

**PARTNERING WITH PURPOSE:**

# **A GUIDE TO CHARITY-AGENCY PARTNERSHIPS AND PAYMENT MODELS**



# CONTENTS

---

<b>Introduction</b>	<b>4</b>
---------------------	----------

---

<b>PART 1: Planning, Preparation, Partnering</b>	<b>7</b>
--	----------

---

<b>PART 2: Working together: charities and agencies</b>	<b>12</b>
2.1 Contracts	14
2.2 Due Diligence	17
2.3 Sub-contracting	20
2.3.1 What is meant by “closed-loop network”	21
2.3.2 Sub-contracting agreements	21
2.3.3 Considerations if a charitable organisation authorises the use of sub-contractor	22
2.4 Training	25
2.5 Compliance training	28
2.6 Termination of contract	31
2.7 Information sharing	32
2.7.1 Job adverts	32
2.7.2 Service Level Agreements (SLAs)	34
2.7.3 Complaints policy and procedures	35
2.8 Monitoring the partnership	36
2.8.1 Site Visits	37
2.9 Safeguarding of fundraisers	38
Checklist for contracts and due diligence	39

---

---

## **PART 3: Employment status and payment models** **40**

<b>3.1 Employment status</b>	<b>42</b>
3.1.1 Worker	43
3.1.2 Employee	46
3.1.3 Self-employed contractors	49
<b>3.2 Payment models</b>	<b>51</b>
3.2.1 Fee for services / Performance-related pay (PRP) / Cost per acquisition (CPA)	51
3.2.2 Day rate plus PRP (can include sign-up/results/retention bonuses)	53
3.2.3 Salaried model	53
3.2.4 Hourly rate (plus incentives/bonuses)	54
3.2.5 Considerations when choosing the right payment mechanism	55
<b>3.3 Public trust and confidence</b>	<b>56</b>
<b>3.4 Working with volunteers</b>	<b>57</b>
<b>3.5 Trustees as paid fundraisers</b>	<b>58</b>
3.5.1 In England and Wales	58
3.5.2 In Scotland	59
3.5.3 In Northern Ireland	59

---

## **Conclusion** **60**

---

## **Glossary of Terms** **61**

---

# INTRODUCTION

Fundraisers do extraordinary work – they inspire people to support causes that they care about and raise billions of pounds to allow charities to deliver change across the UK and around the world. For fundraising to be successful and sustainable, both donors and fundraisers must be treated fairly and with respect – and the values of the charitable institutions should be as present in fundraising activity as it is in service delivery.

---

**It is vital for charities and agencies to work together and commit to best practice in fundraising.**

---

In the wake of the **Fundraising Regulator's Market Inquiry** (March 2024) into sub-contracting, the Chartered Institute of Fundraising agreed to review its guidance on payment models and sustainable partnerships between charities and agencies. Through thorough and in-depth engagement with our Public Fundraising Advisory Panel (which was formed in July 2024 in response to this Inquiry), agencies and wider membership, we have developed this guidance which incorporates both areas.

It is vital for charities and agencies to work together and commit to best practice in fundraising. By doing so, they are ensuring that all fundraising that takes place reaches the excellent standard expected by the public and regulators and protects the donors and wider members of the public.

Since the Covid-19 pandemic in 2020, charities have faced countless challenges – in the years that have followed there has been a major cost-of-living crisis, and while donations to charity have remained high, **this has been due to existing supporters donating more money, rather than a significant increase in donors.** In late 2024, the UK Government announced there would be an **increase in National Insurance contributions for employers**, putting even more financial pressure on charities as they explore how

---

**Since the Covid-19 pandemic in 2020, charities have faced countless challenges.**

---



they can reach new supporters and build successful long-term fundraising strategies.

Charities are considering which activities they have the skills and resources to deliver themselves, and what will be the best and most effective use of their money. The capacity, expertise and specialist skills of a professional fundraising agency may be more effective in helping charities achieve their aims.

Fundraising agencies play a crucial and fundamental role in fundraising in the UK. Their insight, expertise and innovation has enabled charities to grow, reach new supporters and has meant that charities have been able to do more to achieve their charitable objectives.

There is no doubt that agencies and other fundraising partners have helped to transform the sector, increased the effectiveness of the work charities do, and inspired millions of people to donate.

However, in recent years fundraising practice has been challenged and scrutinised – particularly when it comes to face-to-face fundraising – and it is vital for charities and agencies to work together to identify and commit to best practice, to ensure members of the public are protected and the reputation of the charity sector is upheld. The fundraising that takes place must meet the excellent standards that charities want, and the public expects.

The right questions need to be asked to ensure the partnership is right for both the charity and the agency. They must work together to create clear, shared and agreed objectives, monitor the activity appropriately, and vitally, as mentioned earlier, ensure that both fundraisers and (existing, new and potential) donors are always treated fairly and with respect.





## PART ONE

will provide a brief overview of the initial steps to take when planning, preparing and evaluating potential partnerships.

## PART TWO

will explore the working relationships between charities and agencies, and – if they are used – sub-contractors, and the steps that should be taken to ensure a clear line of sight from charity trustees down to fundraisers working on campaigns. This section will include guidance on contracts, training, due diligence, compliance, complaints procedures and information sharing.

## PART THREE

of this guide sets out to advise charities, fundraisers, and trustees on the employment statuses and various payment models that are available. It will also consider the remuneration of volunteers and trustees.



# PLANNING, PREPARATION, PARTNERING

The main focus of this guide is for those agencies that carry out a 'fundraising ask' to supporters or members of the public on your behalf.

# 1





## **1.1 Why work with fundraising agencies?**

Professional fundraising agencies offer charities access to specialised skills, extra capacity and innovative approaches. This can enable charities to reach new supporters and enhance their fundraising effectiveness – but it is crucial to ensure that the agency you are partnering with aligns with your charity's goals, ethos and values.



## **1.2 Is it right for you?**

Before engaging an agency, charities should evaluate their internal capabilities, resources, and the potential benefits and risks of outsourcing fundraising activities. This includes considering the impact on donor relationships and the organisation's reputation.



## 1.3 Risks, benefits and governance

Professional fundraising agencies can undoubtedly contribute significantly to fundraising success – but charities must be aware there are risks such as loss of control over donor interactions and potential misalignment with the charity’s mission. That is why it is essential that there are effective governance, clear contracts, and regular oversight put in place to mitigate these risks. The Fundraising Regulator is clear that charity trustees must have a clear understanding and line of sight when it comes to knowing who is fundraising on behalf of their organisation.



## 1.4 Regulations and requirements

Charities must ensure compliance with fundraising regulations and standards, including those set out by the Fundraising Regulator in the Code of Fundraising Practice, and follow relevant legal obligations. Understanding – and following – these requirements is vital to maintaining public trust in fundraising, and protecting fundraisers and supporters alike.

## 1.5 As a charity, are you ready to work with an agency?

Preparation is key – charities should have clear objectives, understand the scope of work, and be ready to manage the partnership proactively. This includes allocating resources for oversight and establishing internal processes for collaboration.

---

Charity trustees must have a clear understanding and line of sight when it comes to knowing who is fundraising on behalf of their organisation.

---

## 1.6 Finding potential partners

Identifying suitable agencies involves researching their experiences, reputation, and alignment with the charity’s values. Recommendations, industry networks, and prior collaborations can be valuable resources in this process.

## 1.7 Creating a request for proposal (RFP)

An effective RFP will clearly outline your charity's objectives, expectations, and evaluation criteria. It should provide sufficient detail to enable agencies to propose tailored solutions and demonstrate their capabilities. Not all charities will require an RFP – charities should think about the campaigns and activities they have in mind – some shorter campaigns, or activity for smaller charities, might require a less formal process.



## 1.8 Running a selection process

A structured selection process involves evaluating proposals against pre-defined criteria, conducting interviews or presentations, and assessing cultural fit. Transparency and fairness are crucial throughout this process.



## 1.9 Evaluating responses

Assessment should focus on the agency's understanding of the charity's needs, proposed strategies, experience and cost-effectiveness. Due diligence, including checking references and financial stability, is essential. There is more detail on due diligence in [Part 2](#) of this guidance.

## 1.10 Appointing your partner

Once a suitable agency is selected, formalising the partnerships through clear contracts and agreements is vital. These should define roles, responsibilities, performance metrics, and mechanisms for monitoring and evaluation.

## Remember...

When working with agencies, there should be a shared goal and objective: that everyone the agency approaches or talks to – whether they choose to donate or not – has a positive experience of the fundraising activity that is carried out and that they are treated fairly and with respect at all times.

Members of the public will often not differentiate between a fundraiser from a charity and a fundraiser from an agency – from their perspective, they are being asked to support a charity (although clarity must be given in a solicitation statement) – so when a charity works with a fundraising agency, they should view them as a member of the public would: an extension of their organisation, and ensure that the agency is equipped to act and behave as their representatives.

Charities and agencies have a dual responsibility for any fundraising activity that is carried out. The activity must be jointly agreed and planned, the objectives shared, and accountability jointly held. While, of course, every agency is responsible for the conduct and behaviour of their fundraisers, a charity is also answerable for campaigns that are carried out in its name – it cannot absolve itself of obligations and duties because it has outsourced fundraising activity. The Fundraising Regulator is clear on this.

## Finally...

It is important to remember that rather than following a rigidly prescribed process, charities should use this as a guide to think about what is right for them and their situation. The important things to always bear in mind are:

- You have a clear idea of the campaign/activity and believe that working with an agency can be the best and most effective way of delivering this.
- Your charity has thought through the risks/benefits and is confident that the process you have in place is robust.
- There is a clear decision-making process, with key people in the charity involved at the right time and it is consistent with your good governance procedures.

# WORKING TOGETHER: CHARITIES AND AGENCIES

# 2







Charities and agencies must create clear, shared and agreed objectives when they are partnering for a fundraising campaign. It is essential – and a legal requirement under the **Charities (Protection and Social Investment) Act 2016** in England and Wales and the **Charities and Trustees Investment (Scotland) Act 2005** – to monitor the activity appropriately and ensure that both fundraisers and members of the public are always treated fairly and with respect. In Northern Ireland there is no legislation relating to professional fundraisers, however charities fundraising in Northern Ireland may decide to follow the legal requirements of England and Wales, or Scotland as good practice.



Fundraisers working for an agency are the public face of the charity – and charity trustees are ultimately responsible for all fundraising – both strategy and activities – carried out in the charity's name. Therefore, charity trustees and senior leadership must have a clear understanding of the relationship between their organisation and professional fundraisers working on their behalf.

The aim of this guidance is to support both charitable organisations and agencies in developing a strategy for working effectively together, understanding and managing risks, and helping charities achieve their fundraising objectives.



## 2.1 Contracts:

It is a legal requirement that any relationship between a charity and a professional fundraiser must be governed by a written contract, which includes certain prescribed clauses set out in charity law. It must also meet the standards set out in the **Code of Fundraising Practice**. A charity is free to use a contract that has been drafted by the agency, but both parties ***must ensure they have appropriate legal advice or expertise before anything is agreed and signed*** – some charities may have that legal expertise in-house, while others may need to use an external organisation.



When agreeing a contract, both parties need to be clear about what the expectations are and what the scope of the agreement is. It should include mechanics to enable both parties to make changes to their working relationship during its term, and an important factor to consider is avoiding 'rolling contracts' that can often impose an unreasonable commitment from both parties to working together long-term. Instead, the term of the contract should be kept relatively short, for example two years, which will allow both parties sufficient time to reflect on areas including work done, latest best practice, any changes to legislation, and whether it is in the best interests of both the engaging charity and lead agency, and the charity's beneficiaries, to continue working together. The charity and agency should also agree to meet regularly (quarterly may work well) to make sure the requirements in the contract are being met.

In preparing a contract between a charitable organisation and an agency that will engage in face-to-face fundraising on their behalf, the following (in addition to the required legal terms) should be considered:

**Service specifications:** the contract should contain a comprehensive description of the required service – this is down to each individual charity to decide what they need from an agency.



**Service level agreement:** the SLA should not only contain a clear set of standards but also specify the method of measuring adherence to those standards and performance measures. Some examples of quality monitoring SLAs or KPIs include:

- Complaints ratio and how that is measured – for example volume of complaints versus sign-ups or interactions
- Complaints response time – expected response or acknowledgement and expected resolution times
- Quality control measures – including, but not limited to, number of shadowing sessions, training sessions, auditing, KPIs (what is an acceptable threshold for mystery shopping/shadowing passes/fails for example).

*This is expanded further down this guidance.*



**Sub-contracting:** It is vital that senior leadership and trustees within charities have a clear line of sight when it comes to who is fundraising on their behalf. This is why an agreement on whether or not sub-contracting is allowed is vital – and consideration must be taken by charities on how they will monitor this and ensure those at board level are aware of the layers.

*This is expanded further down this guidance.*

**Termination:** in addition to setting out clauses in the contract dealing with when and under what circumstances you may terminate the contract, you should also detail the measures you will take against non-performing suppliers prior to resorting to contract termination. *This is expanded further down this guidance.*

**Data protection and data security:** the contract should specify your expectations in relation to data security and how the supplier should meet these obligations; you should also indicate how you will audit the supplier to ensure they have the protections in place that you have specified. Charities may want to consider asking the lead agency (and any sub-contracted agencies) if they use Artificial Intelligence (AI) and have a line in the contract highlighting how it is used

---

When agreeing a contract, both parties need to be clear about what the expectations are and what the scope of the agreement is.

---



and the limitations. Data Processing agreements should also be included, which define the relationship of the processor and controller, and comply with the requirements of UK GDPR and Data Protection legislation.

**TUPE (Transfer of Undertakings [Protection of Employment] Regulations 2006):** you need to ensure that you are properly protected in relation to TUPE regulations in the event that the contract is terminated. TUPE regulations protect employees' rights when an organisation, or part of it, transfer from one employer to another, and/or when a service transfers to a new provider – for example when another company takes over a contract for services provided (more information on this topic can be found at [Business transfers, takeovers and TUPE: Overview – GOV.UK](#))

**Confidentiality clauses:** used before sensitive information is exchanged in order to prohibit misuse or further sharing of that information. The exact terms will depend on what information is being shared – but generally a confidentiality clause or agreement will identify the parties bound by the agreement, state the context and reasons for the agreement and detail what information is considered confidential.

**Force majeure:** this is a clause in a contract that releases parties from liability or obligation when an unforeseen and unavoidable event, beyond their control, prevents them from fulfilling their contractual duties. Events that can trigger a force majeure clause include – but are not limited to – natural disasters, war, pandemics, government actions or regulations, labour strikes.



**Indemnity and liabilities:** you should outline indemnity measures to provide you with financial protection from any breaches, particularly in relation to brand reputation and data protection issues.

**Payment levels:** terms and timings for payment, and how it will be paid, both to the charity and the agency – and include what recourse there is in situations of late payment from either side.





### **Non-solicitation and non-circumvention clauses:**

non-solicitation clauses prevent a party from soliciting the clients or employees of another party (for example, preventing the charity from approaching the agency fundraiser to offer them an in-house job), while non-circumvention clauses prevent a party from bypassing a middleman or intermediary in a transaction (for example preventing the charity from directly contacting the agency fundraiser without the agency's involvement).

**Other important issues that must be addressed include the following:**

## **2.2 Due Diligence:**

Charities must carry out appropriate due diligence checks prior to an agreement with the lead fundraising agency being put in place.

Charities need to be confident that agencies fundraising on their behalf are able to do what they expect of them, and that the relationship between charity and agency is not damaging to either's reputation. Appropriate checks – including on financial standing and reputation, and testimonies/references – must be made.



---

**Due diligence checks must assure charities that the agency is committed to adhering to the relevant areas of the Code of Fundraising Practice.**

---

Both charities and agencies must give each other full details of any possible, perceived or actual conflicts of interest that you are aware of or become aware of – either at the due diligence stage, or while you’re working together.

If there are conflicts of interest, both parties must consider whether it is appropriate to move forward, or continue with, the relationship.

It’s also important to note that a commitment to carrying out ongoing due diligence should be written into contracts, with advance agreement that it is regularly reviewed.

Due diligence checks must assure charities that the agency is committed to adhering to the relevant areas of the **Code of Fundraising Practice**.

Charities must ensure they are aware how contracted agencies are recruiting fundraisers, and what employment and payment models are being offered – charities should be satisfied that fundraisers are being treated fairly and remunerated appropriately for the work they are doing.

***The same standard of due diligence must apply to any sub-contractors as they would to the primary agency, and this must be made clear in contracts at each level. These due diligence checks should be carried out and completed by the lead agency, and charities should be given confirmation from the lead agency that these due diligence checks have been carried out before the sub-contractor begins work. Charities must have oversight that this has happened. Evidence of this – an audit undertaken by the lead agency, with accompanying emails and/or paperwork, for example – should be provided.***



When carrying out pre-contract due diligence, key questions and issues to consider and ask will include (but are not limited to):

- Company structure and shareholdings: who ultimately owns the company that you as a charity may be doing business with? The Companies House register is helpful in checking this
- Past financial performance: look back at past years of published accounts to check if there are any financial indicators or concerns to be aware of
- Consider asking for references from other charities/organisations they have worked with previously – although be mindful of commercial sensitivities
- Any past or present legal/sector body actions or negative media coverage of the supplier – but be mindful that certain media outlets do not support charities engaging in public fundraising and their coverage may be biased
- Check the supplier's standard insurance and indemnity cover to ensure it meets your expectations
- Confirm the credentials of the service provider and its key staff, including quality standards and accreditation (such as ISO – international standards) or professional memberships that demonstrate commitment to best practice in fundraising
- Review the supplier's employment policies and any other relevant policies to their business processes – including what pre-employment checks agencies do for their fundraisers
- Assurance that fundraisers will be remunerated fairly and appropriately for their work
- It is essential that the supplier follows the Code of Fundraising Practice in any activity they are carrying out on your behalf – for example checking what policies and training the agency and/or sub-contractor has in place in relation to relevant areas of the Code
- Questions around training, monitoring, vulnerability policies, complaints processes and compliance should also be discussed.

***Charities may wish to consider developing a due diligence questionnaire which asks agencies to provide this information – lead agencies can in turn use it with sub-contractors, which charities can then request to see and review.***



## 2.3 Sub-contracting:

First of all, it is important to define what is meant by the term 'sub-contractor' – the Chartered Institute of Fundraising's legal partner Bates Wells provided us with this definition:

“

*The legal definition of a sub-contractor is a company or person who is contracted to perform services under the original 'head' or 'primary' contract. In the case of face-to-face fundraising, the primary contract will be between the charitable organisation and primary agency. The primary agency may then sub-contract part of the services to other agencies/marketing companies. These agencies/marketing companies may then further sub-contract fundraising services to other agencies or individuals.*”

“

*A primary agency with a 'closed loop network' would still be sub-contracting to those within the network unless they are directly employed by them. Anyone who is a separate business/sole trader would be a sub-contractor.*”







### 2.3.1 What is meant by “closed-loop network”

Each contracted fundraising partner (sometimes referred to as a marketing company) is an independent limited business which works exclusively with the lead/primary agency and should adhere to that agency’s policies and procedures to work alongside it on campaigns.

Each of these sub-contractors is connected to the lead agency – and each has grown from within that lead agency, i.e. they are not external agencies with no connection to the lead agency. These sub-contractors do not work with other agencies – they are all part of a network that is contractually connected to one singular lead agency.

Who is a sub-contractor will therefore depend on exactly who is involved, and the nature of the contractual arrangements between them.

### 2.3.2 Sub-contracting agreements

Charities **must** be clear in their contract with the lead agency whether or not services can be sub-contracted to another organisation, and if so, the standards for how that sub-contracting is carried out. It should be clear from the outset whether those sub-contracted organisations are part of a closed-loop network or not.

It’s important to note that, although most agencies which sub-contract only go down one level from the lead agency, it is rare but not unknown for there to be more sub levels (usually referred to as sub-sub-contractors). Charities should be aware that the further removed from the lead agency the relationship goes, the higher the potential for challenges in monitoring and quality control, which could lead to a dilution of standards.

Trustees and senior leaders of any charity engaging in face-to-face fundraising – working with a lead agency which sub-contracts to other agencies (which could be another agency carrying out face-to-face fundraising, or a telephone agency delivering welcome calls to new donors) – should be aware of who (which organisation) is representing them.

---

Charities should be aware that the further removed from the lead agency the relationship goes, the higher the potential for challenges in monitoring and quality control, which could lead to a dilution of standards.

---

This could be done through shared databases, spreadsheets or having the ability to reach out to individuals directly and speak to them to ensure that the organisation's brand and values are being adhered to in their fundraising teams. It may not always be possible or practical to have shared systems so updates from the lead agency when appropriate must be given. Updates could include, but are not limited to, new sub-contractors being brought in, or campaigns moving between existing sub-contractors – both of which would require the charity's prior consent.

From a fundraising compliance perspective, charities **must understand**:

- Which organisations are in the chain of services
- What the role/status of each party is
- What contractual provisions are in place with each sub-contractor
- What monitoring is necessary to help ensure that everyone within the chain is compliant with the Code and acting in line with the charity's values.

### **2.3.3 If a charitable organisation authorises the use of sub-contractors they should consider the following:**

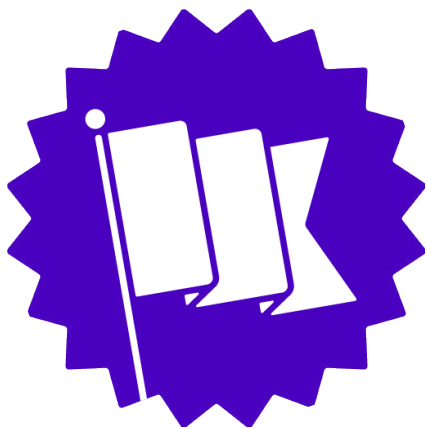
- **If they want the lead agency to provide references for the sub-contractor(s) they are going to use, or information demonstrating the sub-contractor has passed any agency due diligence**
  - Through discussions with our Public Fundraising Advisory Panel, the general consensus is that, to comply with best practice, charities *should* ask for references for sub-contractors to be provided
  - If the sub-contracted agency/marketing company is new, and therefore unable to provide references, the lead agency should provide evidence highlighting that they are committed to best practice, and how they believe they meet the standards required for public fundraising



- Regardless of references being available or not, charities should consider meeting the sub-contracted agency/marketing company themselves as part of their due diligence process – due to time and geographical limitations this may not always be practical, however
- If it is a company, the sub-contractor should be registered with and listed on Companies House, and charities should check to ensure this is the case
- Charities and agencies should agree that agencies carry out regular audits on their sub-contractors – agreeing what should be included in these audits as part of ongoing due diligence checks
- For auditing, we would suggest including – but not limiting to – the following:



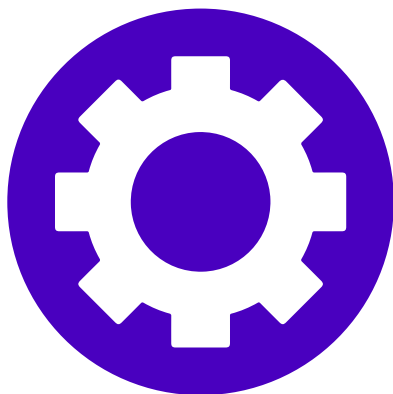
- ✓ **Training materials**
- ✓ **Knowledge of the Code**
- ✓ **Whistleblowing policy**
- ✓ **Observation of training and pitch**
- ✓ **Office culture/environment**
- ✓ **Shadowing of fundraisers**
- ✓ **Complaints ratio versus volume – and analysis of the subject matter of those complaints**
- ✓ **Fundraiser average length of service**
- ✓ **Attrition rate**
- ✓ **Staff satisfaction**



- **Having sight of the contract between the lead agency and sub-contractor(s).**
  - To ensure best practice, it is our recommendation that charities verify that contracts between lead agencies and sub-contractors are in line with the original contracts between themselves and the lead agency. The contract between lead agency and sub-contractor should contain equivalent compliance provisions to the contract between the charity and lead agency
  - It is best practice to ensure that that contracts reflect the professional fundraising rules under the Charities Act 1992 – including provisions around the protection of vulnerable people and the requirement to make a solicitation statement
  - As part of agency due diligence, charities should have clarity and understanding around the employment status of fundraisers used by sub-contractors
  - There also needs to be a clear understanding that agencies may work with multiple clients so wording of contracts may not be exactly the same. It is not a requirement, and down to individual choice between charity and lead agency, however charities may want to consider agreeing a template contract, that largely reflects their own, particularly around compliance terms, with the agency in advance.







- **If they want to know if a sub-contractor is exclusive to that agency or if they work on other campaigns at the same time**
  - As long as there is no conflict of interest, there should be no issue with a sub-contracted agency/marketing company working on multiple campaigns, however some charities may simply want to be aware
  - Charities may also want to be aware if the lead agency or sub-contractor is also working on sales campaigns as well as fundraising campaigns – however, as long as the charity has already ensured the work being done for them is compliant and the fundraising is being carried out at a high standard, this should not cause any problems.

**Standards and engagement techniques are different with fundraising and sales campaigns – so charities must ensure they are happy with the training provided.**

## **2.4 Training:**

**Charities and agencies should both ensure their training materials are updated in light of any Code updates, rulebooks updates and/or new legislation.**

As a charity, it is important to consider how you would want a member of staff employed directly by your organisation to carry out a conversation with a member of the public – and apply to that how you would want a fundraiser, working through an agency on your behalf, to speak to the public. As such, you need to work with your lead agency (and the fundraisers working on your behalf) to ensure they have the right information and all the relevant briefing materials to enable them to carry out their job effectively and deliver the kind of campaign you want to see.

It's therefore crucial that the delivery of training – and who is responsible for it – is considered between charities and agencies (and sub-contractors if relevant) when agreeing their contracts and is outlined clearly in that contract.



---

**Day to day training on how to engage in face-to-face fundraising should sit with agencies.**

---

Training materials should be agreed between the charity and primary agency and reflected in any subsequent sub-contracts.

Day to day training on how to engage in face-to-face fundraising should sit with agencies. Charities are advised to see how this training is delivered – both when they first start working together, and throughout the working relationship. They should request a copy of the agency's training slides/pack to see what is involved in the initial training to ensure everything aligns with their standards and values – this should be done before onboarding the agency and, where required, sub-contractors. They should also agree performance and monitoring criteria, so these standards and values are implemented in practice.

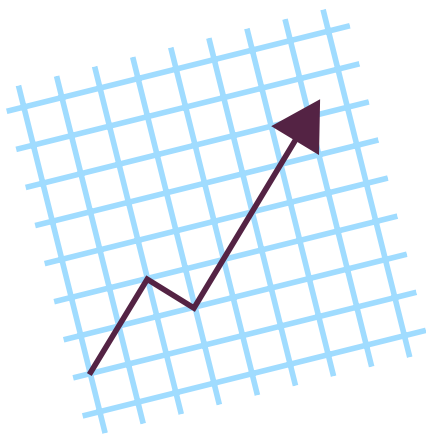
When it comes to campaign specific training, it is best practice for charities to deliver this directly to most effectively communicate their standards and values. If it is not practical for charities to deliver this training to all of their fundraisers, they should be involved in its design, with specific details of their organisation, the campaign, and why it is being done, and request the agency delivers it.



---

**Training should be reviewed and refreshed with feedback and input from both the agencies and charities.**

---

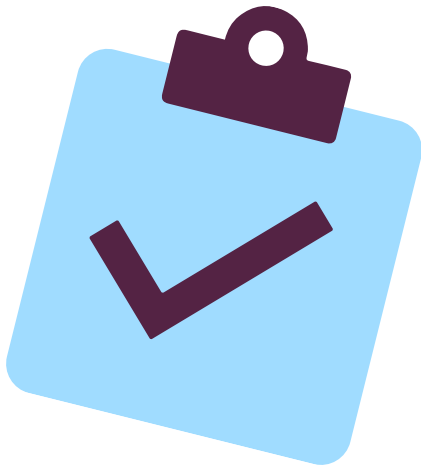


It is important that those fundraising on behalf of a charitable organisation understand the values and ethos of the charity, understand the reason for the campaign and are comfortable being able to answer questions members of the public may have when they are speaking to them. Another option is for charities to train the trainer on how to deliver their specific training, and ensure it is delivered in the appropriate tone, language and empathy of that charity – a trainer could observe an initial training session delivered by the charity, and take what they have learned into their own future training sessions.

Training should be reviewed and refreshed with feedback and input from both the agencies and charities – it can be agreed that this is done at set times throughout the campaign or ad-hoc depending on preference.

Charities should request a log of who has been trained, and when, to confirm that training has been carried out, which will allow them to confirm they have that line of sight as required. For data protection purposes charities do not necessarily need to have the names of those who have completed the training, their fundraiser ID number would be sufficient. Charities may also find it useful to request to sit in on training sessions from time to time, particularly if there have been any concerns or complaints raised relating to recent face-to-face campaigns.

Charities should also agree with the lead agency in advance on how training will be delivered (i.e. who will carry out that training) through sub-contractors to ensure that fundraisers recruited through a third-party sub-contractor are following the same guidelines as those working with the lead agency.



## 2.5 Compliance training

Compliance training involves educating fundraisers on the rules, regulations and ethical standards that govern charitable fundraising activities. This training will ensure that fundraisers adhere to legal requirements, internal policies and best practice – ultimately helping to foster and maintain public trust and accountability in the fundraising sector.

Compliance training is vital to demonstrate a commitment to ethical fundraising practices – non-compliance with the Code can result in penalties, legal issues and reputational damage not just for a specific organisation, but for the wider sector.

**Key areas to cover in compliance training should include, but are not limited to:**

- Understanding laws and regulations related to fundraising, including those set by the Fundraising Regulator and other regulatory bodies
- Adhering to the organisation's own rules and guidelines for fundraising activities
- Understanding and following principles of transparency, honesty and respect in fundraising
- Ensuring compliance with data protection laws when collecting and managing donor information.

Compliance training is essential for all workers involved in fundraising – including fundraisers, fundraising managers, and senior leadership.

Lead agencies should have a named person responsible for ensuring adherence to the Code and adequate training is delivered – at a minimum that named person should provide templated Compliance Guidance that marketing companies/sub-contractors can adapt but must include a “must have” list to guarantee fundraisers are familiar with, and fully understand, relevant Code requirements.

If sub-contractors are involved, lead agencies must review, or observe where possible, the training delivered by any sub-contractor to their fundraisers. Sub-contractors must



---

**Lead agencies should have a named person responsible for ensuring adherence to the Code.**

---

demonstrate their ability to deliver effective compliance training and must be able to document and demonstrate that it has taken place. How this is done – face-to-face or virtually – should be at the preference of the agency, but considerations must be taken into account of the needs of the fundraisers. For example, but not limited to, taking into account fundraisers who are neurodiverse, have accessibility requirements, have difficulty travelling to central locations etc.

As with general training, charities should consider sitting in on agency-led compliance training sessions from time to time as it can be helpful to watch the room and assess levels of engagement with the training.

It is appreciated that not all training is carried out in-person, with some organisations operating online or hybrid models – however, some in-person training and monitoring (like shadowing, for example) is essential for best practice and could not be done remotely as it provides an important opportunity to observe the culture and environment fundraisers are working in. This can often make it easier to spot concerning approaches or behaviours that may not otherwise be easily identified through remote delivery.





---

All reasonable efforts should be made by the charity to approve and regularly review training on adherence to the Code.

---



If training sessions are carried out remotely, charities should have easy access to this, regardless of their location. If they are recorded for monitoring purposes, it is potentially less time consuming for charities to watch them as it doesn't necessarily have to be done in one sitting.

Charities should request a copy of any compliance training and know how/when it has been delivered.

All reasonable efforts should be made by the charity to approve and regularly review training on adherence to the Code, including frequently watching training being delivered.

Charities and agencies should consider how best to **share information** around who has completed compliance training and when. It may not be practical for agencies to provide detailed feedback every time, however it may be worth considering a shared database or spreadsheet that is updated by agency trainers each time a session has been carried out, with the fundraiser ID numbers of those who completed the training – this is something that should be discussed between the charity and lead agency to decide what would work best for them, and whose responsibility it would be to keep it updated. At a minimum, agencies should be able to provide specific information to a charity about a fundraiser's training history when requested.

Charities and agencies should also agree between themselves, as part of the contract, how often they want to review compliance training content and delivery – a general approach may be to agree to a set number, for example two or three times a year, with a view to carrying out ad-hoc reviews as and when issues arise (for example multiple complaints from members of the public).

There is an understanding that training is a longer-term process now, with some agencies choosing to reduce the amount of training that is carried out over the first few days and spreading it over the first few weeks. It is recognised that essential training – including compliance – must be completed within the first week.

---

Charities and agencies should also agree between themselves, as part of the contract, how often they want to review compliance training content and delivery.

---

---

Termination rights should be mutually agreed in the contract and work for both parties.

---

## 2.6 Termination of contract:

There may be occasions where a contract between a charity and a fundraising agency needs to be terminated. You should consider in advance how you will deal with a failure should a situation arise – it may become necessary to terminate a contract, or the situation may be forced upon you by a supplier going out of business.

Termination and suspension clauses need to be clear and agreed in advance in the contract, as well as terms covering how data will be returned, along with any campaign material (for example call recordings).

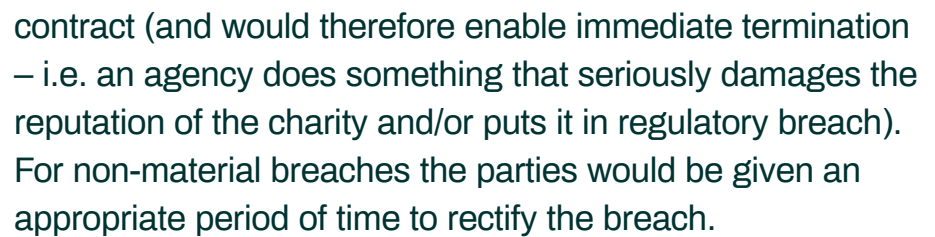
As a charity, thinking in advance about the impact of any third-party supplier not being able to deliver your fundraising programme and having plans in place to deal with this will help greatly should the situation arise.

Clauses should be set out dealing with when, and under what circumstances, a contract may be terminated. Charities should also explore when they might have the need to pause activities or a campaign – for example if there has been a high number of complaints or to address a problem with a specific sub-contractor. There should be a clause that reserves a charity the right to remove a sub-contractor due to complaints or compliance issues.

Charities should be able to ensure that an agency is performing to a certain standard – and therefore a contract should also detail the measures that will be taken against non-performing suppliers prior to resorting to contract termination.

Measures around this should reflect the size of the campaign, and longevity of the existing contract for example – if a charity has been working with a fundraising agency for a lengthy period of time, they should consider longer termination times and give consideration to allowing agencies a decent opportunity to make changes (if the issue is non-performance for example) to resolve the problem(s).

Termination rights should be mutually agreed in the contract and work for both parties. For example, setting out what would constitute a material/serious breach of the



### 2.7.1 Job adverts

### Spot checking job adverts can be important if:

- 
- A top-down view of a wooden desk. In the upper left, a portion of a silver laptop is visible, showing the keyboard with keys like 'S', 'D', 'F', 'B', 'N', 'C', 'V', 'X', 'Z', 'command', 'option', and a trackpad. On the desk, there are two documents. The first is a resume for Samantha Black, a sales director, featuring a blue header, contact information, and sections for Experience, Education, and References. The second document is a business card for Eliot Brown, also with a blue header, contact information, and a Professional Statement. To the left of the business card is a printed document titled 'Our company' which contains two charts: a stacked bar chart showing 'Receipts', 'Sales', and 'Orders' from January to December, and a line chart showing 'Sales' and 'Orders' for the same period. The charts are set against a light gray grid.



- Charities want to be sure that the job advert is clear on the following terms
  - Terms of employment
  - Payment terms
  - The advert conforms to the CAP (Committee of Advertising Practice) code – that it is truthful, accurate and not misleading.

Charities and agencies should consider developing a core template job advert for agencies and any sub-contractors, as part of their contract agreement. This could include:

- Clarity on what the purpose of the role is – if language is not limited on the advertising site – for example, being clear it is a face-to-face fundraising post
- Who the agency's clients are – for example a fundraiser may work on campaigns for charities including XYZ. There would need to be agreement with clients prior to this to ensure they are happy to be named in job adverts
- Clarity on employment and payment terms – for example if remuneration is on a pay by results model there must be clarity that any earnings mentioned in the advert are estimated, potential or average.

**This core template could then be amended by the recruiter accordingly. Please note this is a suggestion only and desire to do this may vary from organisation to organisation.**

During job interview stages, or when potential candidates are seeking further information prior to applying, recruiters must be clear on what the potential minimum pay could be if targets are not achieved.



---

Roles and responsibilities need to be clearly defined within the agreement so that it is clear from the outset where different obligations lie.

---

## 2.7.2 Service Level Agreements (SLAs):

The SLA needs to cover all standards and area of delivery that fall under the contract, including:

- **Compliance:** what aspects of compliance are relevant and what reporting do you require?
- **Quality:** how do you want your brand and culture to be reflected in the work that your partner carries out for you and how will this be measured?
- **Performance:** what overall performance do you want to have in place?
- **Service:** what expectations do you have in relation to how your partner will manage the relationship with you?
- **Success:** how frequently do you want to measure the success of the partnership and work – for example shadowing sessions and/or carrying out audits?
- **Business continuity plan:** outline how your organisations will continue operating during and after a disruptive event, ensuring minimal disruption to critical business functions and operations (if possible – force majeure may have been enacted, preventing operation during exceptional circumstances).







Be mindful that the roles and responsibilities need to be clearly defined within the agreement so that it is clear from the outset where different obligations lie, who the key points of contact between the two organisations are and the processes to resolve any issues.

Fundraising agencies and charities are susceptible to changes in the fundraising (and wider political and media) environment. The SLA and contracts should cover where possible unexpected issues that could arise: for example, needing to suspend or withdraw a campaign.

*While we have included this in our guidance, some charities and agencies may feel it is not necessary for a distinct SLA to be included – if the contract includes appropriate agreed measures which cover off the headline points listed above, but do so within individual sections or clauses, this will achieve the same thing. Often key commercial and compliance terms are set out in the main contract, with specific standards/SLAs/ KPIs set out in a schedule to the contract.*

### **2.7.3 Complaints policy and procedures**

Charities should confirm with agencies ahead of work commencing that they (the agencies) have a solid and robust complaints policy in place, and they should request a copy of this policy. Charities should check to ensure that the agency's policy aligns with their own policies and procedures regarding complaints.

As part of the contract, or Service Level Agreement (SLA) prior to commencement of work, processes around complaints should be put in place and agreed – including sharing information around complaints between both parties, timeframes for responses and actions, and steps required around escalating to the next level.

Information sharing about complaints should comply with data protection laws. Charities and agencies should also work together to monitor the nature of complaints received to ensure that they can effectively address any key themes and learnings.

---

A robust monitoring procedure which provides evidence of the delivery of quality and compliance standards that can support a charitable organisation's board to meet its responsibility to oversee the fundraising programme is vital.

---

## 2.8 Monitoring the partnership

A charity should aim to create a genuine partnership with its chosen supplier, with both partners working towards a common goal. A charity's responsibility is to monitor its partner's delivery of its standards – this role is critical to the success of the partnership. It should be an open and transparent process, with each agency having an obligation to provide the necessary information and evidence that is required for appropriate monitoring. This should be considered during the early stages of contract discussions and then defined in the contract.

A robust monitoring procedure which provides evidence of the delivery of quality and compliance standards that can support a charitable organisation's board to meet its responsibility to oversee the fundraising programme is vital.

Charities need to determine the following:

- Whether its requirements have been understood and are being executed properly
- Review performance and check how KPIs are looking (and investigate any reasons where levels have not been reached)
- Identify whether there are any areas that require remedial action
- Provide evidence of the delivery of quality and compliance standards that can support your organisation's board in its responsibility to oversee your fundraising programme
- Give yourself confidence and reassurance that the partnership with the agency is resulting in a positive and successful engagement campaign with supporters and the public.

**Monitoring processes can include, but are not limited to:**

- Regular check-ins/catch-up calls between key points of contact within the charity and agency



---

Charities should include agreed terms around site visits in their contracts with agencies – with the understanding that these visits can be arranged at very short notice and are relevant to both the lead agency and any sub-contractors.

---

- Shared access to a live dashboard or database that is updated regularly to show sign-up rates, indicate that KPIs are being delivered etc
- Regular reviews of data, training, due diligence, complaints and complaint trends
- Ensuring there are provisions in place which allow agencies to remedy issues if anything goes wrong
- Ad-hoc visits to private sites, including mystery shopping.
- Shadowing of door-to-door fundraisers
- Unannounced, or short-notice (minimum 24 hours) visits to agency and/or sub-contractor's offices
- Named contacts for monitoring responsibilities.

Charitable organisations should also consider the treatment of those fundraising on their behalf – even if they are not direct employees. If a fundraiser is acting as the public face of your organisation in face-to-face fundraising situations, there is a moral and ethical standpoint that charities may want to consider – for example, ensuring they are treated fairly and with respect, and that they are receiving fair remuneration that aligns with the employment model they are working under.

### **2.8.1 Site Visits**

Among the Chartered Institute of Fundraising's Public Fundraising Advisory Panel, there is a general consensus that there is no set or prescribed number of times a charitable organisation should carry out site visits with their agencies. This approach should be risk-based in terms of deciding what would be reasonable in the circumstances.

Site visits can be useful for charities to see how agency fundraising teams are working, the setting and environment, how people react to them being there – and would allow charities to observe morning meetings, meet those fundraising on their behalf, speak to them to get an understanding of how they feel about their job, any issues they come up against, rewarding aspects, culture etc.

---

**It is vital that charities are satisfied fundraisers raising money on behalf of their organisation are being treated fairly and with respect.**

---

There are a number of things to be taken into consideration with this including logistics and capacity, and that it is often covered by shadowing and mystery shopping. Charities should include agreed terms around site visits in their contracts with agencies – with the understanding that these visits can be arranged at very short notice and are relevant to both the lead agency and any sub-contractors.

## **2.9 Safeguarding of fundraisers:**

It is vital that charities are satisfied fundraisers raising money on behalf of their organisation are being treated fairly and with respect. It is equally important they are satisfied that members of the public – potential donors – are also being treated with respect.

While agencies are ultimately responsible for the points below, charities should also have appropriate oversight that:

- Fundraisers have fair working conditions
- Fundraisers have been given full transparency over payment models – if this cannot be done in a job advert it should be communicated to candidates if/when they request further information and/or prior to an initial interview
- Fundraisers are being fairly and appropriately remunerated for the work they are carrying out / hours they have worked – and ensure appropriate training methods are in place to help those who are struggling to meet targets improve, without resorting to poor practice
- There are policies in place for safeguarding of fundraisers in the field – for example agencies may wish to consider providing their fundraisers with personal safety alarms and regular check-in methods, particularly if undertaking door-to-door fundraising alone. Charities may wish to have sight of risk assessments carried out by agencies
- There are whistleblowing policies in place and fundraisers feel safe to raise concerns if they have them. As with safeguarding, charities may wish to see a copy of an agency's whistleblowing policy.

**Quick check-list for contracts and due diligence – please note this is not an exhaustive list:**

Contract	Due Diligence
Sub-contracting clause	Financial standing
Termination clause	Sector reputation – can include searches on forums, Companies House for any discussions/data highlighting concerns/poor practice
Confidentiality clause	Credentials of agency and key staff: quality standards, accreditations, professional membership
Force majeure clause	Conflicts of interest – possible, perceived or actual
Data processing terms and security expectations	Evidence of commitment to relevant sections of Code of Fundraising Practice
TUPE regulations	Agreement on due diligence checks around sub-contractors
Indemnity provisions	Clear understanding of how fundraisers are recruited (vetting and onboarding process)
Payment agreements	Clear understanding of what employment and payment models are being offered to fundraisers
Agreement to ongoing due diligence checks	Company structure and shareholdings – who owns the company. Ask for names to be provided of additional offices that may be sub-contracted to fulfil the contract (if necessary)
Auditing and monitoring agreement procedures	Past or present legal concerns
Safeguarding of fundraisers and the public procedures	Check insurance and indemnity cover – does it meet expectations
Vulnerable persons policy	Review supplier's employment policies
Complaints procedure	Is agency PCI DSS compliant
Contract variation clause	Compliance training
Agreement to adhere to the Code and other regulations	Review agencies oversight of fundraising actively
Non-solicitation and non-circumvention clauses	Data security
Provision of campaign materials	Complaints procedure and policy
Training – agreement on who provides what training and how often including KPIs and SLAs – complaints, monitoring programme and frequency, reporting and meetings between agency and charity	Key policies like; Vulnerable person policy, Safeguarding and Whistle blowing
Solicitation statement	If sub-contracting: does the sub-contractor exclusively work as fundraisers (rather than commercial ventures such as sales)



# EMPLOYMENT STATUS AND PAYMENT MODELS

# 3





While there are many volunteers within the sector, charities cannot raise the funds needed to carry out their essential work using volunteers alone. Fundraising, therefore, is also a profession – and as such, there are a variety of ways fundraisers can be engaged and paid.

It is important to ensure that fundraisers are engaged appropriately, and in a way that is **legally compliant**, according to their employment status. It is also important, where fundraisers are undertaking paid work, to establish a payment structure that strikes a balance between properly rewarding the work of a fundraiser (and meeting any applicable National Minimum Wage requirements) and enabling the charity to raise as much money as possible for its cause, which is often primarily built upon supporter gifts. Charities need to ensure that they spend supporter money as effectively and sensibly as possible.

---

Assigning someone the wrong employment status can lead to significant financial and legal risk (including tax liability) so it is imperative that legal advice is obtained as needed.

---

From an employment perspective, paid fundraisers might be workers, employees, or self-employed contractors. They may be engaged directly by the charity, or via a third-party. It is crucial for charities and trustees to ensure that they are



clear about the employment status of their fundraisers from the outset, so that they understand the employment rights from which the fundraisers benefit, and the charity's legal obligations towards them. Assigning someone the wrong employment status can lead to significant financial and legal risk (including tax liability) so it is imperative that legal advice is obtained as needed.

As a charity that engages in fundraising, you and your trustees should be satisfied that fundraisers working on behalf of your organisation – whether that is in-house, through a professional fundraising agency or on a consultancy basis – are being engaged appropriately (and in a way that is legally compliant), remunerated fairly and appropriately for the work they are carrying out, and that the values and ethos of your organisation are reflected.

### 3.1 Employment status

There are three types of employment status under UK employment law: 'worker', 'employee' or 'self-employed'. Paid fundraisers could fall into any of these three categories, depending on how they are engaged by a charity. The question of which category an individual will fall within will be a matter of fact, governed by whether they meet the legal test for either of the categories. The classification given in the contract engaging the individual will not necessarily be determinative.

The Chartered Institute of Fundraising has used the UK Government's guidance on employment status for this section.

**However – employment status is a complex and nuanced area of employment law and this section must not be taken to be legal advice in this regard, or determinative of status. It is intended as high-level guidance only, and a starting point for relevant consideration. Charities and trustees should obtain their own legal advice as to the employment status of their fundraisers as needed.**





### 3.1.1 Worker:

An individual may be classed as a 'worker' if:

- They have a contract or other arrangement to do work or services personally for a charity, for a reward
- Their reward is for money or a benefit in kind
- They only have a limited right to send someone else to do the work (subcontract)
- Their employer has to have work for them to do as long as the contract or arrangement lasts
- They are not doing the work as part of their own limited company, business undertaking or profession, in an arrangement where the 'employer' is actually a customer or client.



**And if some or all of the following apply:**

- Their reward is money or a benefit in kind
- They cannot send someone else to do their work, or only have a very limited ability to send someone else to do their work (substitute or sub-contract)
- There is some level of mutuality of obligation between the business and the individual – meaning that the business has to offer them work when it is available, and they have to carry it out, as long as the contract or arrangement lasts
- They had to agree with the business's terms and conditions to get work – either verbally or in writing; and/or they are subject to the organisation's staff policies and procedures and must comply with them
- They are under the supervision and/or control of a manager or director
- The business provides the materials, tools or equipment they need to do the work
- They are integrated into the business and identifiable as a member of its staff / part of a particular team
- They assume limited legal and financial risk (if any) associated with the work they do for the business
- The business deducts tax and National Insurance contributions from their wages
- Individuals can also be workers if their contract with the business uses terms like 'casual' 'freelance' 'zero hours' 'as required' or similar, and they are only occasionally asked to do work
- They can also be workers in circumstances where a business does not have to offer them work and they do not have to accept it (zero hours contracts).





## Workers are entitled to certain employment rights, including:



- Written particulars of employment
- Getting the National Minimum Wage
- Protection against unlawful deductions from wages
- The statutory minimum level of paid holiday
- The statutory minimum length of rest breaks
- To work no more than 48 hours on average per week or to opt out of this right if they choose
- Protection against unlawful discrimination
- Protection for 'whistleblowers' who report wrongdoing in the workplace
- Not to be treated less favourably if they work part-time
- The right to be accompanied at a disciplinary or grievance hearing
- The right to a pension contribution from their employer under the auto-enrolment scheme.





**Workers may also be entitled to the following employment rights in some circumstances:**

- Statutory sick pay
- Statutory maternity pay
- Statutory paternity pay
- Statutory adoption pay
- Statutory shared parental pay
- Statutory parental bereavement pay.

**Workers usually are not entitled to:**

- Minimum notice periods if their employment will be ending
- Protection against unfair dismissal
- The right to request flexible working
- Statutory redundancy pay
- Statutory neonatal care pay
- Statutory carer's leave.

**The UK Government's guidance on worker employment status can be found [here](#).**

### **3.1.2 Employee:**

An individual may be classed as an 'employee' if they work under an employment contract or 'contract of service' and meet some, or all, of the following criteria:

- They have to provide their services personally to the business. There is no right of substitution, or to subcontract their work out. They cannot get someone else to do their work
- There is mutuality of obligation between the business and the individual – meaning that the business has to offer them work and they have to carry it out
- They're required to work regularly unless they're on leave
- They're required to do a minimum number of hours and expect to be paid for time worked



- They work at the business's premises or at an address specified by the business
- They are subject to the organisation's staff policies and procedures and must comply with them, including disciplinary and grievance procedures
- They are under the supervision and/or control of a manager or supervisor, who is responsible for their workload, saying when a piece of work should be finished and how it should be done
- The business provides the materials, tools and equipment they need to do their work
- They are integrated into the business and clearly identifiable as a member of its staff / part of a particular team
- They get paid holiday and are entitled to sick pay and maternity/paternity pay
- They can join the business's pension scheme
- They do not assume any legal and financial risk associated with the work they do for the business
- The business deducts tax and National Insurance contributions from their wages.

All employees are workers – but an employee has extra employment rights and responsibilities that do not apply to workers who are not employees.

**Employees have all of the rights that workers have and the right to:**

- Minimum notice periods if their employment will be ending
- Protection against unfair dismissal
- Request flexible working
- Statutory sick pay
- Statutory maternity pay and leave
- Statutory paternity pay and leave



- Statutory adoption pay and leave
- Statutory shared parental pay and leave
- Shared parental bereavement pay and leave
- Statutory neonatal care pay and leave
- Statutory carer's leave
- Statutory redundancy pay
- Right as a fixed-term employee not to be treated less favourably than a full-time employee.

Some of these rights require a minimum length of continuous employment before an employee qualifies for them. An employment contract may state how long this qualification period is.

***Please note that this is not the full legal test for whether someone is an employee – it is a high-level summary of some of the key points from the government's website. This is a very complex area of employment law.***

The UK Government's guidance on employee employment status can be found [here](#).



### 3.1.3 Self-employed contractors

It is not uncommon for fundraisers (and those working in many other sectors) to operate under a self-employed model. This allows the fundraiser to set their own hours, be their own boss and get paid based on their results. Some agencies we engaged with in the drafting of this guidance also pay a day rate or performance bonus to self-employed fundraisers – sometimes referred to as independent contractors – that can ensure fundraisers are paid at least the real living wage for the hours they are expected to work on site.

---

**It is crucial that charities and agencies ensure that any fundraiser who is operating under a self-employed model is genuinely self-employed in practice.**

---

However, it is crucial that charities and agencies ensure that any fundraiser who is operating under a self-employed model is genuinely self-employed in practice. The label attached to their contract will not necessarily be determinative – the reality of the working relationship will also need to be taken into consideration. As outlined above, the legal and financial risks to the charity or agency of getting this classification wrong can be substantial and should not be underestimated.

An individual is likely to be self-employed if they are “in a business on their own account”. That means, for example:

- They are engaged under a contract or agreement for services
- They put in bids or give quotes to get work
- They run their business for themselves, and have autonomy and control over how, when and where they work
- They set their own hours and determine their place of work
- They are not under the direct supervision and/or control of a manager or supervisor when working – they are responsible for their own workload
- They are not part of, or integrated into, the business of the organisation who is engaging with them
- They use their own tools and resources to carry out their work
- They are not subject to the organisation’s policies and procedures applicable to staff





- They are paid on completion of project or service basis, and submit invoices for the work they've done
- They do not get paid when they do not work – for example when they are sick or on leave
- They are not part of the organisation's pension scheme
- They take financial responsibility for the success or failure of their business
- They are not paid through PAYE and are responsible for paying their own income tax and National Insurance contributions.

Individuals who are genuinely self-employed contractors do not have the rights and responsibilities of an employee or worker.

**The UK Government's guidance on employee self-employed status can be found [here](#).**

**However – self-employment (and employment status) can be complex and nuanced, and both parties need to be able to demonstrate that the fundraiser genuinely is self-employed.**

**Lead agencies and charities should take legal advice (whether that is in-house or external) on self-employment to ensure that any fundraisers engaged in this way are genuinely self-employed (and not a worker or employee in practice).**

***It is worth noting that all of this has been written with the current law as a guide. The government has mooted merging the existing statuses of worker and employee into a single status of worker, as part of its reforms. And whilst, following the publication of the Employment Rights Bill in November 2024 (which remains in draft form), a move towards a single status of worker and transition towards a simpler two-part framework for employment status appears to be on hold at the time of publication of this guidance (July 2025) it could form part of the next phase of their reforms and the above information could be subject to change.***

## 3.2 Payment models

Following discussions with professional fundraising agencies, some of the most commonly used payment models are listed below.

### 3.2.1 Fee for services / Performance-related pay (PRP) / Cost per acquisition (CPA)

These are payment by results models, with typical measures being supporters signing up, supporters making a payment, or a combination of both. This can be a percentage of the amount raised, or it can be a fixed fee (usually CPA). Agencies are generally paid a CPA per donor based on the monthly gift amount, and this payment model can often be reflected by agencies to their sub-contractors and/or self-employed fundraisers.

*Agencies have highlighted that it is worth noting that not every fundraiser who is on a fee for services or performance related pay model is self-employed – payment model and employment status are separate.*

- Can be favoured by experienced fundraisers and can often be considered as a good way to retain those who are very good at fundraising
- Can be hard to predict how much the fundraiser will earn.
- Close monitoring is required to ensure that this model does not lead to undue pressure on donors if a fundraiser is struggling to get sign-ups
- Does not always reflect the time spent working, or time spent in training sessions which fundraisers may not be financially remunerated for – in other words no results equals no pay, but a fundraiser could still incur travel costs and other expenses
- On the other hand, some experienced fundraisers may work fewer hours but earn significantly more if they are achieving high results during that time

- Agencies should take actions to ensure fundraisers operating on a payment by results model have the training and support they need to carry out the job and earn appropriate remuneration – that may include advising a fundraiser that their skills may be more suited to another profession if they fail to yield results, and as a result do not receive any payment.

---

**Charities must consider what happens if a fundraiser does not perform at a level which delivers an appropriate level of remuneration and have safeguards in place to ensure the wellbeing of such fundraisers.**

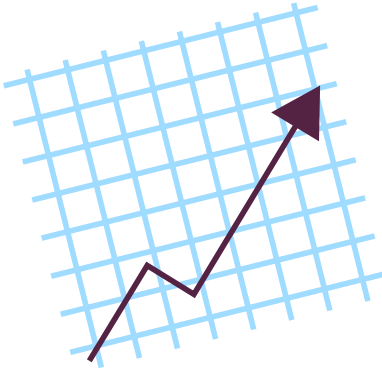
---

*An experienced or high performing fundraiser may feel they could earn more money on a performance related pay or cost per acquisition (CPA) model, however some agencies we engaged with offer all-in rates (which can include daily rate, bonus pay, holiday pay, additional incentives) in an attempt to be competitive with PRP or CPA earnings.*

*Charities must consider what happens if a fundraiser does not perform at a level which delivers an appropriate level of remuneration, and have safeguards in place to ensure the wellbeing of such fundraisers.*



### 3.2.2 Day rate plus PRP (can include sign-up/results/retention bonuses)



- Fundraiser is paid a set amount per day for their fundraising activity – both fundraiser and employer/contractor know in advance how much this will be
- Fundraiser can earn more money on top of this day rate through additional performance-related pay. This could vary from agency to agency, or sub-contractor to sub-contractor as each can set their own incentives and additional bonuses
- Weekly or monthly pay can vary depending on sign-ups – however some agencies look to reduce this risk by paying their fundraisers on the basis they are reaching monthly averages, even if they don't hit their weekly target, which can reduce payment volatility for fundraisers and potentially provide them with a more stable weekly or monthly income
- Close monitoring required to ensure that both the fundraiser and potential donors are not put under undue pressure to meet sign-up targets
- Some agencies include donor retention in their bonus structure: for example, paying a nominal bonus every time a donor recruited by a fundraiser makes a monthly payment over the first few months, making it more worthwhile for fundraisers to focus on quality interactions over quantity – for charities this can often be a good indicator of quality/ best practice from an agency or sub-contractor
- Potential for both agency and charity to pay out more money than they are bringing in, which could lead to both organisations being unprofitable on specific campaigns.

### 3.2.3 Salaried model

- Both fundraising organisation and fundraisers know the rate in advance – they have a confirmed yearly salary
- The fundraiser is guaranteed to be paid regardless of how many or how few sign-ups they achieve

- Potential for agency or charity, if they are operating an in-house model, to pay out more money than they are bringing in, which could lead to the agency or charity being unprofitable on specific campaigns. This could in turn impact staff payment and/or retention in the long-term if agencies or charities are struggling to bring money in
- There are questions around staff retention – while some believe a salaried model can encourage staff retention, others feel it may have the opposite effect and could potentially encourage workers to move from agency to agency more frequently – particularly if a fundraiser is high performing and sees potential to earn more on a pay by performance model
- Close monitoring required to ensure that both the fundraiser and potential donors are not put under undue pressure to meet sign-up targets.



### **3.2.4 Hourly rate (plus incentives/ bonuses)**

- Fundraiser is awarded for actual work undertaken, and number of hours worked
- Employer knows exact costs involved
- Employer pays regardless of outcome
- Returns are not guaranteed – there is a risk that more money could be paid out in wages than is brought in through fundraising, thus creating financial challenges for the agency, which is generally paid by the charity on a results/per donor basis. If the charity has an agreement to cover hourly costs, this would also impact them
- Charities can also be impacted by this if they have face-to-face fundraisers working in-house
- Close monitoring required to ensure that both the fundraiser and potential donors are not put under undue pressure to meet sign-up targets.

*Regardless of payment model, depending on the site, there can be limits around flexibility on hours worked. For*



---

Charities should be assured and content that fundraisers working for agencies on their behalf are being treated fairly, including being remunerated appropriately for their work.

---

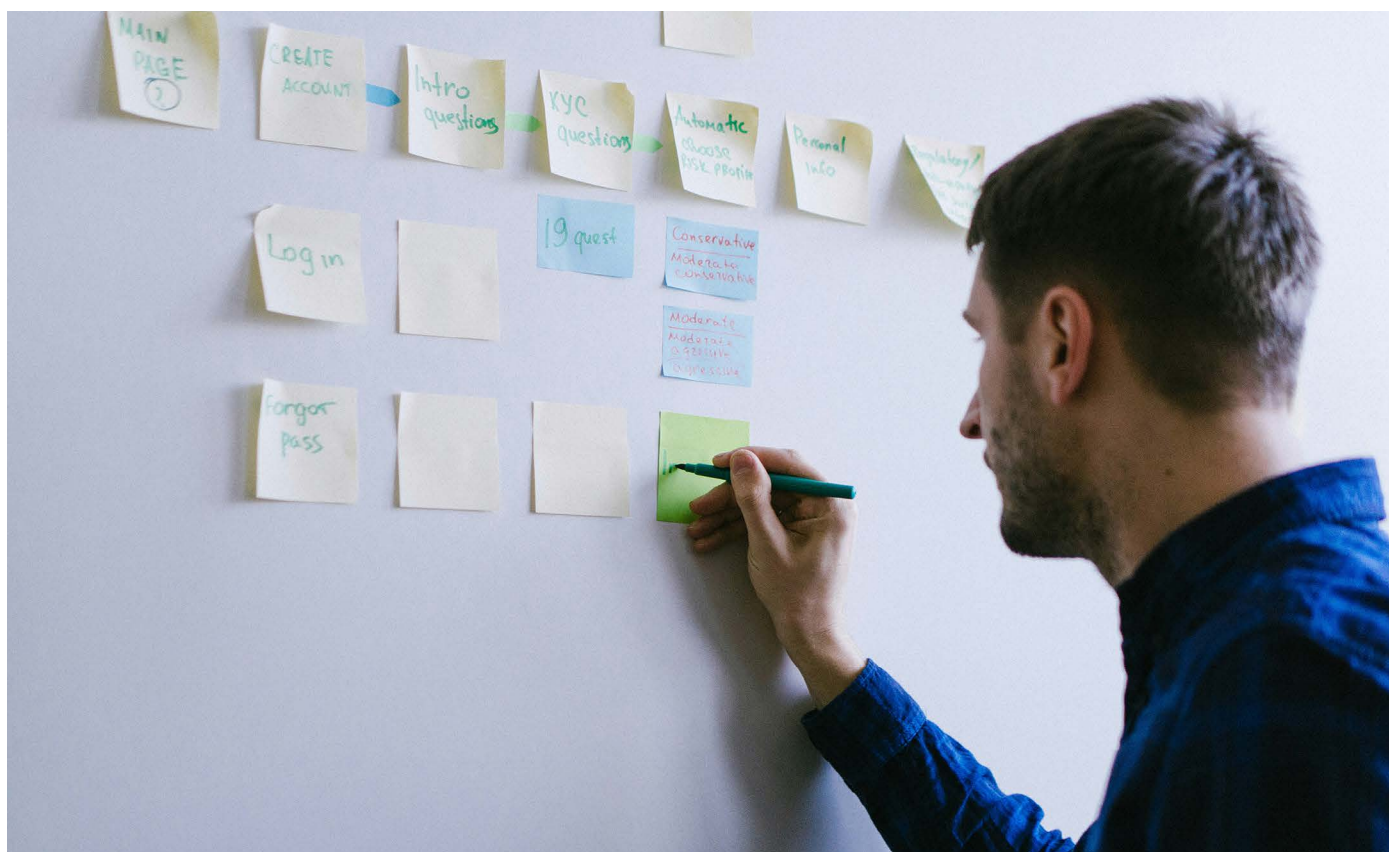
*example, door-to-door can be very flexible, however private site fundraising has less flexibility due to costs involved and the needs for fundraisers to be present at specific times.*

### **3.2.5 Considerations when choosing the appropriate payment mechanism:**

Fundraising organisations – both charity and agency – should consider the full anticipated costs and income of the fundraising activity when establishing payment methods to ensure the activity remains financially viable and there is good value on the returns.

It is advisable for the choice of payment method to be supported by a sound business plan.

When working with third party agencies, charities should keep in mind that the payment models offered to fundraisers is ultimately the decision of those agencies and not the charity. Some agencies may offer a choice to their fundraisers, others may not – however charities should be satisfied that whatever the employment relationship and payment method is, it is made explicitly clear to the potential fundraiser via job adverts and contracts.



---

It is important for fundraising organisations to consider public trust and confidence, balancing public perceptions with a good business plan.

---

They should also be assured and content that fundraisers working for agencies on their behalf are being treated fairly, including being remunerated appropriately for their work.

**Charities should give consideration to the following, when discussing with agencies how fundraisers are remunerated:**

- What is in the best interests of beneficiaries?
- Are the values and ethos of your organisation properly reflected – are there any risks linked to a particular payment method that you may wish to avoid?
- What safeguards are needed to ensure any party receives appropriate remuneration for their work? For example, even where the anticipated funds are not raised, or considerably higher levels of funds are raised?
- Does the form of payment impact upon the potential donor? For example, could fundraisers feel under pressure to meet targets, that could potentially lead to poor practice in approaching potential donors?
- While charities should ensure they are satisfied that fundraisers are being treated fairly and remunerated appropriately for their work, they should also be satisfied that the remuneration of fundraisers is not excessive, and that the activity will serve the best interest of the charity's beneficiaries.

## **3.3 Public trust and confidence**

Public trust and confidence in charities are essential in ensuring successful and sustainable fundraising.

Members of the public may hold strong views about how, and indeed whether, fundraisers are remunerated, which may in turn influence their decision to donate.

It is important for fundraising organisations to consider public trust and confidence, balancing public perceptions with a good business plan.

However, there is a caveat that, in some cases, there are



members of the public who will never like or agree with public fundraising, no matter what is done: for example how the fundraiser is paid, what they are fundraising on behalf of, whether it's door-to-door, on-street, private site or lottery. This is where charities must be prepared with statements to share with both the public and media about why they are undertaking these activities – for example the importance of public fundraising, the positive work that has been done as a result of public fundraising, how much of a charity's income depends on this method of fundraising.

### **3.4 Working with volunteers**

It is less common for volunteers to engage in face-to-face fundraising to recruit regular givers. However, you may sometimes find volunteers are involved in fundraising drives at specific events.

It is advisable for volunteers to have their expenses reimbursed and it is good practice that this happens regularly and promptly to ensure they are not left out of pocket. Volunteers should only have their out-of-pocket expenses reimbursed and not be paid a flat rate amount (or receive any other financial reward or benefit in kind) as this may mean that they are categorised as a worker or employee for employment status purposes, which could in turn trigger minimum wage legislation, and employment rights.



It may also affect the individual's benefit payments if they receive them.

Charities should outline their approach to reimbursement of volunteer expenses within their own individual volunteering policies and associated volunteer expenses guidance and/or processes. Local volunteer centres can provide advice and guidance on what to include.

Training that is not related to the activity, use of the fundraising organisation's other facilities, or payment in excess of out-of-pocket expenses may lead to a contract of employment being entered into inadvertently, so charities should remain mindful of that.

## **3.5 Trustees as paid fundraisers**

### **3.5.1 In England and Wales:**

#### **Trustee expenses**

Expenses are for out-of-pocket payments trustees have to make in order to carry out their duties. For example:

- travel to and from trustee meetings
- overnight accommodation
- postage, telephone calls and broadband time for charity work
- childcare or care of other dependants while attending meetings.

Your charity should have a written agreement setting out what is classed as an expense, how much can be claimed, plus how to claim and approve expenses.

#### **Paying a trustee to be a trustee**

A trustee volunteers their services and usually won't receive payment for their work. Generally, charities cannot pay their trustees for simply being a trustee.



Some charities do pay their trustees – but they can only do so because it's permitted under their governing document, by the Charity Commission or by the courts.

Further details on rules around trustee payments can be found on the [\*\*Charity Commission\*\*](#) website.

### **3.5.2 In Scotland:**

In **Scotland**, the remuneration of charity trustees is prohibited unless specific conditions are met. These are:

- The maximum amount of the payment is set out in a written agreement
- The maximum amount is reasonable in the circumstances
- The charity trustees are satisfied that it is in the interests of the charity for the services to be provided by the charity trustee for that amount (which must be set out in the agreement)
- Immediately after the agreement is entered into, only a minority of the charity trustees receive remuneration
- The charity's constitution or governing document does not expressly prohibit it.



These provisions also apply to payments to those persons considered by the **2005 Act** to be connected to trustees, including business associates and family.

### **3.5.3 In Northern Ireland**

The general rule is that trusteeship is an unpaid role. However, like the rest of the UK, there are circumstances when a charity in Northern Ireland will provide some form of payment to its trustees – for example reimbursing trustees for out-of-pocket expenses incurred as part of their work for the charity.

Further information on making payments to trustees can be found in [\*\*guidance developed by the Charity Commission of Northern Ireland.\*\*](#)



# CONCLUSION

It is clear that charities and professional fundraising agencies share a vital role in sustaining the charity sector – and upholding public trust. As this guidance has set out, the foundation of successful face-to-face fundraising is built upon strong, transparent and respectful partnerships.

By embedding ethical principles, robust due diligence and a commitment to the fair treatment of fundraisers, donors and the wider public, charities can ensure that their fundraising practices are not only effective but also sustainable and aligned with their core values – and fundraising regulations, as set out in the Code of Fundraising Practice.

Charities will always face challenges. The need for charitable services continues to grow – with face-to-face being one of the most valuable methods of fundraising to achieve the necessary resources required to deliver services effectively – but public scrutiny will remain high, which is why fundraising partnerships must be accountable, compliant and mutually respectful. It is essential that all parties work collaboratively to maintain high standards.

Ultimately, the goal is not just to raise funds, but to do so in a way that reinforces trust, protects and upholds the reputation of the sector, and ensures that fundraising remains a powerful tool for good. The Chartered Institute of Fundraising is here to help its members achieve this as much as it can – with on-demand training, webinars, academy courses and much more.

# GLOSSARY OF TERMS

<b>Charity</b>	A body which is recognised as a charity under the relevant law of England and Wales, Scotland or Northern Ireland.
<b>Charity Commission for England and Wales</b>	Also known as CCEW. A non-ministerial department that registers and regulates charities in England and Wales.
<b>Charity Commission for Northern Ireland</b>	The independent regulator for charities operating in Northern Ireland.
<b>Chartered Institute of Fundraising</b>	The professional membership body for UK fundraising. Can be referred to as “CIOF”, “the Institute” or “Institute of Fundraising”.
<b>Closed loop network</b>	<p>Contains independent limited businesses which works exclusively with the lead/primary fundraising agency and adhere to that agency’s policies and procedures to work alongside it on campaigns.</p> <p>These businesses are connected to the lead agency directly and have grown from within that lead agency – i.e. they are not external agencies – and are exclusive to that singular lead agency.</p>
<b>Conflict of interest</b>	A situation in which the concerns or aims of two different parties are incompatible.
<b>Contract</b>	A contract is an agreement (or promise) made between two or more parties which creates an obligation to do, or not do, something.
<b>Donation</b>	A gift of money or other property that is voluntarily given and accepted without expecting or receiving something in return.
<b>Donor</b>	A person or organisation who gives a donation to a charitable institution.
<b>Due diligence</b>	Checks made by a charitable institution to assess the risk to their reputation or finances when considering accepting a donation or working with a specific organisation or person.

<b>Fundraiser</b>	A person who asks for money or other property for a charitable institution or for charitable, benevolent or philanthropic purposes. Fundraisers may be on-behalf-of volunteers, trustees, employed by a charitable institution or employed by a fundraising partner (or its sub-contractor).
<b>Fundraising</b>	Asking for money or other property for charitable, benevolent or philanthropic purposes.
<b>Fundraising agency</b>	An organisation which has a formal agreement with a charitable organisation to fundraise on its behalf. Also referred to in this guidance as third-party fundraiser, lead fundraising agency or primary fundraising agency.
<b>Fundraising Regulator</b>	The independent regulator of charitable fundraising in England, Wales and Northern Ireland.
<b>Monitoring</b>	Checks made by a charitable institution to make sure their fundraising partners are behaving responsibly and in line with the terms of their agreements.
<b>Office of the Scottish Charity Regulator</b>	Also known as OSCR. The independent regulator and registrar for charities in Scotland.
<b>Public Fundraising Advisory Panel</b>	Made up of representatives from 12 CIOF organisational members which engage in public fundraising. Formed in wake of the Fundraising Regulator's Market Inquiry into Sub-contracting, to provide advice and views on guidance related to public fundraising.
<b>Rolling contract</b>	A contract that continues until one or both parties decide to end it, rather than one that is fixed until a specific date.
<b>Scottish Fundraising Adjudication Panel</b>	The independent regulator of charitable fundraising in Scotland – for charities who operate only in Scotland or are primarily registered with the Office of the Scottish Charity Regulator. Its core functions are to oversee fundraising standards in Scotland and to oversee fundraising complaints in Scotland.
<b>Sub-contractor</b>	<p>A company or person who is contracted to perform services party to the original 'head' or 'primary' contract.</p> <p>In the case of face-to-face fundraising, the primary contract will be between the charitable organisation and primary agency. The primary agency may then sub-contract part of the services to other agencies. Sub-contractors may also be referred to as 'marketing companies'.</p>

## About the Chartered Institute of Fundraising

Together we are the future of fundraising. We champion our members' excellence in fundraising. We support fundraisers through professional development and education. We connect fundraisers across all sectors and skill sets to share and learn with each other. So that together we can best serve our causes and communities both now and in the future.

[ciof.org.uk](https://ciof.org.uk)

