

**Sharing Session on the  
Legal Health of NGOs  
Operating Lump Sum  
Grant Services**

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&**

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## **OUR MISSION**

PILnet partners with legal professionals and civil society organizations globally to protect civic space, address global challenges, and work to build just, equitable and sustainable societies.

**What is legal health?  
Why is it important?  
How to be legally healthy?**





## What is legal health?

- More than the absence of 'illness'
- Complete state of organizational well-being
- Also about being resilient and ability to face challenges
- As NGOs often hard to find the time to think about legal health or legal problems that might occur

## How to be legally healthy?

- Don't wait for problems to occur
- Think about prevention
- Adopt a risk management approach
- Do a 'check-up'



## **What is PILnet's legal health check?**

**High-level review of an NGO's structure and operations, to flag areas of potential risk.**

# Pro Bono Team

- Law firm + in-house legal team working together
- PILnet handles communication and information collection
- HKCSS will not join consultations as they may involve confidential information of NGOs
- Participating lawyers must view a training video and have an orientation call with PILnet
- The team flags areas of risk but do not provide specific legal advice or direct representation
- PILnet can help you prioritize and request legal support for any areas that are flagged

# Pro Bono Team

- NGO may or may not be asked to sign an engagement letter with the lawyers

# WHAT AREAS ARE COVERED?

1. Corporate Structure 組織架構
2. Governance 組織運作
3. Finances 財政
4. People 組織運作所牽涉人士
5. Fundraising 籌措資金
6. Communication & Media 品牌推廣、傳播、廣告宣傳及媒體
7. Programs 項目與營運
8. Worksite 辦公場所與營運
9. IT 資訊科技及系統
10. Suppliers 與供應商的交涉
11. Partners 與其他組織的合作
12. Changes & Risks 處理不確定性、轉變及風險
13. Disputes & Crises 糾紛、衝突及危機處理



# Final Report

(sample)

4. People Involved in Running the Organization				
	Sub-category	Risk	Comments	Free Resources
5	Your responsibilities towards staff	H	<ul style="list-style-type: none"><li>█ should consider adopting an employment policy and staff handbook.</li><li>No written policy regarding storage / transfer of personal data, but policy in relation to data privacy related matters / breaches has been advised by a law firm.</li></ul>	<a href="#">Employment Manual for Hong Kong NGOs</a>
6	Workplace health & safety	H	<ul style="list-style-type: none"><li>Simple meals cooked in █ office are distributed for free, without a food license. █ should seek legal advice as to possible licensing requirements, and local food safety standards.</li><li>█ to discuss fire evacuation drills with the building manager and nominate a fire safety officer among its staff and prepare evacuation routes to be followed.</li></ul>	<a href="#">Employment Manual for Hong Kong NGOs</a>
7	Payroll	L		
8	Staff entitlements	L		
9	Staff conduct	M	<ul style="list-style-type: none"><li>█ to engage a professional to formulate appropriate policies to deal with employee misconduct, outside relationship, etc. These could be covered by way of a staff handbook.</li></ul>	<a href="#">Employment Manual for Hong Kong NGOs</a>
10	The legal right to work	L		<a href="#">Anti-Money Laundering Policy Template</a>

5. Fundraising				
	Sub-category	Risk	Comments	Free Resources
1	Sources of funding	H	<ul style="list-style-type: none"><li>█ to engage professionals to prepare anti-money laundering policy and due diligence procedures (in particular, to address how to deal with anonymous donations, to ensure its donors are not subject to sanctions, and compliance with know-your-customer and anti-terrorism financing requirements).</li><li>█ to discuss with legal adviser or compliance professional as to any possible risks associated with receiving funds from anonymous donors.</li><li>█ to adopt clear policy about fundraising in line with section 88 status.</li></ul>	<a href="#">Anti-Money Laundering Policy Template</a>

## Case study

ABC NGO has just celebrated 5 years of operations in Hong Kong! They have grown rapidly, from just 1 original employee to now 20 full-time staff members, 5 volunteers, and 3 unpaid student employees.

Although they had a few staff complaints in the early days, they have put together an employee handbook, thanks to an intern who has a US paralegal certification. They are also confident about their employment contracts, which are based on high-quality internet templates.

Most of the time, they get contracts ready before a new member starts working; otherwise, they make sure they pay staff for the days they have worked before a contract is signed.

## **Case study**

In their office in an industrial building, they serve both the elderly community and children with special educational needs, providing much-needed healthcare and simple legal services.

## Case study

They have recently been reaching out to a payroll company which employs one of their board members, so they can switch from cash payments and be able to provide payslips and MPF payments.

ABC NGO is funded by the Social Welfare Department as well as individual donors, through their online crowdfunding page. They work with a finance volunteer who is a Hong Kong permanent resident but currently works overseas.

# Group Sharing

Share one problem, issue, or legal need that you or someone you know has encountered in a current or previous organization.

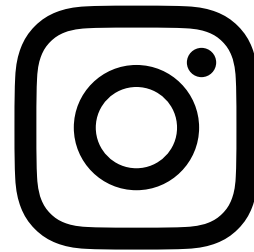
- How did it impact the organization?
- Did the organization seek legal advice?  
Was it difficult to find a lawyer?

# Thank you!

Please contact us for  
further information



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