Problems with Government Contracts and Grants

2012 Government Experience Compared to Previous Year

<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>54%</td>
<td>20%</td>
<td>26%</td>
<td>36</td>
</tr>
<tr>
<td>Complexity of/time required by application process</td>
<td>30%</td>
<td>38%</td>
<td>32%</td>
<td>22</td>
</tr>
<tr>
<td>Complexity of/time required by reporting process</td>
<td>26%</td>
<td>46%</td>
<td>28%</td>
<td>14</td>
</tr>
<tr>
<td>Government changes to contracts/grants midstream</td>
<td>47%</td>
<td>11%</td>
<td>41%</td>
<td>10</td>
</tr>
<tr>
<td>Late payments (beyond contract specifications)</td>
<td>68%</td>
<td>22%</td>
<td>10%</td>
<td>40</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: 52%
- Contracts require matching or sharing costs: 16%
- Grants require matching or sharing costs: 66%

Organizations Reporting Overhead Limits, by Limit Amount and Type***

- Limits: 0-1% (n/r), 1-3%, 4-7%, 8-10%, 11-15%, 15%
- Percent of organizations reporting limits:
  - Program overhead: 10, 18, 18, 15, 17, 27
  - General overhead: 10, 18, 18, 12, 15, 21

Kentucky
Survey Results (2012 Data)
Center on Nonprofits and Philanthropy
Overview of Nonprofit Contractors and Grantees

Nonprofits with government contracts and grants: 568

Million dollars in contracts and grants: $1,330

Types of Organizations

- Arts, culture, and humanities: 14%
- Education: n/r
- Environment and animals: 6%
- Health: 13%
- Human services: 56%
- Other: 12%

Average number of Government Agencies Nonprofits Worked with in 2012

- 1 agency: 37%
- 2 to 4 agencies: 43%
- 5 or more agencies: 20%

Actions Taken by Nonprofits

- Reduced number of employees: 30% (Kentucky), 26% (National)
- Reduced number of offices or program sites: 6% (Kentucky), 7% (National)
- Reduced health, retirement, or other staff benefits: 10% (Kentucky), 12% (National)
- Reduced number of people served: 14% (Kentucky), 14% (National)
- Drew on reserves: 43% (Kentucky), 42% (National)
- Borrowed funds or increased lines of credit: 24% (Kentucky), 22% (National)
- Reduced number of programs or services: 11% (Kentucky), 11% (National)
- Froze or reduced employee salaries: 60% (Kentucky), 53% (National)

Financial Status of Nonprofits with Government Contracts and Grants

Expenditure Size of Nonprofits with Deficits

- $100,000 to $249,999: 14% (Kentucky), 17% (National)
- $250,000 to $999,999: 36% (Kentucky), 36% (National)
- $1 million or more: 51% (Kentucky), 48% (National)

Kentucky Nonprofits Experiencing Declines in Revenue from

- Local government agencies: 52%
- State government agencies: 38%
- Federal government agencies: 51%
- Individual donations: 31%
- Private foundations: 31%
- Corporate donations: 37%
- Investment income: 36%