

CASE STUDY

SACRED HEART SOUTHERN MISSIONS



Sacred Heart Southern Missions

FLEXIBLE, HIGH-TOUCH CAGING OPERATION SUPPORTS ONE-TO-ONE DONOR RELATIONSHIPS

Attention to detail helps Sacred Heart Southern Missions honor donors as more than just a check in the mail.

After 63 years of nationwide outreach, Sacred Heart Southern Missions knows what it takes to build lasting donor relationships. The Mississippi-based Catholic charity has established an impressive direct mail donation network, which fuels a variety of programs to support Mississippi residents. Each year, they mail 13 million pieces and receive approximately 1.2 million contributions through the mail.

Their volume, combined with the unique character of faith-based correspondence, requires a flexible and high-touch caging operation. By outsourcing to Deluxe Treasury Management Solutions, donations process efficiently. More importantly, Deluxe quickly and accurately scans, transcribes and categorizes unique and specific donor requests. This attention to detail enables Sacred Heart to honor their supporters far beyond their monetary contributions.

“The vast majority of our revenue comes from gifts that we receive through the mail,” explained Steve Koepke, Director of Donor Relations at Sacred Heart. “Our donor base is large, but our gifts are modest. Our average gift is between \$14 and \$15, and our average donor gives just over two gifts a year.”

He added, “Over time, donors really develop a relationship and a sense of connection with our organization. To us, you’re not a check or money order, you’re a friend; you’re a partner in our mission here.”

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Prioritizing relationships, making personal connections

Generating that critical sense of connection is a core tenet of Sacred Heart’s culture and mission. Founded in 1942, the non-profit serves low-income residents across a 2,500-square-mile area of northern Mississippi. Their programs encompass two Catholic grade schools, transitional housing, a thrift store, six social service offices and an HIV/AIDS support program.



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They also host hundreds of volunteers from across the U.S. each year, who participate in home projects for the poor and elderly.

“A big part of our mission is to help folks learn building blocks and skills to lift themselves out of poverty. We also help meet emergency needs,” Koepke said. “We make no distinction by age, religion, gender or race; if you are poor and we can help you, we will.”

Creating a strong rapport with donors is also vital. Every day, Koepke and his team at Sacred Heart reach out to various donors, based on the information received with their gifts. This correspondence can include everything from prayer requests and gifts in memory of loved ones, to address changes and household updates, such as the death of a donor.

The quality, accuracy and thoroughness of their caging operation plays a major role in Sacred Heart’s effectiveness.

“It’s absolutely vital that we capture the information that donors write down,” Koepke said. “Naturally, we want the funds as soon as possible, but we prize accuracy and donor response over speed.”

He added, “When a donor writes something like ‘Please pray for me on May 13, I’m having hip surgery,’ or ‘Please remember my family, my wife passed away a month ago,’ we view that in the same way that you might view a friend telling you. Not only do you pray for those intentions, but you just naturally feel compelled to respond.”

Smart systems, dedicated staff make the difference

Advanced technology from Deluxe integrates with Sacred Heart’s in-house systems, making it fast and easy for staff to find the information they need. Koepke and his team can examine high level response metrics, or quickly drill-in to view an individual donation and associated correspondence.

“When I go to a donor’s record, not only can I see their latest gift, but with one click I can view the scanned response,” he explained. “That’s extremely helpful for me before I make my thank-you call.”

Deluxe not only streamlines and accelerates the process, they also tackle exceptions and more challenging donations, which frees up time for Sacred Heart staff to focus on other activities.

For example, as the popularity of donor-advised funds grows, Sacred Heart now receives gifts directly from brokerage firms like Fidelity or Ameritrade, on behalf of their clients. Before cataloguing the gift, Deluxe digs in to



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identify the individual donor’s name and contact information for thank you and follow up by Sacred Heart.

“The landscape has changed in the last few years, and as these new issues arise, Deluxe has been very flexible and willing to try different solutions,” Koepke said.

Outsourcing speeds response time, reduces costs

Sacred Heart first outsourced their caging operation in 2004—but the decision did not come easily. The organization had invested previously in mail handling and check processing equipment, and staffed their Mississippi-based operation with 23 full-time employees.

However, the capital investment to maintain updated equipment, and the challenges of staffing for both high volume and slow mailing periods, made outsourcing the right move. By shifting to Deluxe, Koepke estimated that Sacred Heart saves almost half a million dollars annually from wages, benefits and capital expenditures.

Outsourcing also improves response time with donors, with a maximum 48-hour turnaround from Deluxe. Previously, in-house processing could take as long as three weeks during peak periods such as the Christmas season.

RESULTS:

- **Accelerated response time with donors**
- **Eliminated capital expenditures and maintenance costs for check processing and mail handling**
- **Streamlined staffing needs**
- **Almost half a million dollars in annual savings**

“When your own staff is responsible, you need to pour extra resources into it during peak seasons, then during the slower times, figure out something for those folks to do,” Koepke stated. “When you outsource, that’s no longer a headache that I have to worry about.”

Inbound mail still arrives in Walls, Mississippi, where Sacred Heart is headquartered, as it was important to the charity to still maintain a local post office. They priority ship it to Deluxe’s caging operation in Lewiston, Maine, where trained specialists with state-of-the-art equipment handle all aspects of processing.



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Within 48 hours, Deluxe deposits checks electronically, to speed cash flow. Sacred Heart no longer needs to maintain expensive armored courier relationships or worry about security for cash transactions. With donor special requests, Deluxe captures full details according to Sacred Heart’s custom specifications, then transmits a data file to upload the information directly to the non-profits systems.

A partnership enters its second decade

While shipping their mail from Mississippi to Maine adds to their overall timeline, the service and attention to detail from Deluxe more than makes up for it. In 2009, Sacred Heart briefly moved their caging operations to a vendor located just 30 minutes from their headquarters. The switch, however, lasted only a few months before they returned to Deluxe.

“Our goal was to cut down the time between when we received a gift and acknowledged it,” Koepke said. “But their level of expertise just wasn’t working for us. We were losing donors. Complaints were escalating. They weren’t catching the things that donors had written or asked.”

In the end, shorter mail float and postage savings weren’t worth the negative impact on their valued donor base. Koepke praised Deluxe for their knowledge of the faith-based market and flexible approach, as well as detailed data entry and exceptions handling.

“Our relationship with donors is paramount,” he reiterated. “They are our partners in mission and we feel highly committed to respond to them and their needs. Deluxe was gracious and happy to accept us back, and we’ve been with them ever since.”



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