

# Strengthening Your Nonprofit

A Full Practical Guide for Leaders  
on HR Challenges, What You Can Do Yourself,  
and When to Partner with Experts

---

Combining common sector challenges with practical next steps  
and real lessons from organizations that have used outside HR support

## Introduction: The Decision in Front of You

Running a nonprofit means balancing a clear mission with limited resources. Your people carry that mission forward every day, yet many leaders find themselves stretched thin managing hiring, benefits, compliance, and staff questions while trying to grow programs and serve their community.

The question is not whether human resources matters. It is how you will support it. Some organizations try to handle everything internally. Others bring in a specialized HR partner so their core team can stay focused on the work only they can do. This guide covers the challenges nonprofits face, practical steps you can start taking right away, a composite example of how outside support helped one organization through major changes, and why partnering with an experienced HR company is often the most effective choice.

Use this as a working document. Pick one or two sections that match your current situation, try the practical steps, and use the partner criteria if you decide external help is the next move.

## The Real Challenges Nonprofits Face with People

Private-sector companies with larger budgets keep improving how they find and keep talent. Nonprofits feel the same pressures with tighter constraints. Common issues include:

**Skills over credentials.** More organizations hire based on what someone can actually do rather than degrees or years of experience. They also invest in training current staff so those people can step into larger roles. Without deliberate effort, this shift is hard to manage on a lean team.

**Remote and flexible work.** The right person for a role may not live nearby. Staff also expect flexible hours or hybrid options. Organizations that do not adapt often see higher turnover.

**Fairer hiring practices.** Unconscious bias can quietly limit who applies and who gets hired. Simple process changes help create a more diverse and equitable team without requiring large budgets.

**Changing expectations around work.** Unpaid internships have become less popular and tend to favor people who can afford to work for free. Offering a stipend or paid opportunities keeps practices competitive and fair. Contract and project-based work has also become more common.

**Limited bandwidth and rising risk.** In smaller nonprofits, one person often handles payroll, benefits, employee questions, and compliance on top of other duties. Employment laws keep changing. Mistakes cost time, money, and focus that could go to the mission.

**Growing out of current practices.** What works for a small team can become a bottleneck as you add programs or staff. Without updated systems, growth creates more headaches instead of more impact.

Recruiting and retaining staff remain persistent challenges across the sector. Many nonprofits already use external HR resources for compliance, benefits, and strategy, and most report high satisfaction when they do.

## What You Can Do Yourself to Start Making a Difference

You do not need a perfect system or a big budget to improve how your organization works with people. The key is to prioritize based on current time and money, then build consistency.

## Low-effort, high-value steps (start here)

- Review open job postings and rewrite them to emphasize skills and responsibilities rather than strict degree or experience requirements.
- Ask staff what flexibility would help most (hours, remote days, compressed schedules) and test one or two options for 60–90 days.
- Create or update a short, plain-language employee handbook covering the basics: time off, conduct, remote/hybrid expectations, and how to raise concerns.
- Standardize a simple onboarding checklist so every new person gets the same clear start (first-week tasks, key contacts, mission context).
- Post salary ranges or pay bands on open roles where possible. Transparency builds trust and reduces wasted time.

## Steps with bigger long-term impact

- Offer low-cost development: free or low-cost online courses, internal mentoring, or cross-training so people can grow into larger roles.
- Move toward structured interviews: use the same core questions for every candidate in a role and score answers the same way.
- Review how you use interns or volunteers. Consider a modest stipend or clearer learning goals so the opportunity is open to more people.
- Document key processes (how payroll is run, how benefits questions are handled, how performance conversations work) so knowledge stays when someone leaves.
- Hold short, regular check-ins with staff about workload and support needs. Small conversations prevent bigger retention issues.

## Quick prioritization checklist

- What can we finish in the next 30 days with almost no extra cost?
- Which change would most improve retention or reduce risk right now?
- Do we have one person who can own a small project, or do we need to split the work?
- What is already working that we should keep or expand?

These steps help, but they still require time, consistency, and knowledge of current rules. Many leaders find that the day-to-day work of keeping them going competes with program delivery.

## A Composite Example: Navigating Big Changes with Outside Help

Consider a small community-focused nonprofit that faced two major shifts at the same time. They needed to completely overhaul their employee benefits package, and a key director was leaving and needed to be replaced. Both changes risked disruption to daily operations and to the people who rely on the organization.

They partnered with an HR specialist firm. The firm helped them:

- Identify a new benefits provider and guide employees through open enrollment so they understood the updated options.

- Replace an outdated paper process with a self-service online portal for benefits and payroll information.
- Keep essential HR functions running smoothly during the leadership transition so interim and new leaders could focus on operations and mission work.
- Provide a direct line for employees to get answers on payroll, benefits, time off, and other questions.
- Later support updated policies, a compliant handbook, refreshed job postings, and help reorienting staff expectations after the changes.

*"The support made a real difference in keeping our team focused on the mission during a big transition. Having experienced help meant we could move forward without losing momentum."*

After the transitions, the organization had a stronger working relationship with its HR partner. Employees could manage more of their own benefits questions, and leadership could shift attention toward strategic projects that had been on hold. Payroll and benefits processes became smoother, and the partner continued to help with updated policies and supporting staff through the changes.

## Why Bringing in an HR Partner Often Makes the Most Sense

Handling people work entirely inside the organization can work for a while, especially when the team is small. As needs grow or when big changes arrive, the limitations become clearer. Partnering with a specialized HR company addresses several of those limits at once.

**Cost that matches your size.** A full-time senior HR director plus benefits can be a large fixed expense. Outsourced or fractional support lets you access experienced professionals for the level of help you actually need, often at a lower overall cost.

**Expertise that stays current.** Employment rules change frequently. A dedicated HR partner makes staying compliant part of their daily work—payroll taxes, benefits administration, leave laws, and other requirements that apply to nonprofits the same as other employers.

**Time back for your mission.** When payroll, benefits enrollment, employee questions, and routine compliance are handled by specialists, your leaders and staff can spend more energy on programs, fundraising, and community impact.

**Support during transitions.** Benefits overhauls, leadership changes, system updates, and growth periods are exactly when outside capacity and knowledge reduce risk and disruption.

**Scalability without hiring.** As you add staff or locations, the partner can expand support without you having to recruit, train, and manage additional internal HR people.

**Access to tools and processes.** Many partners bring modern systems for employee self-service, document management, and reporting so your organization does not have to build or maintain those from scratch.

In short, an HR partner handles the detailed, time-sensitive, and high-stakes parts of people operations so your organization can stay focused on the reason it exists. Many nonprofits that make this choice report smoother operations and greater confidence that their staff are supported.

## How to Decide Which Partner Is the Right Fit

Not every HR company is the same. When you evaluate options, consider how well they match your specific situation.

- Experience with nonprofits, especially organizations of similar size and type.
- Range of services that match your needs: managed payroll, benefits administration, employee support lines, policy development, compliance guidance, and strategic advice.
- Comfort with your scale. Some firms focus on mid-sized organizations; others work well with smaller groups.
- Clear communication and references from comparable clients.
- Willingness to start with an assessment of your current workflows so you can see gaps and opportunities before committing.
- Tools and processes that give employees easy access to information while keeping leadership in control of decisions.

### Questions to ask potential partners

- How have you helped organizations through a benefits change or leadership transition?
- What does a typical engagement look like in the first 90 days?
- How do employees get answers to day-to-day questions?
- What happens if we grow or need to scale services up or down?
- Can we start with a focused assessment or pilot before a larger commitment?
- How do you stay current with employment law changes that affect nonprofits?

## Moving Forward: Practical Next Steps

Start with the practical steps that fit your current capacity. Update a few job postings, clarify flexibility options, or put key processes in writing. Those actions show your team that you are paying attention and can improve retention and fairness right away.

At the same time, recognize where internal bandwidth and expertise reach their limits. When compliance, benefits, payroll, and employee support compete with program delivery, or when major changes are on the horizon, bringing in a specialized HR company is often the most practical way to protect your organization and free your leaders to lead.

### Suggested 30-day actions

- Pick one low-effort item from the list above and complete it.
- Have a short conversation with 2–3 staff members about what flexibility or support would help most.
- Review whether your current handbook or policies are clear and up to date.
- If you are considering a partner, list the two or three HR tasks that take the most time or create the most risk right now.
- Share this guide with one other leader or board member and discuss which option fits your organization best.

The organizations that handle people work well are better able to attract and keep the staff who advance the mission. Whether you strengthen internal practices, partner with experts, or do both, the goal is the same: a stable, supported team that can focus on the work that matters most.

This guide draws on common challenges facing nonprofit HR teams and lessons from organizations that have partnered with specialized HR support providers. It is intended to help leaders evaluate options and take practical next steps. It is not legal advice.