

Arguments Against Commissioned Based Fundraising

By David Cuthbert.

As the search for competent and capable fundraising professionals increases so does the education of employers and the terms and conditions of employment need closer scrutiny. At SAIF we are continually questioned regarding our stance on commissioned based employment and will, without any hesitation argue against this working arrangement.

We are informed of isolated cases of this practice working well but often it is without the knowledge of the donors, which we believe is also unethical. If you pay a commission then it should be revealed within your project proposal or a line item of the budget.

The following points motivate towards ethical fundraising and a strong warning against commissioned based activities.

1. Donors today want to know that their money is being used to meet the need for which they responded. When a slice is made available to a solicitor they will question his or her motive!
2. Donors will question in their minds how much of their donation that is given to a solicitor actually gets through to the organisation they represent.
3. Cultivating gifts from large donors is a long-term activity. This does not suit a commissioned based fundraiser who wants to strike a decision or "make a deal" as quickly as possible.
4. You should be convinced that effective fundraising is far too complex for simple solutions such as paying a commission. Some gifts take years to negotiate and achieve.
5. The tracking of commission-bearing income requires detailed administration. With a number of fundraising and PR activities taking place simultaneously how do you separate those gifts that are generated by the "sales-person" and those that are not? To what extent can you ascribe the influence of the commission fundraiser in each situation?
6. Major donors do not have ready money, but might be prepared to pledge a gift over a period, either in regular payments or by a lump sum on a future date. What happens if the pledge is not met - do you still pay the commission, or ask for it back?
7. Volunteer boards or staff will resent the fact that they might have done a lot of work developing prospective donor's interests, and the fundraiser comes along is paid for "clinching the deal".
8. There is no guarantee to the fundraiser that the prospect will respond positively, so the frequency and incidence of success are always in doubt. If the going gets tough for them they find a way to escape.
9. In order to bring in an income the fundraiser will be tempted to shorten the negotiation process by securing a "yes" at a lower gift level than the full potential of the donor.
10. Commissioned fundraisers will be prepared to say anything about your organisation and your work just to gain favour with donors. What are they saying about you? What is this doing to your hard-earned image? Will this ensure a long-term partnership with the donor - the essence of sustainable and reliable funding.
11. Funders are looking for a relationship with those who spend their money. Many major funders are not prepared to negotiate with these so-called hotshot fundraisers. We have discovered that some funders state this in their guidelines; Transnet, Coca Cola to name but a few.

If you still, after reading the above, believe this to be a safe and ethical practice then we invite you to write an article in favour of commission based fundraising with endorsements from your donors.