

Referral Fees Without Losing Trust

Idea In Short

Before you introduce a client to any paid opportunity, confirm that your professional rules permit the fee, disclose it in writing before the introduction and ask permission. Keep four decisions apart: whether the opportunity is relevant, whether you may take the fee, whether an authorized leader wants the introduction and whether the parties later agree a deal. Do not offer access to the client's records, collect samples or create urgency. After a brief, disclosure-first introduction, step back and let the client decide, and treat an informed no as a good result. Under the sponsor's program, the standard reward is 25 percent of Actual Supplier Payout, capped at \$100,000 per company, and the signed agreement controls the terms.

An adviser recommends a service. The client learns about the referral fee later and starts questioning the recommendation. Even a useful idea becomes harder to assess when the incentive was left out. Disclose consultant referral fees before the client decides whether to proceed. A payment tied to a recommendation is the clearest case of a connection that people want to know about, and the Federal Trade Commission [FTC] advises placing the disclosure as close to the recommendation as possible.¹ Some duties or professional rules may prohibit the fee altogether, and disclosure cannot cure every conflict. Where the fee is permitted, explain both why the opportunity is relevant and how you would be paid.

Artificial Intelligence [AI] data licensing is a timely test case. Many established clients hold years of support cases, customer relationship management [CRM] history, engineering records and internal documents. AI developers increasingly want exactly that kind of real-world work record, and some companies now license selected, approved records for AI training and evaluation. As their consultant, you may understand those systems well. That gives you no authority to offer what is inside them.

In short:

- Check whether a fee is permitted, disclose it before the introduction and avoid pressure
- Keep four decisions apart:
 1. is it relevant
 2. are you permitted
 3. does the client want it, and
 4. do the parties later agree a deal
- Disclose the reward before the introduction, and let the client control everything after it

Then, the core message reduces to a few lines:

- Recommend it, don't sell it
- An AI data licensing introduction can be genuinely useful to a client
- A four-question test keeps it that way
- Relevant
- Permitted
- Client decides
- A referral earns trust when the client sees the incentive, the reasoning and an easy way to decline

Is the opportunity relevant to this client

Before making introductions, obtain an approved partner account and sign the SourceX Channel Partner Agreement. Check your own contractual or professional duties, disclose the incentive and get the company's permission. A referral never authorizes access to its records. Start with the client's interests, not the fee. A first screen needs only broad facts you probably already hold:

- Peak full-time headcount, where the core fit is 50 or more and contractors are excluded
- Years in operation
- Which systems hold connected histories of work
- Where the company is based and what language its records are in
- Who is authorized to make the call

Operating, acquired and wound-down companies can all qualify, which makes the question especially relevant to restructuring and exit engagements. Do not collect customer records or samples to test the theory. If the opportunity does not fit the client's priorities right now, stop. A potential fee is never a reason to invent urgency. Equally, if you cannot name the person who would decide, you are not ready to raise it.

Four habits make up the trusted-adviser test, and they keep a referral fee from becoming a conflict:

1. **Client first:** relevance before any fee
2. **Disclose early:** before the intro, in writing
3. **Check your rules:** fiduciary and professional duties
4. **Step back:** the client controls the deal

Which four decisions should never be bundled together

Most referral trouble comes from collapsing distinct questions into a single conversation. Keep them apart:

1. **Relevant:** could this plausibly matter to the company
2. **Permitted:** are you allowed to receive this fee, and how must you disclose it
3. **Wanted:** does an authorized leader actually want the introduction
4. **Agreed:** do the company and the licensing counterparty later reach a qualifying deal on their own terms

A yes to one never settles another. An interested chief executive officer [CEO] has not approved a license. A permitted fee does not make an opportunity relevant. The permission question also carries a timing rule: the CFA Institute's standard on referral fees requires members to disclose compensation tied to a recommendation to clients and prospective clients, before a formal service agreement is signed.² The four decisions work as gates in sequence, and the sequence is a conceptual framework, not measured performance or a completed transaction.

Your credibility doesn't rest on whether the client says yes. It rests on whether they had everything they needed to decide.

How consultant referral fees are calculated

The terms below come from the SourceX program, so the signed agreement governs any real case. Consultants who quote a figure before they read those terms risk promising more than the contract delivers. Two questions matter most: what the percentage applies to, and when payment becomes due. The next two subsections answer them in that order. Both answers sit in the signed agreement, which overrides any summary in an article.

The reward formula

Under the SourceX referral program, the standard reward is 25% of Actual Supplier Payout, capped at \$100,000 cumulatively per referred company across installments, agreements, repeat licenses and renewals. The signed Channel Partner Agreement's Schedule A and any agreed addendum control the rate, base and cap. Actual Supplier Payout means compensation actually paid for selected data that reaches Closing and the qualifying completed handoff. It excludes itemized taxes and expense reimbursements, the partner reward, SourceX's fees and the Acquisition Partner's full transaction price. Unpaid estimates do not count, installments accrue as paid and the \$100,000 company cap does not reset. As a hypothetical, a client paid \$180,000 under a qualifying deal would generate a \$45,000 reward. That is the formula at work, not a forecast of what any client will earn.

Payment conditions and deadline

Explain that SourceX pays the reward separately, so it does not reduce the client's agreed compensation. A lead, meeting or signature alone earns no payable reward. Payment depends on a qualifying completed transaction and several further conditions:

- Cleared buyer funds at SourceX
- The supplier's payment
- Finance approval
- Your payment and tax details
- Lawful payment

The reward deadline is 60 calendar days after the later of the Acquisition Partner's final written, unconditional acceptance and completed handoff of the complete, validated and

approved dataset. If a condition is outstanding at the deadline, payment follows promptly once it is met, and no new 60-day period starts. This deadline is separate from the supplier's invoice timetable.

What if professional rules bind you

Accountants, lawyers, financial advisers and anyone with fiduciary, employment or contractual duties should check what applies before accepting compensation. SourceX itself tells licensed professionals to do exactly that. A commercial program cannot waive your obligations. The Association of Chartered Certified Accountants [ACCA] states that accountants and regulated firms must account to clients for commissions, referral fees and other financial benefits, and its guidance calls for written consent to retain a commission at the start of an engagement.³ If your engagement letter says nothing about third-party compensation, treat that silence as a question to raise, not as permission. Record the client's permission and your disclosed interest in whatever form your engagement requires.

What a trustworthy introduction sounds like

A good introduction is short, specific and disclosure-first. It names the relevance, the incentive and the way out in five sentences. Here is a sample:

Your service desk has close to a decade of resolved cases. A firm called SourceX licenses that kind of record for AI training, once the company approves it, and pays the company. I'd receive a referral fee if a deal completes, so factor that in. I'm not estimating a number and I'm not offering anything on your behalf. Would an introduction be useful?

Then step back. The company evaluates SourceX, controls any review and agrees its own licensing terms. Keep follow-on advisory work separate unless the client explicitly agrees to include it.

How to make sure the referral is credited

Credit goes to the first valid introduction of a new company within the 90-day attribution window when it submits a verified application. SourceX checks dated written introductions, existing applications and prior relationships. An earlier click alone does not secure credit. Earlier leads, accounts or email correspondence can make a company a duplicate. Only one partner is credited per company. A dated, written introduction therefore protects both the client and you.

What a good outcome looks like

A good outcome is an informed decision. Sometimes that is a qualifying deal and a fee that follows the program terms. Sometimes it is a clear, well-reasoned no. A client who declines after understanding the opportunity has made a useful decision. Protect that freedom as carefully as the introduction itself. An informed no is as good an outcome as a qualifying deal.

Before your next introduction, keep these points in view:

- Get approved and sign
- Then disclose the reward, ask permission and introduce one company
- Approve, then introduce
- 25% of Actual Supplier Payout
- Cap of \$100,000 per company
- Approved partners only, sign before introductions, standard 25% of Actual Supplier Payout with a \$100,000 cumulative cap per company, and conditions apply

If the fee is permitted and the fit is relevant, review the SourceX referral program and its Channel Partner Agreement before approaching the client. Obtain partner approval, sign, disclose and ask permission. Keep the client's decision independent of the work they hired you to do.

- 1FTC's endorsement guides: What people are asking
- 2Standard VI(C) Referral fees | CFA Institute
- 3Accounting to clients for commissions and referral fees

Summary

A referral fee damages trust only when the client discovers it late. Consultants who check their duties, disclose the incentive before the introduction and keep four decisions separate give clients what they need to judge a recommendation on its merits. The introduction names the relevance, the reward and an easy way to decline, and then the consultant steps back while the client evaluates the opportunity and controls any terms. A qualifying deal and a well-reasoned no are both good outcomes when the client decided with full information. Protecting that freedom matters as much as the introduction itself. A short disclosure at the start costs little compared with the doubt that a late discovery creates.