Problems with Government Contracts and Grants

2012 Government Experience Compared to Previous Year

<table>
<thead>
<tr>
<th></th>
<th>Better</th>
<th>Same</th>
<th>Worse</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payments do not cover full cost of contracted services</td>
<td>37%</td>
<td>25%</td>
<td>38%</td>
</tr>
<tr>
<td>Complexity of/time required by application process</td>
<td>24%</td>
<td>34%</td>
<td>42%</td>
</tr>
<tr>
<td>Complexity of/time required by reporting process</td>
<td>18%</td>
<td>42%</td>
<td>41%</td>
</tr>
<tr>
<td>Government changes to contracts/grants midstream</td>
<td>37%</td>
<td>24%</td>
<td>40%</td>
</tr>
<tr>
<td>Late payments (beyond contract specifications)</td>
<td>48%</td>
<td>35%</td>
<td>17%</td>
</tr>
</tbody>
</table>

Nonprofits Reporting Limitations on Full Costs in Government Contracts and Grants

Percent of nonprofits reporting limits on program administrative/overhead
56%

Percent of nonprofits reporting limits on general administrative/overhead
61%

Contracts require matching or sharing costs
40%

Grants require matching or sharing costs
44%

Organizations Reporting Overhead Limits, by Limit Amount and Type

<table>
<thead>
<tr>
<th>Limits</th>
<th>Program overhead</th>
<th>General overhead</th>
</tr>
</thead>
<tbody>
<tr>
<td>15% +</td>
<td>12</td>
<td>11</td>
</tr>
<tr>
<td>11-15%</td>
<td>18</td>
<td>22</td>
</tr>
<tr>
<td>8-10%</td>
<td>33</td>
<td>36</td>
</tr>
<tr>
<td>4-7%</td>
<td>14</td>
<td>22</td>
</tr>
<tr>
<td>1-3%</td>
<td>7</td>
<td>7</td>
</tr>
<tr>
<td>0%</td>
<td>7</td>
<td>13</td>
</tr>
</tbody>
</table>
Overview of Nonprofit Contractors and Grantees

- Nonprofits with government contracts and grants: 1,083
- Million dollars in contracts and grants: $3,126

Average number of Government Agencies Nonprofits Worked with in 2012

- 1 agency: 33%
- 2 to 4 agencies: 41%
- 5 or more agencies: 26%

Actions Taken by Nonprofits

- Reduced number of employees: 15% (Connecticut), 26% (National)
- Reduced number of offices or program sites: 4% (Connecticut), 7% (National)
- Reduced health, retirement, or other staff benefits: 2% (Connecticut), 12% (National)
- Reduced number of people served: 7% (Connecticut), 14% (National)
- Drew on reserves: 48% (Connecticut), 42% (National)
- Borrowed funds or increased lines of credit: 11% (Connecticut), 22% (National)
- Froze or reduced employee salaries: 2% (Connecticut), 57% (National)

Financial Status of Nonprofits with Government Contracts and Grants

Expenditure Size of Nonprofits with Deficits

- $100,000 to $249,999: n/r (Connecticut), 17% (National)
- $250,000 to $999,999: 40% (Connecticut), 36% (National)
- $1 million or more: 60% (Connecticut), 48% (National)

Connecticut Nonprofits Experiencing Declines in Revenue from

- Local government agencies: 50%
- State government agencies: 39%
- Federal government agencies: 48%
- Individual donations: 36%
- Private foundations: 35%
- Corporate donations: 37%
- Investment income: 23%