

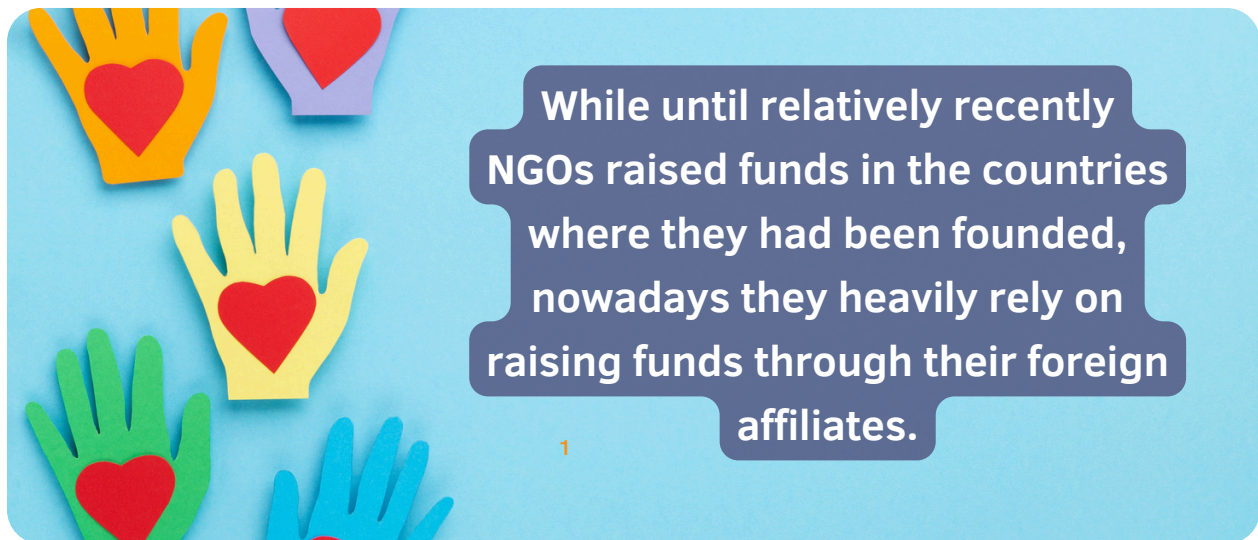


Internationalising NGOs: How Mauve can support the non- profit sector

A step-by-step guide to helping NGOs go global

WHITEPAPER | MAUVE GROUP

In the not-for-profit sector, the shift from local to global can seem daunting. Factors such as restricted budgets, limited resources and/or personnel, and governance requirements are a few examples of what most non-governmental organisations (NGOs) are working with.



However, these factors are increasingly commonplace. According to the article [‘When NGOs go global: Competition on international markets for development donations’](#) published by the Journal of International Economics, “While until relatively recently NGOs raised funds in the countries where they had been founded, nowadays they heavily rely on raising funds through their foreign affiliates.”¹

Expansion into new markets and locations is a transformational step in an NGO’s development towards global success. Often, such a roadmap supports the organisation’s chosen cause on a wider scale.

Of course, for any organisation, the management of business responsibilities at global level comes with its risks and considerations. From differing laws and regulations to various immigration policies, payroll, financial obligations, and much more, there is plenty to take into account when planning to expand into new territories.

This is particularly true for NGOs, as the move from local to global can seem even more intimidating due to limited resources. However, if managed correctly, taking the leap can greatly accelerate an NGO’s growth and reach.

With notable clients such as WaterAid, Family For Every Child, and Teach For All, among almost 50 organisations supported within the non-profit sector, Mauve Group seamlessly applies its extensive experience to guide NGOs of all sizes through every step of their global assignments.

Going global: the unique needs of the NGO sector

NGOs choose to go global for a variety of reasons, including:

Oversaturated markets - Many NGOs face oversaturated markets in their countries of origin, and so they seek to gain traction and support overseas. ²

Responding to crises - NGOs are often faced with sending employees abroad temporarily and frequently at short notice, as a timely response to attend to crises or otherwise meet the needs of their cause.

It is often necessary for NGOs to engage support in order to achieve their global assignments. Issues faced by NGOs when going global, with which a global employment solutions provider like Mauve Group can support, include:

- **Lack of resources** - Establishing entities overseas requires time and resources that are often unavailable to NGOs responding to urgent issues. They require proactive and compliant support to move workers in-country.
- **Compliance issues** - Whether the NGO is establishing an entity abroad or sending workers to certain locations for fixed periods, in order to expand internationally, NGOs must meet the legal requirements of each of their new countries of operation. As laws vary significantly from region to region, attempting total adherence without the assistance of in-country experts can be extremely complex and present a compliance minefield.
- **Legal status** - NGO employers must establish their legal status in the country they are expanding into and clarify their purpose within the new location. For some countries, the process is relatively straightforward. But often, NGOs will wish to expand into developing nations where foreign entities are only accepted on the condition of significant legal burdens. It is crucial for NGOs to thoroughly research and fully comply with the regulation demands of their desired countries, prior to the expansion process beginning.
- **Cultural differences** - It is important to consider the added complexity of a foreign culture and the accepted etiquette of a new country. As an NGO seeking support and acceptance from the local community, organisations should respect and embrace the traditions and norms of the area.

Operational characteristics

Another key area of consideration for NGOs expanding overseas, includes the operational and logistical aspects of global expansion. Whether employing workers already living in the foreign country or planning on moving existing employees into the region, NGOs should consider all operational factors.

Resource constraints



Resource constraints are a significant 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 lead to investigations in multiple countries if a breach has taken place. Therefore, organisation is key to ensuring a smooth overseas transition.

Governance



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 workflow of approvals can prove challenging when attempting to fulfil governance requirements which often come with time-sensitive global HR requirements.

NGOs must also adhere to stringent governance mandates regarding risk, safeguarding, anti-bribery, and corruption. This can call for considerations relating to cross-border payments, due to local money laundering rules. Foreign exchange rates and associated bank charges can cause potential monetary losses, if paying into local bank accounts.

Charities are also responsible for ensuring they are not breaching any financial sanctions placed on individuals, organisations, or countries. To do this, they require full transparency across their global operations and must carry out due diligence on potential partners, to avoid breaching their legal responsibilities.

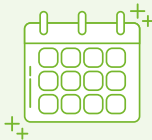
Assignment level variations

Type of assignment



- The needs of NGOs tend to vary considerably depending on the type of position required to be filled, i.e., whether the employee is being hired in-country for the purpose of filling the role, or whether an existing worker is being seconded abroad.
- Whether they are a salaried staff member or volunteer, will also impact the recommended global employment solutions.

Length of assignment



- NGOs must keep in mind the length of an assignment, in light of hiring internationally. Workers may need to be urgently (and temporarily) posted abroad, to address crises such as natural disasters or outbreaks of conflict.
- In other circumstances, employees will work overseas for sustained periods of time. Varying timelines will have an impact on the contract type and length required, e.g., fixed-term, temporary, etc.

Location



- In terms of location, it is common for NGO staff to move around frequently. Often, teams will need to prioritise logistics to serve areas with the greatest, most immediate need. Or at times, staff may require access to multiple countries within a single assignment.
- Contracts and immigration routes will need to be planned meticulously to ensure compliance.

Hazards



- The work of international NGOs and aid organisations can, at times, be dangerous. As stated in the paper [‘Approaches to Staff Care in NGOs’](#), “...humanitarian and development work is undertaken in insecure, and sometimes treacherous environments.” ³
- 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.
- The paper proceeds to note that, “...in a sector where one assignment/deployment flows into another, and international staff return to massively different contexts without systematic regional or headquarter debriefings, some international staff may ‘fall through the cracks,’ risking their personal health and wellbeing, and putting the organisation at risk of liability.” ³
- Staff safeguarding is, therefore, paramount every step of the assignment. International security, tracking, and 24-hour assistance services may be required externally, if the organisation cannot provide this in-house.

Key considerations



Mistakes in global employment can occur. For instance, organisations may overlook the individual circumstances that a given project demands. Or they may opt for cost-saving solutions that cut corners and, in turn, undermine the successful delivery of the project in question.

As there is rarely a ‘one-size-fits-all’ approach to global mobility, it is vital for NGOs to take time to assess the situation properly, speak to experts, and ensure a well-rounded view beforehand. The following questions can be helpful to gain 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? Are they a temporary hire and will they be offered another position with your institution once the original project is complete?

Timescale and scope

What type of work will the individual undertake at the planned location and for how long a period?

What are the commencement and completion dates?

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-time employee? If you are unsure about the legal definition of the person's role, take the 20-Factor Test to confirm. One of our Mauve Group representatives 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 a charity is registered in multiple countries, it is 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.*⁴

Tax, payroll and payments

- Where should the employee 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 a third party? The possibility of fluctuating exchange rates should be considered and if payments will be made to or 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 social security?
- 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 more significant regional operations in the future? A temporary solution may need to evolve into a permanent one 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?



Insurances required

When organising global assignments, you should consider what insurances may be required to cover your workers and organisation when operating abroad.

Some insurance options that should be considered include:



General Liability Insurance: this protects against claims of bodily injury or property damage that occur on the NGO's premises or as a result of its operations.

Directors and Officers (D&O) Liability Insurance: Covers legal costs and damages arising from wrongful acts, errors, or omissions made by the organization's directors and officers.

Property Insurance: Safeguards the NGO's physical assets, such as buildings, equipment, and supplies, against risks like fire, theft, and natural disasters.

Workers' Compensation Insurance: Provides coverage for medical expenses and lost wages for employees who are injured or become ill due to their job.

Commercial Auto Insurance: Covers vehicles owned or used by the NGO for business purposes, protecting against accidents, theft, and damage.

Kidnap and Ransom Insurance: Essential for NGOs operating in high-risk areas, this coverage handles expenses related to kidnappings, ransom negotiations, and crisis response.

Professional Liability Insurance: Also known as errors and omissions insurance, it protects against claims of negligence or inadequate work.

Cyber Liability Insurance: Covers the costs associated with data breaches and cyber-attacks, including legal fees, notification costs, and credit monitoring for affected individuals.

Facilitating the global assignment

The methods available to an organisation, to enable an assignment, will depend greatly on individual circumstances, as these will all interact differently with local employment, tax, and immigration laws.

It is important for NGOs to carefully examine their answers to the above questions, seek expert advice and guidance, become familiar with local laws and regulations, and gauge which option benefits the goals of the assignment the most.



Employer of Record - A third-party organisation specialising in global employment can provide a type of service known as Employer of Record (EoR). 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.

Global Business Expansion - If your operations are almost certainly going to be long-term or permanent, or you have a large number of individuals to hire, 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.





Global Payroll

We will advise on best practices with regards to tax compliance. Where possible, and depending on the location, we will ensure timely remittance of salaries to your workers abroad. We are dedicated to 100% compliance, and, as such, we are only able to support payroll actions that are in line with local law. Where applicable, our local experts establish in-country payroll, including employee registration with the local authorities

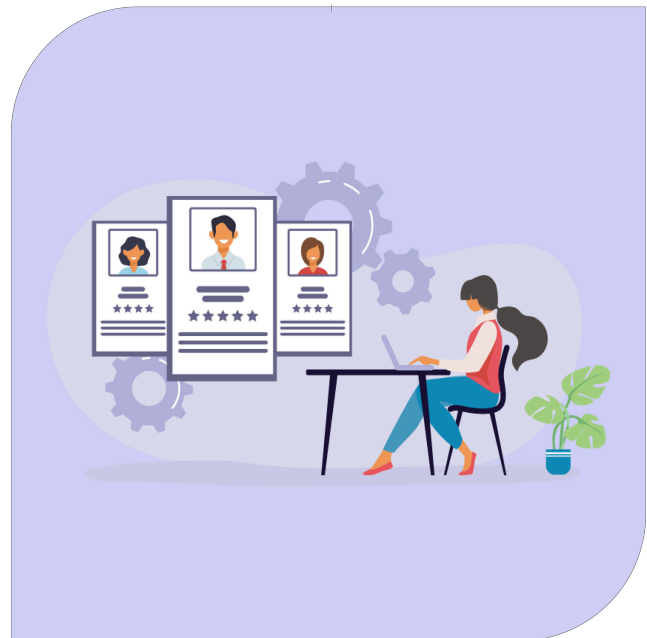
Our global payroll experts create and file comprehensive reports, as well as securely held payroll records – which are accessible at all times. Our team also keeps abreast of the latest updates to tax regulations and incentives, and, dependent on the location and local regulations, will make any necessary changes.

Global HR and Compliance

Mauve Group's Global HR team ensures that workers on the ground have 24 hour in-country support. The team can support NGOs with policies and procedures, employee handbooks, performance management, absence management, employment factsheets, global mobility guidance, and the onboarding and offboarding processes.

Our Global HR team can support NGOs with overseeing compliance, ensuring all labour practices, salaries, and contracts adhere to local regulations.

We can also help NGOs establish equitable pay structures and reward schemes for their international staff.





Global Visa and Immigration - Mauve Group's team of experts in global visa and immigration can support NGO clients to comply with visa, immigration, and residency rules in their country of expansion.

Our experts advise on the best immigration routes, and carry out corporate work permit, global visa, and residency applications. So, NGOs can trust Mauve with the efficient and compliant transfer of employees.

Independent Contractor Solutions - 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 can ensure your contracting agreements are fully compliant.



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 red flags to light and recommend best-practice options on all local operations. These can relate 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.



Testimonial

Since its inception, Mauve Group has supported many NGOs with their global mobility. One such charity is WaterAid.

WaterAid is an international non-governmental organisation, dedicated to water, sanitation, and hygiene. It was set up in 1981 as a response to the UN International Drinking Water decade.

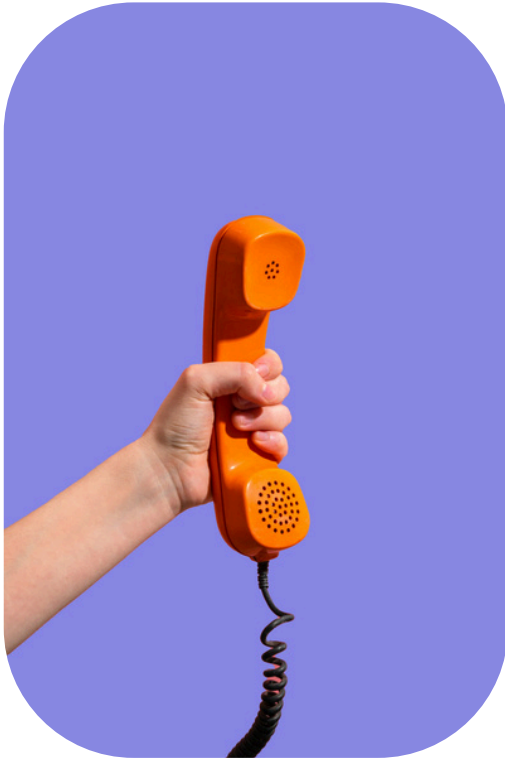
“WaterAid America and WaterAid UK have been working with Mauve Group for the past year and have utilised their services in the capacity of Immigration/Employment / Corporate and Individual Compliancy Consultancy. I have been very happy working with Mauve Group. The pricing is quite reasonable”.



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**

Get in touch



Contact Mauve today to find out how we can support your NGO or charitable organisation on the road to internationalisation.

Send us a message via the online [contact form](#) on our [website](#), and our team of experts will respond to you promptly.

With staff stationed around the world, in multiple time zones, we are ready and waiting to hear from you.

References

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