

Safeguards for commission-based pay

1. *Commission should never be part of the remuneration package for salaried fundraising staff working at a nonprofit. Instead it should only be paid to agency or freelance fundraisers contracted by/to a nonprofit organisation. Professional bodies could consider making this a condition of organisational membership.*
2. *Commission should never be the sole form of remuneration; instead, it should always only be part of a mix of types of remuneration (we strongly recommend a fixed fee wherever possible). Small charities with little budget that plan to pay a fundraiser by commission should nonetheless include a fee component to cover some of the initial work the fundraiser does. Field force fundraisers should never be paid commission as their only source of income.*
3. *That a fundraiser is partly remunerated by commission should always be disclosed to donors, even if it is known this will discourage a donor from giving. Consideration should be given to making this part of the relevant code of practice. It should, of course, be included in all legally-required solicitation or disclosure statements.*
4. *Commission should only ever be due where there is a demonstrable audit trail between the ask and the gift, for example, F2F/direct dialogue fundraising, or freelance grantwriting.*
5. *Commission should never be due on unsolicited gifts (e.g. windfall gifts) – partly because no clear audit trail between ask and donation would exist.*
6. *Commission payments should always be capped. For example, the cap could be something like ‘x per cent of the donation, up to a maximum of £xxxx’. In this way, commission payments take on more the form of a variable bonus payment (see box on p36).*
7. *All fundraising that is paid by commission should be time-limited – for example, a particular campaign or a specific grant application or round of grant applications, or for a specified contractual period – and regularly reviewed; the duration of commission payments should not be open-ended.*
8. *Nonprofit organisations that intend to pay commission should decide which fundraising methods/income streams will attract commission payments, and those that will be ineligible for commission. For example, an NPO may decide that legacies will not attract commission.*
9. *The initial decision to pay commission to fundraisers should be approved by the trustee board.*
10. *A risk assessment of potential harms should be conducted.*
11. *Nonprofit organisations that intend to pay commission to agency and/or freelance fundraisers should institute a written policy, detailing things such as:*
 - a. the process for approving the payment of commission
 - b. risk assessment
 - c. the fundraising methods/income streams it will apply to
 - d. cap levels
 - e. duration of the campaigns for which commission will be paid
 - f. review process.

Professional bodies could draft template policies that nonprofit organisations could use or adapt.

12. *Commission should only be paid if there are safeguards in place to protect fundraisers’ psychological wellbeing; it should NEVER be paid if those safeguards are not in place. 🚫*