

VALUE NONPROFITS

FULLY FUND CONTRACTS

Government contracts dominate provider budgets but pay only 80 cents on the dollar of true program costs. Underfunded contract rates drive low staff salary rates (see #JustPay) and endanger nonprofit fiscal health and service quality.

PAY CONTRACTS ON TIME

- Nonprofits wait longer than any other city vendors for their contracts to be registered.
- In 2020, 70% of organizations reported a delayed payment from the City.
- The average value of delayed payments from the City was \$8,025,000.
- Late contract registration and payments force nonprofits to rely on lines of credit, with interest the City will not reimburse.

ENGAGE NONPROFITS IN POLICY, PROGRAM & FUNDING DECISIONS.

Recent examples of lack of engagement include:

- **Local Law 87, Labor Peace Agreements:** Intended to allow unions to organize nonprofit workers, this law and its implementation are both unclear because the process did not involve nonprofits.
- **Indirect Cost Rates (ICR):** The City spent years developing a system to pay nonprofits the true costs of running their programs, some of which had ICR's of 2%. But because nonprofits were not fully consulted, the program resulted in numerous nonprofits losing money.

