*Please note that the Compassion Capital Fund (CCF) program is through the Office of Community Services and is separate from the Healthy Marriage Program in the Office of Family Services. These documents are to be used as references only and not as guidance from OFA.

Fee-for-Service Models

An at-a-glance reference guide

This table captures the fee-for-service models described in more detail in the "Exploring Fee-for-Service" article in this toolkit. Consider using this table in conjunction with the tools, templates, and additional resources to further explore the feasibility and applicability of fee-for-service within your organization and with your partners and/or sub-awardees.*

Fee-for-Service Models

Model	Description	Considerations	Pros	Cons
Mandatory Fee-for-Service	Request a fixed payment amount that is predetermined by a set of criteria.	- Ensure that fees are below the market rate offered by for-profit organizations. - Do some preliminary market research. - Treat it like a for-profit business. - Ensure that the fee is consistent and aligned with the mission, vision, goals and objectives, and clientele.	- Since fees are below market rate, a specific set of people that would not have otherwise used the services might use them. - It creates a new revenue stream for the organization. - Paying clients often gain feelings of self reliance and independence.	- Requiring fees might deter some current clients from using your services. - Using this model could prove to be restrictive in some grants applied for.
Requested Fee	Clients pay an amount of their choosing.	- Make sure your organization has non-coercive systems, policies, and procedures in place when collecting voluntary fees. - The fees must be perceived as voluntary by your clients. - Consider your clients and their capacity to provide payment. - The fee must be below the market of what a for-profit would charge for the service or good being acquired. - A range of costs for the product or service is established and posted.	- This method of fee-for-service offers clients a flexible range of payments, while greatly enhancing the agency's ability to generate revenue. - Some clients feel empowered by paying for services or products.	- There might be some tax and legal ramifications if not implemented properly. - Using this model might create some restrictions in applying for grants.

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		- Clients can donate towards a specific service that he/she received.		
Voluntary Fee	The organization provides the services for free but requests a donation.	- Consider your clients and their ability to provide payment. - Visual requests for payment (posters, etc.) must be in a central visible location.	- It is the least intrusive for both clients and staff. - Tax and legal liability are reduced.	- This method is the least responsive and yields the least amount of money.
Hybrid	Combined requested donations for some services while having voluntary fees for others	- Discern which services will be free and which will require a fee. - Make sure that this structure clearly defines and communicates to the staff, volunteers, and the clients which services or products are free and which ones have fees.	- This model allows for generation of revenue. - It can provide flexibility to the organization.	- The implementation of this model might be the most challenging of all the options.

Kim Klein, *Fundraising for Social Change*, 2007 Jossey-Bass, pages 209 - 215

*Contact your program specialist if you have further questions related to fee-for-service activities and compliance with Federal and OFA laws and regulations.