

Why Nonprofit HR Department Outsource Their Administration

To become a successful nonprofit, there are many obstacles these organizations must navigate. From attracting and retaining donors to measuring impact, managing cash flow, rising operating expenses, and more, nonprofits must strategically manage their operations to achieve efficiency. According to the [Bureau of Labor Statistics](#), nonprofit organizations employ 10.2% of all employees working in the private sector, which is 12.5 million individuals. With this many employees to manage, a nonprofit HR can easily become a concern for many organizations. Fortunately, outsourcing different aspects of HR administration can take the burden off nonprofits, allowing them to focus on their core missions. Let's explore some of the ways that a nonprofit can outsource HR.



1. Benefits Administration

There are many factors that employees weigh before accepting a job offer or deciding to seek other employment opportunities. According to the Society for Human Resource Management, [61% of employees claim that benefits improved their job satisfaction](#). The right benefits should empower employees to enjoy their personal lives, maintain and improve their health, and plan for their futures. Unfortunately, benefits administration is time-intensive and tedious.

When nonprofit HR departments choose to outsource benefits administration, there are numerous benefits. This includes ensuring HR expertise is up-to-date, maximizing efficiency, and reducing HR headcount. At the same time, a knowledgeable HRO should be able to negotiate with insurance carriers to offer better benefits packages to employees.

2. Payroll

Some companies [have the perception that keeping payroll in-house gives them more control](#). However, it is very difficult to scale and poses an increased compliance risk when compared to outsourcing. Instead, outsourcing payroll provides nonprofit HR teams with the flexibility to scale, improve compliance, reduce the time spent on payroll, and control costs.

With a reliable HR outsourcing partner, nonprofit organizations can easily scale the amount of services they need as the company grows or reduces headcount. A good HRO also possesses extensive HR expertise and keeps up to date with evolving laws and regulations to ensure that companies are always compliant when it comes to payroll. As a result, companies can better control costs, including those that could stem from non-compliance penalties.

3. HR Support

Nonprofit HR departments can create even more efficiencies when they outsource other HR services as well. This may include compliance, employee onboarding/offboarding, performance management, employee training, unemployment insurance claims, and more. These services can be customized to the unique needs of the nonprofit, ensuring they can adequately address their HR concerns. With HR support, companies can also reduce redundancies, grow quicker and smarter, and even implement new technologies that will streamline HR processes.

Outsourcing these three aspects of HR will enable nonprofits to reduce their administrative burdens, freeing up time and internal resources that can be better utilized elsewhere. Rather than spending excessive amounts of time on redundant and repetitive tasks, nonprofit HR teams can help their organizations focus on their mission.

When nonprofit organizations choose to outsource HR functions to Corban OneSource, they benefit from more than two decades of HR expertise. As a result, we are uniquely equipped to assist nonprofits that have between 75 and 6,000 employees with any aspect of HR so they can instead focus on what they do best. To learn more about Corban OneSource's HR services for nonprofits, [contact our experienced team today.](#)