Problems with Government Contracts and Grants

2012 Government Experience Compared to Previous Year

- Better: 75%
- Same: 25%

Nonprofit-Government Contracts and Grants*

Problems with Government Contracts and Grants

<table>
<thead>
<tr>
<th>PROBLEM</th>
<th>NOT A PROBLEM</th>
<th>SMALL PROBLEM</th>
<th>BIG PROBLEM</th>
<th>STATE RANK**</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payments do not cover full cost of contracted services</td>
<td>56%</td>
<td>14%</td>
<td>30%</td>
<td>38</td>
</tr>
<tr>
<td>Complexity of/time required by application process</td>
<td>36%</td>
<td>39%</td>
<td>25%</td>
<td>38</td>
</tr>
<tr>
<td>Complexity of/time required by reporting process</td>
<td>31%</td>
<td>37%</td>
<td>32%</td>
<td>31</td>
</tr>
<tr>
<td>Government changes to contracts/grants midstream</td>
<td>50%</td>
<td>34%</td>
<td>16%</td>
<td>16</td>
</tr>
<tr>
<td>Late payments (beyond contract specifications)</td>
<td>52%</td>
<td>23%</td>
<td>25%</td>
<td>13</td>
</tr>
</tbody>
</table>

Nonprofits Reporting Limitations on Full Costs in Government Contracts and Grants

- Percent of nonprofits reporting limits on program administrative/ overhead: 46%
- Percent of nonprofits reporting limits on general administrative/ overhead: 45%
- Contracts require matching or sharing costs: 26%
- Grants require matching or sharing costs: 46%
Overview of Nonprofit Contractors and Grantees

Nonprofits with government contracts and grants: 434

- Million dollars in contracts and grants: $531
- Reduced number of programs or services: 28%
- Reduced number of employees: 40%
- Reduced number of people served: 22%
- Reduced health, retirement, or other staff benefits: 43%
- Drew on reserves: 43%
- Borrowed funds or increased lines of credit: 28%
- Froze or reduced employee salaries: 20%
- Reduced number of offices or program sites: 18%
- Borrowed funds or increased lines of credit: 28%

Types of Organizations:
- Arts, culture, and humanities: 6%
- Education: 5%
- Environment and animals: 7%
- Health: 9%
- Human services: 61%
- Other: 13%

Average number of Government Agencies Nonprofits Worked with in 2012:
- 1 agency: 25%
- 2 to 4 agencies: 61%
- 5 or more agencies: 14%

Actions Taken by Nonprofits:
- Reduced number of employees: 40% (Maine: 26%)
- Reduced number of offices or program sites: 18% (Maine: 7%)
- Reduced health, retirement, or other staff benefits: 23% (Maine: 12%)
- Reduced number of people served: 22% (Maine: 14%)
- Drew on reserves: 43% (Maine: 42%)
- Borrowed funds or increased lines of credit: 28% (Maine: 22%)
- Froze or reduced employee salaries: 20% (Maine: 53%)
- Reduced number of offices or program sites: 12% (Maine: 11%)

Financial Status of Nonprofits with Government Contracts and Grants

Expenditure Size of Nonprofits with Deficits:
- $100,000 to $249,999: 32% (Maine: 17%)
- $250,000 to $999,999: 36% (Maine: 20%)
- $1 million or more: 48% (Maine: 48%)

Maine Nonprofits Experiencing Declines in Revenue from:
- Local government agencies: 49% (Maine: 62%)
- State government agencies: 33% (Maine: 48%)
- Federal government agencies: 33% (Maine: 48%)
- Individual donations: 14% (Maine: 31%)
- Private foundations: 23% (Maine: 31%)
- Corporate donations: 23% (Maine: 31%)
- Investment income: 31% (Maine: 31%)