



GLOBAL GUIDES

Not-for-Profit
Sector

In the not-for-profit sector, the shift from local to global can seem very daunting with restricted budgets, limited resources or personnel and governance requirements.



Expansion into new markets and locations is an exciting step in the development towards global success. But with any organisation, the management of business responsibilities on a global scale comes with its risks and considerations. From differing laws and regulations to various immigration policies, payroll, financial obligations, and much more.

Particularly as a non-governmental organisation (NGO), the shift from local to global can seem even more

daunting with restricted budgets, limited resources or personnel and governance requirements; however, if managed correctly, taking the leap could greatly accelerate growth and the reach of your important work.

With notable clients such as WaterAid, Family For Every Child, Teach For All, and almost 50 more in the not-for-profit sector, Mauve Group can apply its extensive experience to guide you through every step of your global assignments.

Going global: the unique needs of the NGO sector

In order to grow globally, NGOs must meet the requirements of each of their new countries of operation. As laws vary from region to region, ensuring compliance without the assistance of in-country experts can be a daunting task.

As a non-profit organisation, employers must establish their legal status in the country they are expanding to and clarify their purpose within the new location. For some countries, the process is relatively straightforward; however, many NGOs will often target developing nations – where foreign entities are only accepted into the country with significant burdens. Therefore, NGOs should research the countries' regulations thoroughly before transitioning to ensure full compliance.

Additionally, operating in a foreign country adds complexity on a cultural basis. As an NGO seeking support and acceptance from the local community, organisations should embrace and respect the traditions and accepted etiquette of the area.

Operational characteristics

NGOs should further consider the operational and logistical aspects of global expansion. Whether you are employing workers already living in the foreign country or plan to move existing employees into the region, NGOs should consider all operational factors.

Resource constraints are a key operational consideration for any globally-minded NGO. Budgets are tight and must be justified to stakeholders – this means finding the most cost-effective option to facilitate international projects. HR teams at NGOs cannot afford unexpected fees or prolonged delays caused by a lack of knowledge or incorrect practices. Mismanagement of finances can be extremely serious and can lead to investigations in multiple countries if a breach has taken place. Therefore, organisation is key in ensuring a smooth overseas transition.

Within an NGO, there are many stakeholders to satisfy. Charity governance codes outline decision-making and accountability rules, and this can mean that proposals may need to pass through a number of different departments and approvals before being greenlit. This has a challenging impact on often time-sensitive global HR requirements.

NGOs must also adhere to stringent governance requirements around risk, safeguarding, anti-bribery and corruption. This may mean considerations relating to cross-border payments due to money laundering rules in their constitutions. Foreign exchange rates and associated bank charges can cause potential monetary losses if paying to local bank accounts. Charities are also responsible for ensuring they are not breaching any financial sanctions placed on individuals, organisations and countries – they need full transparency across their global operations and to carry out due-diligence on their partners to avoid breaching their legal responsibility.



Assignment-level variations

NGOs frequently have considerably varying needs at assignment level depending on the type of position to be filled. Whether the employee is an existing worker or is being hired to the project, whether they are paid or volunteer workers will bear on the type of solution recommended.

The length of assignment can also present further complexities in international hiring. Some positions may be required to support rapid, temporary responses to aid requirements, whereas other positions may necessitate individuals to be relocated overseas on development work for some years. This will have an impact on contract length and the type of contract available for the assignment, e.g. fixed term, permanent, temporary and so on.

Location-wise, it is not unusual for NGO staff to move around frequently in line with where has the greatest or most immediate need, sometimes requiring access to multiple countries within one assignment. Contracts and immigration routes will need to be planned correctly to ensure compliance.

The work of international NGOs and aid organisations can at times be dangerous. Whether carrying out their vital activities in locations of instability or conflict, or in the wake of natural or manmade disasters, workers often find themselves in hazardous environments. Staff safeguarding is therefore a paramount element in assignment planning – international security, tracking and 24-hour assistance services may be required externally if you cannot provide this in-house.

Employment legislation differs considerably from country-to-country, and it is imperative that the employer operates in adherence with that law no matter the complexity of the need. The goal of the employer should always be the same when confronted with international assignments – to facilitate the employee to work in a compliant manner, in accordance with the legislation of the location of work, in a way that meets the goals of the assignment.

Mistakes in global employment usually stem from lacking full understanding of the individual circumstances of the project at hand or applying a time or cost-saving solution that is not appropriate. As there is very rarely a “one-size fits all” approach to global mobility, take some time to weigh the situation up properly, speak to experts and ensure you have a well-rounded view beforehand. **The following questions will be helpful in gaining a better understanding:**

Location- where will the individual be located? From a duty of care and compliance viewpoint, what is the stability of that location?

Nationality- where is the individual from? This could raise further questions about visas, tax liability etc. and is therefore an important consideration.

Relationship- how is the person connected to your NGO? Is he/she a temporary hire and will he/she be offered another position with your NGO once the original project is complete?

Scope of work/ timescale involved- what type of work will the individual undertake at the planned location and for how long a period? Start and end





dates are particularly important for foreign nationals as they could determine the best immigration routes. It should be noted that even volunteers or low-paid interns may need a global mobility solution in place to carry out activities abroad.

Legal, HR and Contracts – what type of contract suits the assignment – fixed term, permanent, part-time? Is the individual considered a contractor or a full employee? If you are unsure about the legal definition of the person's role, take the 20-Factor Test to confirm – your Mauve representative can supply this. Look at local labour laws – are your HR practices and standard terms acceptable in the country of work? What does local legislation say around performance, disciplinary and termination procedures? If your charity is registered in multiple countries, you are still required to follow the laws of each country – there is no one centralised governing legislation that will override local law. Some countries require all branches to act in line with some laws of that country – for example, charities registered in England and Wales must ensure all global branches and personnel act in line with the Bribery Act 2010.

Tax, Payroll and Payments- where should they be paid? What is their salary? Are there any bonuses, rewards or expenses due? Do these align with the expected salary levels or legislated in the future country of work? Will payment for their assignment come from your organisation, a local branch or 3rd party? The possibility of fluctuating exchange

rates should be taken into account and if payments will be made to/from a local bank account, consider the logistics of this and any losses which may be incurred as a result. Where do they pay tax and SS? Are you creating any tax liabilities locally through your chosen solution?

Partners- does your NGO have any local partners who can assist with either advice or services? This may be a local charity partner or a third-party specialising in local hire/HR such as lawyers, accountants and so on.

Future plans- is this hire/relocation the gateway to bigger operations in the region in the future? A temporary solution may need to become more permanent further down the line; do you need to take steps to strengthen the organisation's position by establishing a branch or some other form of local entity? It could be more cost-effective to do so if operations are likely to become long-term.

Entity Types and Structure - if you are considering setting up a local charity or an overseas branch, think about the legal structure of your existing organisation and what this means for your overseas options. Can you register your charity in-country? How will you arrange the organisational structure and autonomy between the central organisation and the local offshoots? Do you need to change the scope of your organisation at home to include international practices? Is your existing entity incorporated or unincorporated – will your trustees remain at central level, or will you require trustees in each country?

Facilitating the global assignment: The method available to you to enable the assignment will depend greatly on the individual circumstances, as these may cause local employment, immigration and taxation laws to come into play. Look carefully at your answers to the questions above, seek expert advice, familiarise yourself with local laws and gauge which option is most beneficial to your assignment goals. The main routes include:

Direct Hire of the Individual- In certain circumstances, or if the charity has a local entity that can legally employ staff, it can place the individual on its own payroll and employ them directly. However, it is important to be mindful of the employment and taxation laws of the country with this type of solution. Are you set up to payroll in-country if the salary needs to be paid locally and will you incur fees by doing so? Will you need to amend the employment contract to adhere to local employment laws? In certain countries, long-term activity may prompt permanent establishment/foreign employer risks.

Payroll, HR, Contracts, Compliance, Visa and Immigration Services- A specialist company like Mauve Group can provide these services if you decide to hire the worker directly but want to ensure compliance in-country. Although you would continue to retain the liability for the employment of the worker, a company of this sort would carry out any required corporate services on your behalf, such as processing payroll, providing local contract templates and carrying out corporate immigration applications. As experts in local employment, this type of solution would mitigate risk while the NGO retains full control over the employee.

Independent Contracting- If the scope of work is for a fixed term and meets certain criteria, independent contracting is another option for an NGO. To be considered an independent contractor, the worker should generally contract to multiple clients, have their own equipment and should manage their own hours and activities. If they could be characterised as a full employee, there are heavy penalties imposed for misclassification as an independent contractor. Solutions like Agent of Record and Independent Contract Verification can ensure your contracting agreements are fully compliant.

Employer of Record- A third-party organisation specialising in global employment can provide a type of service known as Employer of Record (EoR) or global PEO. Through this solution, an NGO is able to outsource the employment of the worker to the EoR company's local entity, but still retain control over the employee's day-to-day activities. EoR companies are well versed in the local legal knowledge necessary to employ individuals and can cut-through the local red-tape on your behalf. They will take on responsibility for multiple requirements including local payroll and liaison with the authorities saving you time, expense and stress.

Consultancy Services- Global mobility organisations have the network, knowledge and resources to provide consultancy on the NGO's unique global scenarios. These expert companies can bring to light red flags and recommend best-practice options on all local operations relating to payroll, taxation, immigration, HR and employment law - reducing the likelihood of risks or penalties incurred through inexperience. Your organisation can then put this guidance into practice as it sees fit.

Local Entity Set-Up- If your operations are almost certainly going to be long-term or permanent, or there are a large number of individuals to be hired, it may be a more cost-effective route to establish a local entity. This also depends on the individual circumstance of the project and location. There are many types of entity options in each country and without full local knowledge, understanding the process can be complex – a third-party expert supplier can advise on the best option.

Mauve's NGO sector affiliates and clients

Mauve Group works in partnership with organisations such as Humentum in the US, Bond in the UK and Aidex across Europe



Mauve Group works with a broad scope of NGOs, charities and aid and development organisations around the world. Some of our headline clients include:



Teach For All



Testimonial

“WaterAid America and WaterAid UK have been working with Mauve Group for the past year and have utilised their services in the capacity of Immigration/Employment/Corporate and Individual Compliancy Consultancy. I have been very happy working with Mauve Group.

The pricing is quite reasonable. I sometimes have follow-up questions after receiving the initial report and I have never been asked to pay anything further. I have been impressed with their service and they have exceeded all expectations. I strongly recommend working with Mauve Group for your global mobility needs.”

Jill Krueger / Sr. International Reward Manager - WaterAid

For further guidance about any of the hiring options detailed above, or how we could help your NGO to expand its global operations, please contact Mauve Group.

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