put another way, about 33% of total DonorsChoose revenue is received by ACH.

ACH helps lower costs for DonorsChoose, which earmarks 95% of its funding to program services—everything from classroom materials to teacher outreach. Kao said it's also a very quick way of receiving funds.



Like any other charitable organization, DonorsChoose has bills to pay, and it's looking to expand the role ACH plays there.

"We do still send out a good number of check payments, and there's a lot of manual intervention that needs to happen when a check is misplaced, or goes to the wrong address, and we have to issue another check," said Kao.

"One of the ongoing projects on our team on the accounts payable side is to reduce that number of checks. We're trying to find a strategy to be able to figure out if it's to collect bank details up front to be able to send an ACH instead, or if it's to work with a service vendor that is able to send an ACH without us collecting bank details."

*Nacha's Nonprofit Toolkit has everything necessary to begin or expand a program to encourage donations by ACH.*

Download it for free at [Nacha.org/nonprofits](https://nacha.org/nonprofits).