

Policy Direction: Prohibition of Commission and/or Incentive Based Fundraising

Rationale and Relationship to Mission, Principles and Values

The Multiple Sclerosis Society of Canada (MS Society) has a long history of successful fundraising and strong relationships with donors based on ethical fundraising practises, and we wish to preserve and enhance these important practises to maintain these vital relationships.

To do this we subscribe to certain codes of ethics such as the Association of Fundraising Professionals *Code of Ethical Principles and Standards*, and the Imagine Canada *Standards Program*, both of which prohibit commission based fundraising.

Effective fundraising depends on cultivating long-term relationships with donors interested in supporting the mission of the MS Society. Finder's fees, commissions, and percentage based compensation, whether it be an individual fundraiser or a company raising funds on behalf of an organization, undermine the commitment the MS Society makes to its donors.

This type of activity can cause damage to the MS Society's reputation as it can drive potentially unethical behaviour, such as aggressive or high pressure sales tactics, or pursuit of funds that may damage relationships. These practices can damage the reputation of the organization, and potentially also create the perception that large percentages of a donation are going to fundraisers instead of directed towards the cause.

Policy Objective

The objective of this policy is to ensure that the fundraising activities carried out by the MS Society at all levels are ethical in both practice and perception. It is widely agreed within the charitable sector in Canada that commission or incentive-based fundraising is not an appropriate or ethical way to raise funds since the nature of the activity often leads to aggressive fundraising tactics.

Policy Application

The policy applies to all levels and locations of the MS Society including the national office, division offices, and chapters. This policy also applies to both staff

and volunteers of the MS Society with respect to their capacity to enter into contractual agreements with other organizations.

Authorization

The policy was first approved by the MS Society board of directors on March 1, 2008. The policy was revised and approved by the MS Society board of directors on February 26, 2015, and on September 7, 2018.

Policy Details

Contracts or employment agreements cannot contain commission-based and/or incentive-based fundraising.

Application to Staff

This policy strictly prohibits any staff member from receiving commissions or an incentive related to the revenue raised by a specific fundraising event.

Signing of Contracts

Before contracts with fundraising suppliers are signed, the MS Society has an obligation to ensure and obtain written confirmation from the supplier that the supplier itself is not engaged in commission or incentive-based activities. This is to prevent the subcontracting of commission or incentive-based fundraising within the supplier company or organization.

If any level of the MS Society enters into a contract or employment agreements that includes commission or incentive-based fundraising, that location/office will immediately cancel the contract or employment agreement and will absorb any and all costs related to the termination of the contract or employment agreement.

In addition, breach of this policy can result in an internal investigation and may result in the eventual loss of standing as a division or chapter. A breach of this policy by an employee will be considered grounds for immediate termination with cause.

Non-Application

The policy does not apply to event participants, including staff or volunteers, who receive a prize as an incentive to raise funds for the work of the MS Society. The policy does not apply to companies or service providers that charge a routine transaction fee to process funds.

Executive Champion

The MS Society's national vice-president, marketing and development, is the executive champion for the *Prohibition of Commission and/or Incentive-Based Fundraising Policy*.

Monitoring and Compliance

The MS Society's national vice-president, marketing and development, is responsible for leading the monitoring and promotion of the application and compliance of this policy in conjunction with other members of the executive team. If an investigation under the policy is initiated, the national vice-president, marketing and development will work with appropriate staff in human resources and finance departments to carry out the investigation and ensure compliance.

Related Policies, Legislation

- Association of Fundraising Professionals *Code of Ethical Principles and Standards*
- Imagine Canadas *Standards Program*

Policy Review

The policy is to be reviewed three years following approval on March 1, 2008.

Definitions:

Commission-based fundraising – Commission-based fundraising are activities, usually carried out by a for-profit company, for which the company or an individual receives a set percentage of each dollar raised on behalf of the charity.

Incentive-based fundraising – Incentive-based fundraising are activities, usually carried out by a for-profit company, for which the company or an individual receives a percentage of the net proceeds raised on behalf of the charity.