Problems with Government Contracts and Grants

2012 Government Experience Compared to Previous Year

- Better: 9%
- Same: 71%
- Worse: 20%

Nonprofits Reporting Limitations on Full Costs in Government Contracts and Grants

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### 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>53%</td>
<td>29%</td>
<td>18%</td>
<td>33</td>
</tr>
<tr>
<td>Complexity of/time required by application process</td>
<td>44%</td>
<td>32%</td>
<td>24%</td>
<td>47</td>
</tr>
<tr>
<td>Complexity of/time required by reporting process</td>
<td>36%</td>
<td>46%</td>
<td>18%</td>
<td>39</td>
</tr>
<tr>
<td>Government changes to contracts/grants midstream</td>
<td>73%</td>
<td>23%</td>
<td>4%</td>
<td>47</td>
</tr>
<tr>
<td>Late payments (beyond contract specifications)</td>
<td>70%</td>
<td>16%</td>
<td>14%</td>
<td>44</td>
</tr>
</tbody>
</table>

### Nonprofits Reporting Limitations on Full Costs in Government Contracts and Grants

- Percent of nonprofits reporting limits on program administrative/overhead: 44%
- Percent of nonprofits reporting limits on general administrative/overhead: 36%
- Contracts require matching or sharing costs: 22%
- Grants require matching or sharing costs: 54%
Overview of Nonprofit Contractors and Grantees

Nonprofits with government contracts and grants: 770
Million dollars in contracts and grants: $1,366

Types of Organizations:
- Arts, culture, and humanities: 26%
- Education: 4%
- Environment and animals: n/r
- Health: 12%
- Human services: 51%
- Other: 7%

Average number of Government Agencies Nonprofits Worked with in 2012:
- 1 agency: 35%
- 2 to 4 agencies: 57%
- 5 or more agencies: 8%

Actions Taken by Nonprofits:

<table>
<thead>
<tr>
<th>Action</th>
<th>South Carolina</th>
<th>National</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reduced number of employees</td>
<td>32%</td>
<td>26%</td>
</tr>
<tr>
<td>Reduced number of offices or program sites</td>
<td>9%</td>
<td>7%</td>
</tr>
<tr>
<td>Reduced health, retirement, or other staff benefits</td>
<td>3%</td>
<td>12%</td>
</tr>
<tr>
<td>Drew on reserves</td>
<td>32%</td>
<td>42%</td>
</tr>
<tr>
<td>Borrowed funds or increased lines of credit</td>
<td>24%</td>
<td>22%</td>
</tr>
<tr>
<td>Reduced number of programs or services</td>
<td>12%</td>
<td>11%</td>
</tr>
<tr>
<td>Froze or reduced employee salaries</td>
<td>71%</td>
<td>53%</td>
</tr>
</tbody>
</table>

Financial Status of Nonprofits with Government Contracts and Grants

Expenditure Size of Nonprofits with Deficits:
- $100,000 to $249,999: 35%
- $250,000 to $999,999: 34%
- $1 million or more: 31%

South Carolina Nonprofits Experiencing Declines in Revenue from:
- Local government agencies: 35%
- State government agencies: 40%
- Federal government agencies: 53%
- Individual donations: 50%
- Private foundations: 30%
- Corporate donations: 35%
- Investment income: 47%