



## Rewarding your Volunteers

In the for-profit world, it is standard to determine a marketing budget by allocating 10-20% of projected gross revenue to marketing and communications. For nonprofit organizations, it's common to allocate between 5-15% of your budget to marketing, but marketing is normally not the only fundraising expense. The average cost of fundraising is considered reasonable and ethical if it is 25% or less. New donor acquisition cost is typically higher since it is more costly to acquire a new donor than to "keep" an existing donor. Many nonprofits engage in expensive special events (Golf Tournaments, Galas, Charity Auctions, etc.) for "friend raising" (new donor acquisition) which can cause this expense to exceed more than 50%. Of course, the salary and benefits of your development staff should be included in your total cost of fundraising.

The NoiseMaker Ambassador Marketing platform supports your marketing strategy and fundraising goals by unleashing your volunteer network to raise friends, funds, and awareness to advance your mission at a fraction of the typical new donor acquisition cost.

### PURPOSE OF REWARDS

The purpose is to recognize the Ambassador's investment of time, and talent (video creation, etc.) and reimburse some of their out-of-pocket expenses (smartphone, computer, data usage, software, and promotional expenses like "boosting" a post with an ad budget). It is the cost of doing business and deemed a reasonable marketing expense and because an Ambassador is a volunteer, it's called a reward.

### TYPES AND LEVELS OF REWARDS

The nonprofit organization determines the reward type and level for volunteers enrolled in the Ambassador Program so that you can control your new donor acquisition cost.

You choose your Reward Type for each NoiseMaker Campaign

**ZERO REWARD:** If you only want to use NoiseMaker for tracking activity, or if you have ambassadors who prefer to not receive rewards, you can create a Zero Reward Campaign. You can also create a rewards-based campaign(s) to give options to your ambassadors.

**FLAT-RATE REWARDS:** If your organization has a policy against percentage-based compensation, just choose the flat-rate option. You can set a single Reward amount for an entire campaign - OR you can set a Reward amount for each product (donation amount). You can also set Reward levels based on donation ranges. For example:

Donation Amount	Reward
\$25 or more	\$5
\$100 or more	\$10
\$200 or more	\$20
etc.	

**PERCENTAGE-RATE REWARDS:** Unless prohibited by policy, you may choose to reward ambassadors with this method. You can apply the same percentage to an entire campaign or assign different rates for different products (donation amounts). **The**

**maximum percentage should be 25%** to comply with the generally accepted cost of fund-raising and to be less than most alternative new donor acquisition methods.

## COMPLIANCE WITH STANDARDS OF FUNDRAISING ETHICS

The standard of practice among many Christian nonprofits is to offer a flat rate reward to their volunteers to align with their AFP, CFRE, or ECFA affiliation. The flat rate is viewed as a pay-for-performance-based compensation, such as a bonus. It is following prevailing practices within an organization and is not based on a percentage of contributions. These practices align with NoiseMaker because volunteers are not staff, nor professional marketers, fundraisers, or a third-party professional fundraising service. Transparency and donor trust are important which is why we give you full control over how to manage rewards and the language you use in your terms and conditions on your donor page.

Below is the language used on the Ambassador Program website:

As an Ambassador, we provide a REWARD every time someone donates by using your Ambassador Link!

A few important points about REWARDS:

- Rewards are not commissions
- Rewards are our way of thanking volunteers by reimbursing you for a portion of the time, talent, and any direct or indirect expenses of your promotions
- Receiving Rewards does not create any type of employment or contract work agreement
- Reward levels may vary between campaigns but are generally X% (max of 25%) or a flat-rate pay-for-performance compensation
- See Terms for Reward payment and other program details

Below are the terms and conditions located on the donation page when someone clicks on an Ambassador's link to make a donation:

### Terms and Conditions

100% of your donation may be tax deductible. Consult your tax advisor.

You learned about this nonprofit organization ("The organization") through the promotional efforts of an approved Ambassador who is a volunteer whose views and opinions may not express those of the organization. The organization may reimburse some ambassadors for their time, talent (video creation, etc.), and out-of-pocket expenses (equipment, boosting social media posts, etc.). As with all promotional methods, there is a reasonable associated cost of fundraising. The ambassador program is powered by NoiseMaker TM which receives a small fee for donation processing. Upon finalizing your donation or recurring donation, you agree to these terms and conditions and understand that the organization will pay for promotional costs and transaction fees.

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