

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. ☑